| Form 3160-5 (August 2007) | UNITED STAT | | F O | ORM APPROVED MB NO. 1004-0135 | | | |
|---|--|---|--|-------------------------------------|--|--|--|
| s I and a second | BUREAU OF LAND MAN | AGEMENT | 5. Lease Serial | | | | |
| Do not us | DRY NOTICES AND REP se this form for proposals t | o drill or to re-enter an | NMNM110 | 0829 lottee or Tribe Name | | | |
| abandone | d well. Use form 3160-3 (A | PD) for such proposals. | | | | | |
| SUBMIT IN | N TRIPLICATE - Other instru | uctions on reverse side. | 7. If Unit or CA | Agreement, Name and/or No. | | | |
| 1. Type of Well ☑ Oil Well □ Gas Well | F Other | · · · · · · · · · · · · · · · · · · · | 8. Well Name a BROWNING | nd No. G FEDERAL COM 2H | | | |
| 2. Name of Operator LEGEND NATURAL GA | Contact: | JENNIFER ELROD | 9. API Well No | I. | | | |
| 3a. Address 15021 KATY FREEWAY HOUSTON, TX 77094 | le) 10. Field and P WILLOW I | 10. Field and Pool, or Exploratory WILLOW LAKE;BONE SPRING,N | | | | | |
| | Sec., T., R., M., or Survey Description | on) | 11. County or F | | | | |
| Sec 20 T24S R28E 150F | FNL 1279FWL | • | EDDY CO | UNTY, NM | | | |
| <u> </u> | | | | | | | |
| 12. CHECK | APPROPRIATE BOX(ES) | TO INDICATE NATURE OF | NOTICE, REPORT, OR O | THER DATA | | | |
| TYPE OF SUBMISSION | | TYPE (| OF ACTION | FACTION | | | |
| Nation of Intent | Acidize | Deepen | Production (Start/Resur | ne) 🔲 Water Shut-Off | | | |
| Notice of Intent | Alter Casing | Fracture Treat | Reclamation | 🗖 Well Integrity | | | |
| Subsequent Report | Casing Repair | New Construction | Recomplete | 🛛 Other Change to Original | | | |
| Final Abandonment Not | | Plug and Abandon | Temporarily Abandon | PD | | | |
| | Convert to Injectio | n DPlug Back | UWater Disposal | | | | |
| determined that the site is read | ly for final inspection.) | filed only after all requirements, incl /L; Sect. 20, T-24S, R-28E, Ec | NM | OIL CONSERVATIC ARTESIA DISTRICT | | | |
| | Sect. 20, T-24S, R-28E, Edd | | | JAN 09 2015 | | | |
| | revised 3160-3, revised exhit y approved COAs | bits, and surface use plan. applies. Indradahu | el 12/27/14 | RECEIVED | | | |
| | | Ac o | epied for record | | | | |
| • | . · · · · · | | M. DOD | | | | |
| | | DAN | 1/14/15- | <i>i</i> | | | |
| | | THOS. | | | | | |
| 14. I hereby certify that the foreg | Electronic Submission For LEGEND | #255957 verified by the BLM W NATURAL GAS III, LP, sent to for processing by LINDA DENN | the Carlsbad | | | | |
| | Electronic Submission For LEGEND | NATURAL GAS III, LP, sent to for processing by LINDA DENN | the Carlsbad | | | | |
