

Aubrey Dunn COMMISSIONER

State of New Mexico Commissioner of Public Lands

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COMMISSIONER'S OFFICE

Phone (505) 827-5760 Fax (505) 827-5766 www.nmstatelands.org

Legacy Reserves ATTN: Mr. D. Patrick Darden PO Box 10848 Midland, TX 79702

August 7, 2018

Re: Lea Unit Paying Quantities Determination Lea Unit #62H Bone Spring Formation Lea County, NM

Dear Mr. Darden:

We are in receipt of Legacy Reserves' letter of January 18, 2018, and accompanying data for determining production in paying quantities for the above referenced well. We have also received the Bureau of Land Management's letter dated June 20, 2018, in which the BLM determined the above referenced well as commercial for the Lea Unit.

Please be advised that the New Mexico State Land Office concurs with the BLM that the referenced well is capable of producing unitized substances in paying quantities from the Bone Spring Formation:

Well Name & Number	Location	Pool/Formation	Completion Date	NM State Land Office Determination
Lea Unit #62H API # 30-025-43247	19-20S-35E	WC-025 G-08 S203506D; Bone Spring (97983) Lea; Bone Spring, South (37580)	4/27/2017	Commercial

If you have any questions or if we may be of further assistance, please contact Units Manager Marilyn Gruebel at 505.827.5791 or mgruebel@slo.state.nm.us.

Respectfully MISSIONER OF PUBLIC LANDS AD/m OCD -Attn: Mr. Daniel Sanchez SLO RMD - Attn: Mr. Roddy Martinez

SLO RMD – Attn: Mr. Roddy Martinez BLM CFO – Attn: Mr. Chris Walls SLO OGMD Well Designation Coordinator Units Reader Files