

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED  
OMB No. 1004-0137  
Expires: July 31, 2010

**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.**

**SUBMIT IN TRIPLICATE – Other instructions on page 2.**

**1. Type of Well**

☐ Oil Well ☒ Gas Well ☐ Other

**2. Name of Operator**

LEGACY RESERVES OPERATING LP

**3a. Address**

P.O. BOX 10848  
MIDLAND, TX 79702

**3b. Phone No. (include area code)**

432-689-5200

**4. Location of Well (Footage, Sec., T., R., M., or Survey Description)**

5. Lease Serial No.

6. If Indian, Allottee or Tribe Name

7. If Unit of CA/Agreement, Name and/or No.

8. Well Name and No.

9. API Well No.

10. Field and Pool or Exploratory Area

RED LAKE; QUEEN-GRAYBURG-SA

11. Country or Parish, State

EDDY, NM

**12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA**

| TYPE OF SUBMISSION                                   | TYPE OF ACTION                                |                                           |                                                    |                                                       |
|------------------------------------------------------|-----------------------------------------------|-------------------------------------------|----------------------------------------------------|-------------------------------------------------------|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize              | <input type="checkbox"/> Deepen           | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off               |
| <input type="checkbox"/> Subsequent Report           | <input type="checkbox"/> Alter Casing         | <input type="checkbox"/> Fracture Treat   | <input type="checkbox"/> Reclamation               | <input type="checkbox"/> Well Integrity               |
| <input type="checkbox"/> Final Abandonment Notice    | <input type="checkbox"/> Casing Repair        | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete                | <input checked="" type="checkbox"/> Other <u>VENT</u> |
|                                                      | <input type="checkbox"/> Change Plans         | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon       |                                                       |
|                                                      | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back        | <input type="checkbox"/> Water Disposal            |                                                       |

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 recompleat 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 recompleat 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.)

Legacy Reserves Operating LP has been notified by DCP Midstream - Artesia Plant that we are to be shut in from approximately December 1 - 9, 2010. This is a Force Majeure event for maintenance and shutdown.

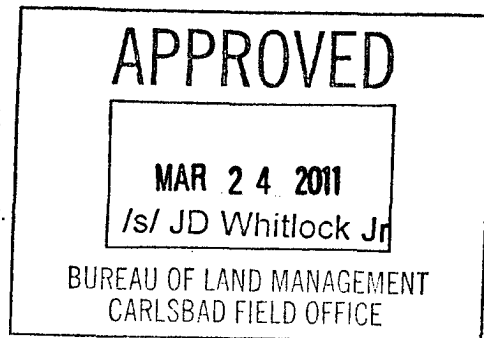
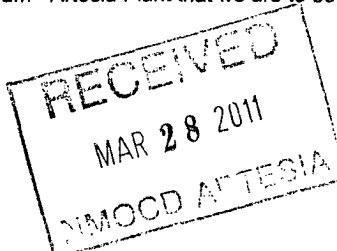
The following leases will be venting gas:

Midnight Matador - property #307858  
Midnight Matador A - property #307862 and 307859  
Midnight Matador A Federal #001Q - property #307860  
South Red Lake II Unit - property #307863

South Red Lake II Unit will flare about 18 MCF/day.

Midnight Matador, Midnight Matador A and Midnight Matador A Federal will flare about 1961 MCF/day.

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL



14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

Berry Johnson

Title Production Superintendent

Signature

Date 11/29/2010

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

Title

Date

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 entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

submit Form C-129 to NMOC D for Approval. - DJ  
3-31-11

# Associated Cases, Wells, and Facilities

| Case Number    |   | Leases / Agreements Subject to this Permit/Report |             | Status                    |      |
|----------------|---|---------------------------------------------------|-------------|---------------------------|------|
| NMLC050158     |   | Type                                              |             | HELD BY PRODUCTION-ACTUAL |      |
| NMLC055561     |   | O&G Lease - Exchange - Public Domain (PD)         |             | HELD BY PRODUCTION-ACTUAL |      |
| NMM109695X     |   | O&G Lease - Noncompetitive - PD                   |             | IN PRIMARY TERM           |      |
|                |   | O&G Secondary Unit Agreement                      |             |                           |      |
|                |   | Wells Subject to this Permit/Report               |             | Next Well Test Date       |      |
|                |   | Well Name                                         | Well Number | Sec                       | Aliq |
|                |   |                                                   |             |                           |      |
| 300153286100S1 | ✕ | MIDNIGHT MATADOR                                  | 1           | 35                        | POW  |
| 300153454700S1 | ✕ | MIDNIGHT MATADOR                                  | 3           | 35                        | POW  |
| 300153526400S1 | ✕ | MIDNIGHT MATADOR                                  | 5           | 35                        | POW  |
| 300153524000S1 | ✕ | MIDNIGHT MATADOR                                  | 6           | 35                        | POW  |
| 300153528900S1 | ✕ | MIDNIGHT MATADOR                                  | 7           | 35                        | POW  |
| 300153571300S1 | ✕ | MIDNIGHT MATADOR                                  | 9           | 35                        | POW  |
| 300153361900S1 | ✕ | MIDNIGHT MATADOR A                                | 2           | 35                        | POW  |
| 300153569700S1 | ✕ | MIDNIGHT MATADOR A                                | 3           | 35                        | POW  |
| 300150123100S2 | ✕ | MIDNIGHT MATADOR A                                | 4           | 35                        | POW  |
| 300153562000S1 | ✕ | MIDNIGHT MATADOR A                                | 5           | 35                        | POW  |
| 300152515600S2 | ✕ | MIDNIGHT MATADOR A                                | 7           | 35                        | POW  |
| 300153451100S1 | ✕ | MIDNIGHT MATADOR FED                              | 2           | 35                        | POW  |
| 300153438500S1 | ✕ | MIDNIGHT MATADOR FED                              | 1           | 35                        | POW  |
| 300150065300S1 | ✕ | S RED LAKE II UNIT                                | 1           | 35                        | POW  |
| 300150064500S1 | ✕ | S RED LAKE II UNIT                                | 25          | 35                        | POW  |
| 300150072500S1 | ✕ | S RED LAKE II UNIT                                | 32          | 35                        | POW  |
| 300150072100S1 | ✕ | S RED LAKE II UNIT                                | 34          | 35                        | POW  |
| 300150073700S1 | ✕ | S RED LAKE II UNIT                                | 36          | 2                         | POW  |
| 300152596900S1 | ✕ | S RED LAKE II UNIT                                | 38          | 2                         | POW  |
| 300150593500S1 | ✕ | S RED LAKE II UNIT                                | 47          | 36                        | POW  |
| 300153611600S1 | ✕ | S RED LAKE II UNIT                                | 51          | 36                        | POW  |
| 300153613100S1 | ✕ | S RED LAKE II UNIT                                | 57          | 36                        | POW  |
| 300153613100S1 | ✕ | S RED LAKE II UNIT                                | 59          | 36                        | POW  |