| Name(Printed/Typed) JEN | Electronic Submission For LEGEND Committed to AFMSS | NATURAL GAS III, LP, sent to for processing by LINDA DENN | the Carlsbad ISTON on 12/02/2014 () IEGULATORY ANALYST | | | | |
| Name(Printed/Typed) JEN | Electronic Submission For LEGEND Committed to AFMSS NIFER. ELROD tronic Submission) | NATURAL GAS III, LP, sent to for processing by LINDA DENN Title SR. F | the Carlsbad ISTON on 12/02/2014 () EGULATORY ANALYST /2014 | | | | |
| Name(Printed/Typed) JEN | Electronic Submission For LEGEND Committed to AFMSS NIFER. ELROD tronic Submission) | NATURAL GAS III, LP, sent to for processing by LINDA DENN Title SR. F Date 08/06 | the Carlsbad ISTON on 12/02/2014 () EGULATORY ANALYST /2014 | Dail 6 | | | |
| Name(Printed/Typed) JEN Signature (Elec | Electronic Submission For LEGEND Committed to AFMSS NIFER. ELROD tronic Submission) THIS SPACE I attached. Approval of this notice do attached. Approval of this notice do attached to requitable title to those rights in | NATURAL GAS III, LP, sent to for processing by LINDA DENN Title SR. F Date 08/06 FOR FEDERAL OR STAT | the Carlsbad ISTON on 12/02/2014 () EGULATORY ANALYST /2014 E OFFICE USE | Date 6 | | | |
| Name(Printed/Typed) JEN Signature (Elec | Electronic Submission For LEGEND Committed to AFMSS NIFER. ELROD tronic Submission) THIS SPACE I Attached. Approval of this notice dd attached. Section 1212, make i | NATURAL GAS III, LP, sent to for processing by LINDA DENN Title SR. F Date 08/06 FOR FEDERAL OR STATI | the Carlsbad ISTON on 12/02/2014 () REGULATORY ANALYST /2014 E OFFICE USE FIELD MANAGER LSBAD FIELD OFFICE | , | | | |
| Name(Printed/Typed) JEN Signature (Elec | Electronic Submission For LEGEND Committed to AFMSS NIFER. ELROD tronic Submission) THIS SPACE I Attached. Approval of this notice dd attached. Section 1212, make i | NATURAL GAS III, LP, sent to for processing by LINDA DENN Title SR. F Date 08/06 FOR FEDERAL OR STATI Des not warrant or the subject lease Title Office CAR | the Carlsbad ISTON on 12/02/2014 () REGULATORY ANALYST /2014 E OFFICE USE FIELD MANAGER LSBAD FIELD OFFICE | , | | | |
| Name(Printed/Typed) JEN Signature (Elec | Electronic Submission For LEGEND Committed to AFMSS NIFER. ELROD tronic Submission) THIS SPACE I Attached. Approval of this notice do attached. Sproval of this notice do attached. The second statements of the second file 43 U.S.C. Section 1212, make in idulent statements of representations | NATURAL GAS III, LP, sent to for processing by LINDA DENN Title SR. F Date 08/06 FOR FEDERAL OR STATI | the Carlsbad ISTON on 12/02/2014 () REGULATORY ANALYST /2014 E OFFICE USE FIELD MANAGER LSBAD FIELD OFFICE and willfully to make to any department. | nent or agency of the United | | | |



