Form 3160-5 (March 2012)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED OMB No. 1004-0137 Expires: October 31, 2014

5. Lease Serial No NM21887

6. If Indian, Allottee or Tribe Name

nd willfully to make to any department of agency of the United States any false,

CARLSBAD FIELD OFFICE

SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

7. If Unit of CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE - Other instructions on page 2. 1. Type of Well 8. Well Name and No. Oil Well Gas Well Other Jackson Federal #2 9. API Well No. 30-015-23708 2. Name of Operator Legacy Reserves Operating LP 3a. Address 3b. Phone No. (include area code) 10. Field and Pool or Exploratory Area Grayburg Jackson; SR-Q-G-SA PO Box 10848, Midland, TX 79702 432-689-5200 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 11. County or Parish, State Eddy Co., NM 660' FSL & 660' FEL, Unit Letter P, Sec. 34, T-17-S, R-29-E 12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Water Shut-Off Acidize Deepen Production (Start/Resume) ✓ Notice of Intent Alter Casing Fracture Treat Reclamation Well Integrity Other Change of Operator New Construction Casing Repair Recomplete Subsequent Report Change Plans Plug and Abandon Temporarily Abandon Final Abandonment Notice Water Disposal Convert to Injection Plug Back 13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.) Effective 01/01/2013 COG Operating, LLC transferred operations to Legacy Reserves Operating LP. The undersigned accepts all applicable terms, conditions, stipulations and restrictions concerning operations on the lease land or portion thereof, as described above. Legacy Reserves Operating LP bond coverage pursuant to 43 CFR 3104 for lease activities is provided by BLM Bond No. NMB000394. RECEIVED JUN **2 5** 2013 SEE ATTACHED FOR **SUBJECT TO LIKE** CONDITIONS OF APPROVAL APPROVAL BY STATE NMOCD ARTESIA 14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Ernie Hanson Title Operations Manager Date 01/01/2013 Signature THIS SPACE FOR FEDERAL OR STATE OFFICE USE Approved by /s/ Jerry Blakley Title Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would Office entitle the applicant to conduct operations thereon. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly a

6/21/2013 Approved subject to Conditions of Approval. Recent Bond review. JDB

Change of Operator

Conditions of Approval

Legacy Reserves Operating LP.

- 1. Tank battery must be bermed/diked (must be able to contain 1 1/2 times the volume of the largest tank).
- 2. Submit for approval of water disposal method.
- 3. Submit updated facility diagrams as per Onshore Order #3
- 4. This agency shall be notified of any spill or discharge as required by NTL-3A.
- 5. All outstanding environmental issue must be addressed within 90 days. Contact Jim Amos for inspection and to resolve environmental issues. 575-234-5909
- 6. Install legible well sign on location with operator name, well name and number, lease number, unit number, 1/4 1/4, section, township, and range. NMOCD requires the API number on well signs.
- 7. Subject to like approval by NMOCD.
- 8. Submit plan for approval of well operations for all TA/SI wells within 90 days of this approval to change operator.
- 9. If a well is not capable of production in paying quantities submit Notice of Intent to P&A or submit documentation proving that well is capable of production in paying quantities within 90 days of approval of change of operator.