15021 Katy Freeway Suite 200 Houston, TX 77094 (281) 644-5900 Fax: (281) 644-5901 777 Main Street Suite 900 Fort Worth, TX 76102 (617) 872-7800 Fax: (617) 872-7898

June 11, 2014 Bureau of Land Management Carlsbad Field Office 620 E. Green St. Carlsbad, NM 88220

Re: Legend Natural Gaș III, LP Fort Worth Office 777 Main St. Ste. 900 Fort Worth, TX 76102

Revisions to surface location for the Browning Federal Com 2H were made in order to comply with BLM and OCD rules. Attached are the revised documents to be added to the APD packet.

Contents in the packet include:

- Revised Form 3160-3
- Revised C-102
- Revised Exhibits #1, #2, & #5
- Multi-Point Surface Use plan

If you have any questions, or if you need any more information please contact me at 817-872-7822 or jelrod@lng2.com

incerely

Jennifer Mosley Elrod Sr. Regulatory Compliance Analyst Legend Natural Gas Office: (817)872-7822 Fax: (817)872-7898

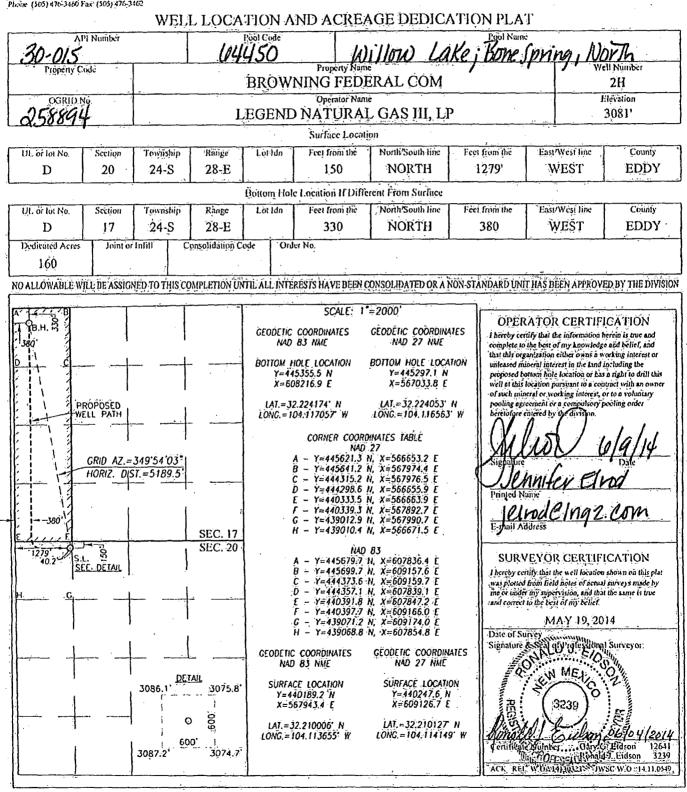
| | · ~ | | | |
|--|--|--|---|--|
| | X | | · | |
| Form 3160-3 (March 2012) | | | FORM, APŘROVED OXIB No. 1004-0137 Expires Oxtober 31, 2014 | |
| DEPARTMENT OF THE | UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT | | | |
| APPLICATION FOR PERMIT TO | D DRILL OR REENTER | 6. If Indian, Allotee | or Tribe Name | |
| la. Type of work: ZDRILL | Z DRILL ENTER | | | |
| 1b. Type of Well: Z On Well Gas Well Other | Single Zone 🔲 Multip | e Zone BROWNING FEDI 9. API Well No. | | |
| 2. Name of Operator LEGEND NATURAL GAS III, LP | | 30-015- | • | |
| 3a. Address 777 MAIN ST., STE, 900 FORT WORTH, TX 76102 | AIN ST., STE. 900 3b. Plione No. (include area code) WORTH, TX 76102 817:872-7822 | | 10. Field and Fool, or Exploratory Willow Lake; Bone Spring, North (64450) | |
| Localión of Well (Report Tocation: clearly; and in accordance with At surface 150 FNL-& 1279 FWL At proposed prod. zone .BH-330 FNL & 380 FWL | SECTION-20, T=2 | 11. Sec., T. R. M. of BIK and Survey of Area SECTION 20, T=248, R-28E - SHL SECTION 17, T-248, R-28E - BHL | | |
| 14. Distance in miles and direction from neatest town or post office APPROX 3.75 MILES WEST/SOUTHWEST OF MALAG | SA, NM | 12 County or Parish EDDY | 13. State NM | |
| Distance from proposed* 150/FNL location to nearest property or lease line; fl. (Also to nearest drig, unit line, if any) | 16. No. of acres in lease 560 acres Legend Operates 400 acres | 17. Spácing Unit dedicated to this .160 | well | |
| 18. Distance from proposed location SURFACE 30' to nearest well, dirling, completed, SURFACE 30' applied for, on this lease, n. Carellon, SURFACE Browning, Fed form 3H - 1130: Hong. | 19: Pròposed Depih 12906'MD; 7918'TVD | 20. BLM/BIA Bond No. on file NMB000525 | | |
| Browning Fcd long 3H - 1130 Hortz 21: Elevations (Show whether DF, KDB, RT, GL, etc.) | 22 Approximate date work will star | t* 23. Estimated duration | ັ້ງເມ | |
| 3081/GR | 04/01/2014 | 2 MONTHS | · | |
| · | 24. Attachments | · · · · · · · · · · · · · · · · · · · | · · · · · · · · · · · · · · · · · · · | |
| The following, confilted in accordance with the requirements of Onsl Well plat certified by a registered surveyor. A Drilling Plan. A Surface Use Plan (if the location is on National Forest Syste SUPO must be filed with the appropriate Forest Service Office). | em Lands, the 6. Such other site : | e operations unless covered by a | , , | |
| 25. stenature Uno | BLM. Name (Printed Typed) JENNIFER MOSLEY EL | ROD | Date 01/20/2014 | |
| TIC SR-REGULATORY ANALYST | • | · · | · · · · · | |
| Approved by (Signalure) | Name. (Printed Typed) | | Date | |
| Title | Onice | | ······ | |
| Application approval does not warrant or certify that the applicant he conduct operations thereon. Conditions of approval, if any, are attached. | olds legal or equitable title to those right | s in the subject lease which would | entitle the applicant to | |
| Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a States any false, fictilious or fraudulent statements or representations a | a crime for any person knowingly and w as to any matter within its jurisdiction. | illfully to make to any department | or agency of the United | |
| (Continued on page 2) | | *(Ins | tructions on page 2) | |
| | | | | |
| | | | · · | |
| | | | | |

<u>DISTRICT 1</u> iC25 K, French Dr., Hobbe, NM 88240 Miorg, 1575 393-0401 Fax-(575) 393-0720 <u>DISTRICT 11</u> All S, First SL, Artesia, NM 88210 <u>Physics</u> (1573) 748-1281 Fact (575) 748-9720 <u>OISTRICT 111</u> 1000 Rino Inazóf, Rodd Avreč, NM 87410 <u>Physics</u> (155) 334-6178 Fact (505) 734-6170 <u>DISTRICT 1V</u> 1220 S, SL, Francis Dr., Sanid Fe, NM 87505 <u>Physics</u> (1505) 476-3460 Fact (505) 476-3462

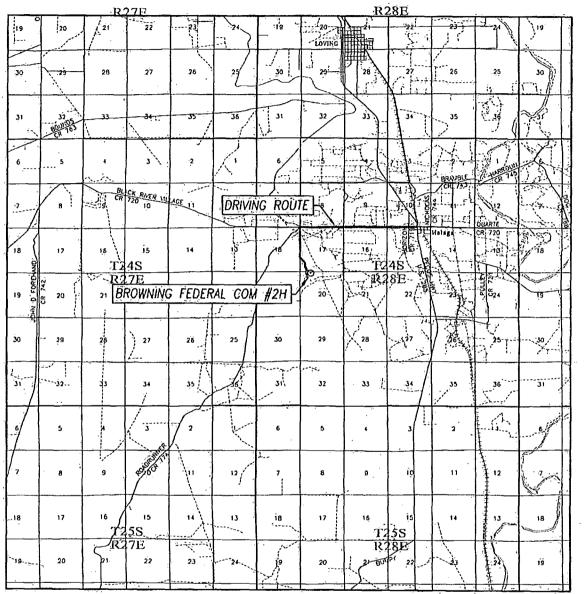
State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fc, New Mexico 87505

Form C-102 Revised August 1, 2011 Submit one copy to oppropriate District Office

DAMENDED REPORT

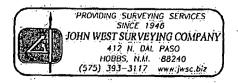


VICINITY MAP

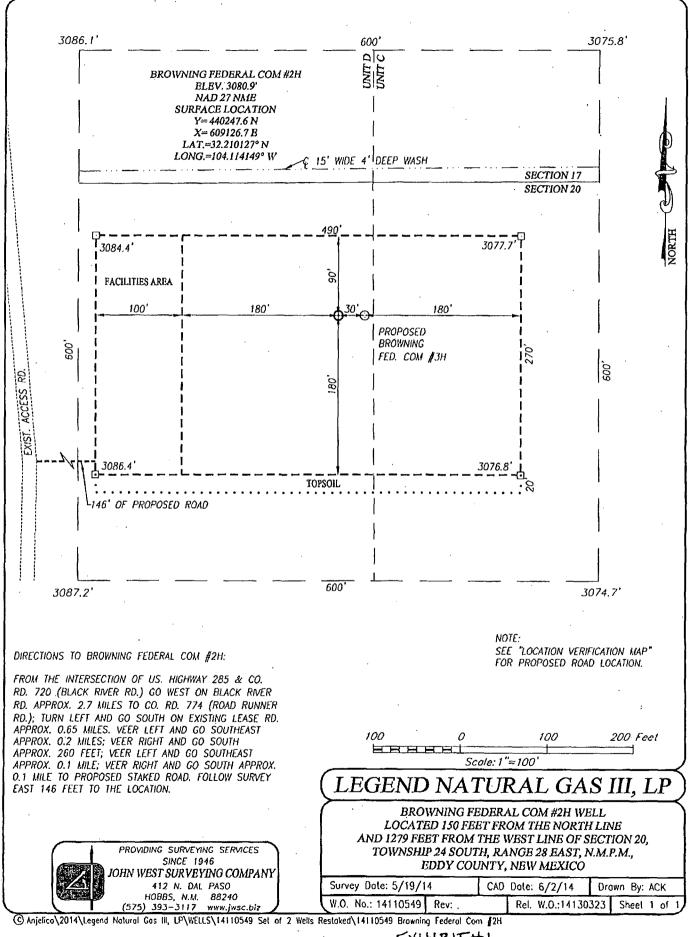


SCALE: 1" = 2 MILES DRIVING ROUTE: SEE LOCATION VERIFICATION MAP

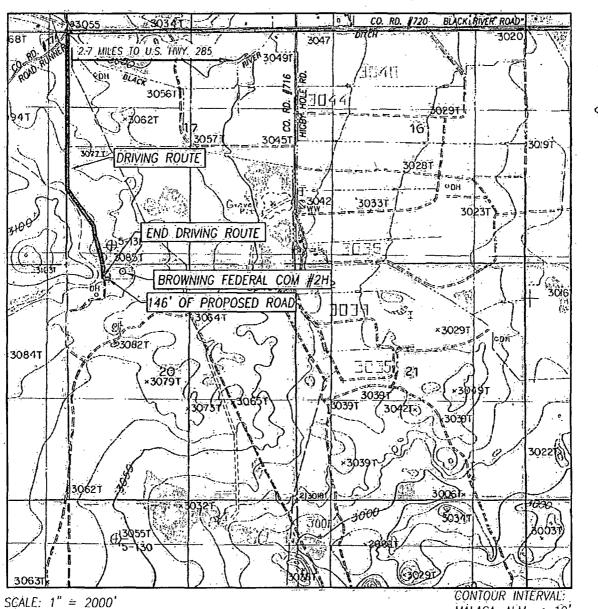
SEC. <u>20</u> TWP. <u>24–S</u> RGE. <u>28–E</u> SURVEY <u>N.M.P.M.</u> COUNTY EDDY STATE <u>NEW MEXICO</u> DESCRIPTION <u>150' FNL & 1279' FWL</u> ELEVATION <u>3081'</u> OPERATOR LEGEND NATURAL GAS III, LP LEASE <u>BROWNING FEDERAL COM</u>



NORTH



EXHIBIT#1



LOCATION VERIFICATION MAP

SEC. 20 TWP. 24-S RGE. 28-E SURVEY___ N.M.P.M. COUNTY EDDY STATE NEW MEXICO DESCRIPTION 150' ENL & 1279' FWL 3081' ELEVATION OPERATOR LEGEND NATURAL GAS III, LP LEASE BROWNING FEDERAL COM

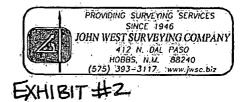
U.S.G.S. TOPOGRAPHIC MAP MALAGA, N.M.

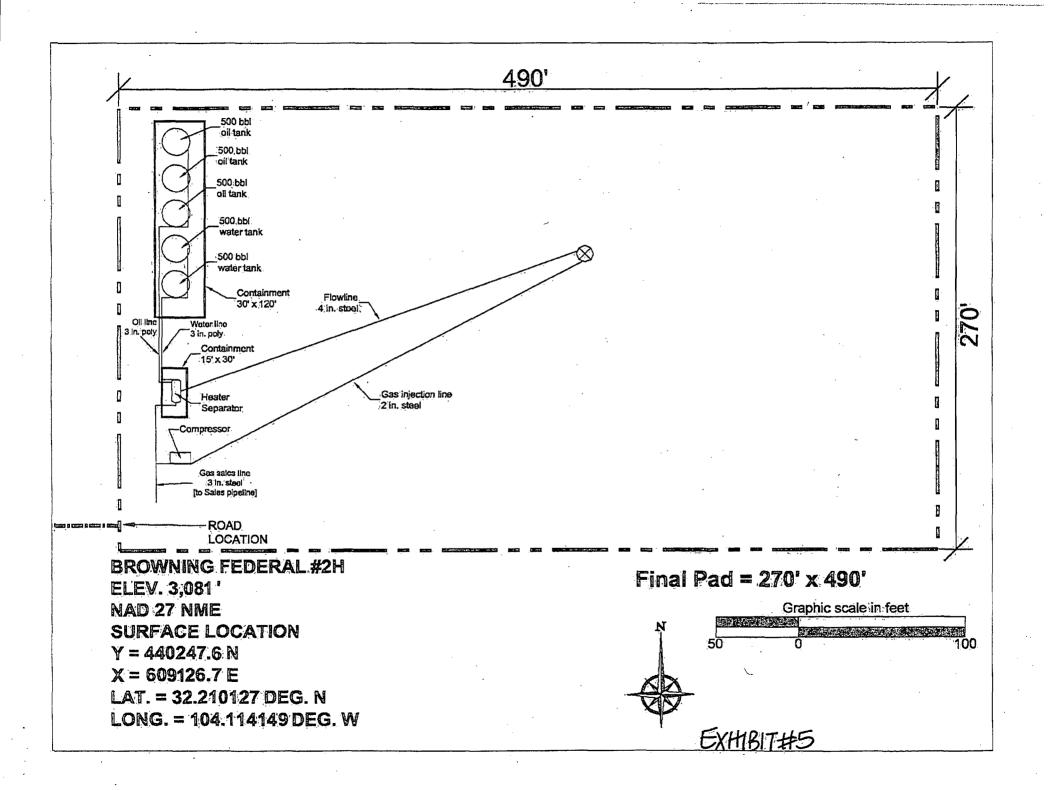
MALAGA, N.M. - 10

NORTH

DIRECTIONS TO BROWNING FEDERAL COM #2H:

FROM THE INTERSECTION OF US HIGHWAY 285 & CO. RD. 720 (BLACK RIVER RD.) GO WEST ON BLACK RIVER RD. APPROX. 2.7 MILES TO CO. RD. 774 (ROAD RUNNER RD.); TURN LEFT AND CO SOUTH ON EXISTING LEASE RD. APPROX. 0.65 MILES. VEER LEFT AND GO SOUTHEAST APPROX. 0.2 MILES; VEER RIGHT AND GO SOUTH APPROX. 260 FEET; VEER LEFT AND GO SOUTHEAST APPROX. 0.1 MILE; VEER RIGHT AND GO SOUTH APPROX. 0.1 MILE TO PROPOSED EVER RIGHT AND GO SOUTH APPROX. 0.1 MILE TO PROPOSED STAKED ROAD. FOLLOW SURVEY EAST 146 FEET TO THE LOCATION.





Legend Natural Gas III, LP Multi-Point Surface Use Plan of Operations

Browning Federal Com 2H SHL: 150 FNL & 1279 FEL BHL: 330 FNL & 380 FEL SHL: Section 20, T-24S, R-28E BHL: Section 17, T-24S, R-28E Eddy County, New Mexico

The plan is submitted with Form 3160-3, Application for Permit to Drill, covering the above described well: The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of the surface disturbance involved and the procedures to be followed in rehabilitating the surface after completion of the operations so that a complete appraisal can be made of the environmental effect associated with the operations.

- 1. Existing Roads:
 - a. The well site and elevation plat for the proposed well are reflected on the well site layout Form C-102. The well was staked by John West Surveying Company.
 - b. Exhibit #2 is a portion of a topographic map showing the well and roads in the vicinity of the location. The well site is indicated on Exhibit #2
 - Routine grading and maintenance of existing roads will be conducted as necessary to maintain their condition as long as any operations continue with this lease.
 Directions:

From the intersection of US Highway 285 & CR 720 (Black River Rd.) go west on Black River Road approx. 2.7 miles to CR 774 (Road Runner Rd.); turn left and go south on an existing lease road approx. 0.65 miles. Veer left and go southeast approximately 0.2 miles; veer right and go south approximately 260 feet; veer left and go southeast approximately 0.1 mile; this location is east approximately 480 feet. Location is approximately 3.75 miles west/southwest of Malaga, NM.

2. Planned Access Road:

Legend Natural Gas III, LP will be using existing caliche road to access the Browning Federal Com 2H well; from there, an additional 158' of caliche road will need to be constructed. Width of the road is 14' wide with a crown design. The maximum with of surface disturbance needed to construct the road is 25 feet. The road is crowned and ditched with a 2% slope from the tip of the crown to the edge of the driving surface. The ditches are 3 feet wide with 3:1 slopes.

3. Location of Existing Facilities: (Exhibit #4)

Wells within a mile radius of proposed surface-hole location include:

- Cotton Petroleum Co #1
- Ogden-8 #1
- Craft/8/#1
- James R Craft #1
- Browning Federal Com 3H (Proposed Location, Legend Natural Gas III, LP)
- Browning Federal Com 4H (Proposed Location, Legend Natural Gas III, LP)
- Browning Federal Com 5H (Proposed Location, Legend Natural Gas III, LP)
- Browning Federal Com 6H (Proposed Location, Legend Natural Gas III, LP)
- Oxy Big Spender State #1
- State 16#1
- Bypass #1HSTHL
- Oxy Bypass 16 State #1
- Carlton 17
- Enfield Federal #1
- Black Eagle Federal #1
- Browning Federal CO #1
- High Brass 2H
- High Brass Fee #1
- High Brass 3H (Proposed Location, Legend Natural Gas III, LP)
- Willow Lake 20 FED #1
- New Man Federal Com #1
- Pardue Farms/20/#1
- Pardue 19 Com #1
- Pardue 19 Com 3H (Permitted Location, Legend Natural Gas III, LP)
- Pardue 19 Federal Com 2H (Proposed Location, Legend Natural Gas III, LP)
- Congo Federal Com #1
- Rwanda Fee Com #1

4. Location of Existing and/or Proposed Facilities:

- a. In the event the well is found productive, a tank battery and other surface facilities will be constructed onsite (See Exhibit C-102 & Exhibit#5 & #6)
- b. Exhibit #3 shows the proposed pipeline route to the Browning Federal Com 4H, 5H, and 6H facility. The proposed route is 8625.0' in length, all included in section 20. 1"-6" steel, buried gas sales line with a working PSI of 150, Starting at the S/E corner of section 20 running N 3582' with a slight turn N/W 562.6' then 3730.4' W to tie-in point for Browning Federal Com 2H and 3H pad. Browning 2H & 3H pad will consist of a 750.0' 4" sales line (stated L11) tying into proposed pipeline route. Browning Federal Com 4H, 5H, and 6H will consist of a 789.8' 4" sales line (stated L14) tying into intersection point of proposed pipeline; and 1-4" poly waterline on surface with " an operating PSI of 120 or less. being more particularly described in Exhibit #3

- c. A buried flow line from the well head to the separator is proposed and will be 150' of 4" welded steel line carrying oil, gas, and water with less than 150 psi.
- d. All flow lines will adhere to API Standards
- e. An Onsite Inspection was conducted with BLM representative, Indra Dahal on **December 11, 2013** with no issues being found during the inspection.

5. Location and Types of Water Supply:

This well will be drilled using a combination of water mud systems (outlined in the Drilling Program). The water will be obtained from commercial water stations in the area and hauled to a location by transport truck using the existing and proposed roads shown in **Exhibit #2**. On occasion, water will be obtained from a pre-existing water well, running a pump directly to the drill rig. In these cases where a poly pipeline is used to transport water for drilling purposes, the existing and proposed road shown in **Exhibit #2** will be utilized.

6. Construction Materials

All caliche utilized for the drilling pad and proposed access road will be obtained from an existing pit or from prevailing deposits found under the location. All roads will be constructed of 6" rolled and compacted caliche. Where BLM recommends use of extra caliche, will obtain from other locations close by for roads, if available.

7. Methods of Handling Waste Material:

- a. All trash, junk, and other waste material will be removed from the well site within 30 days after finishing drilling and/or completion operations. All waste material will be contained in trash cages or trash bins to prevent scattering. When the job is
- completed, all contents will be removed and disposed of in an approved sanitary landfill.
- b. The supplier will pick up slats, including broken sacks, remaining after the completion of the well.
- c. A port-o-john will be provided for the rig crews. This equipment will be properly maintained during the drilling and completion operations and will be removed when all operations are complete.
- d. Disposal of fluids to be transported by an approved disposal company.

8. Ancillary Facilities:

No campsite or other facilities will be constructed as a result of this well

9. Well Site Layout:

- a. Exhibit #1 shows the proposed well site layout with dimensions of the pad layout.
- b. Mud pits in the active circulating system will be steel pits and a closed loop system will be utilized.

10. Plans for Surface Reclamation:

Surface is privately owned; per discussion with the landowner we will keep the pad the same size for future drilling and completion operations off this same pad to minimize the footprint.

11. Surface Ownership:

The surface is owned by Pardue Limited. PO Box 2018 (126 N. Canyon), Carlsbad, New Mexico 88220. Phone number is 575-887-9525. A Surface Use Agreement between Pardue Limited and Legend Natural Gas III, LP has been executed. A copy of the Multi-Point Surface Use and Operations Plan has been mailed to Pardue Limited. (See Exhibit #8 & Exhibit #9)

12. Other Information

- a. The area surrounding the well site is grassland. The vegetation is moderately sparse with native prairie grass and mesquite bushes. No wildlife was observed but is likely that deer, rabbits, coyotes, and rodents traverse the area.
- b. There is no permanent or live water in the general proximity of the location.
- c. Topsoil will be stockpiled 30' wide on the SOUTH SIDE of the location until it is needed for interim reclamation.
- d. This pad location is designated for the Browning Federal Com 2H and the Browning Federal Com 3H

13. Operator's Representatives:

Drilling: David Dunn: 817-872-7805 Drilling: Scott Zacharie: 817-872-7806 Operations: Jason Vining: 817-872-7845 Operations: Ron Dahle: 817-872-7811 Land: John McCauley: 281-644-5972 Geology: Dan Emmers: 817-872-7853 Regulatory: Jennifer Elrod: 817-872-7822 Environmental: Brad Bingham: 817-872-7808 HSE- Jody Fontenot: 817-872-7809