Appv. Dt.

Approvals for the First Selected Well or Facility Above  
Approval Type

Document No.

F- FAIRWAY  
H. SOURCE

Well Status Listing (4/6/2010)

| API              | WELL/UNIT NAME        | LOCATION                   | COUNTY | STATE | RESERVOIR  | RSV CAT | WI         | NRI        |
|------------------|-----------------------|----------------------------|--------|-------|------------|---------|------------|------------|
| 30-015-32861     | Midnight Matador #1   | Section 35-17S-27E, Unit H | Eddy   | NM    | San Andres | Prod    | 1.00000000 | 0.82500000 |
| 30-015-34511     | Midnight Matador #2   | Section 35-17S-27E, Unit F | Eddy   | NM    | San Andres | Prod    | 1.00000000 | 0.82500000 |
| 30-015-34547     | Midnight Matador #3   | Section 35-17S-27E, Unit C | Eddy   | NM    | San Andres | Prod    | 1.00000000 | 0.82500000 |
| 30-015-35264     | Midnight Matador #5   | Section 35-17S-27E, Unit H | Eddy   | NM    | San Andres | Prod    | 1.00000000 | 0.82500000 |
| 30-015-35240     | Midnight Matador #6   | Section 35-17S-27E, Unit F | Eddy   | NM    | San Andres | Prod    | 1.00000000 | 0.82500000 |
| 30-015-35289     | Midnight Matador #7   | Section 35-17S-27E, Unit H | Eddy   | NM    | San Andres | Prod    | 1.00000000 | 0.82500000 |
| 30-015-35713     | Midnight Matador #9   | Section 35-17S-27E, Unit C | Eddy   | NM    | San Andres | Prod    | 1.00000000 | 0.82500000 |
| SI- 30-015-00621 | Midnight Matador #10  | Section 35-17S-27E, Unit A | Eddy   | NM    | San Andres | SI      | 1.00000000 | 0.82500000 |
| 30-015-34385     | Midnight Matador A #1 | Section 35-17S-27E, Unit G | Eddy   | NM    | San Andres | Prod    | 1.00000000 | 0.85500000 |
| 30-015-35619     | Midnight Matador A #2 | Section 35-17S-27E, Unit G | Eddy   | NM    | San Andres | Prod    | 1.00000000 | 0.85500000 |
| 30-015-35697     | Midnight Matador A #3 | Section 35-17S-27E, Unit G | Eddy   | NM    | San Andres | Prod    | 1.00000000 | 0.85500000 |
| 30-015-01231     | Midnight Matador A #4 | Section 35-17S-27E, Unit B | Eddy   | NM    | San Andres | Prod    | 1.00000000 | 0.85500000 |
| 30-015-35620     | Midnight Matador A #5 | Section 35-17S-27E, Unit B | Eddy   | NM    | San Andres | Prod    | 1.00000000 | 0.85500000 |
| 30-015-25156     | Midnight Matador A #7 | Section 35-17S-27E, Unit B | Eddy   | NM    | San Andres | Prod    | 1.00000000 | 0.85500000 |
| NO 30-015-31571  | Trigg Federal #4      | Section 26-17S-27E, Unit O | Eddy   | NM    | San Andres | Prod    | 1.00000000 | 0.77500000 |

35 & 36 of 17S-27E; 1 & 2 of 18S-27E

|                  |                                 |               |      |    |          |      |            |            |
|------------------|---------------------------------|---------------|------|----|----------|------|------------|------------|
| 30-015-00653     | S RED LAKE GRAYBURG II UNIT #1  | C-36-17SW-27E | EDDY | NM | Grayburg | Prod | 1.00000000 | 0.79729477 |
| 30-015-00620     | S RED LAKE GRAYBURG II UNIT #7  | H-35-17S-27E  | EDDY | NM | Grayburg | Inj  | 1.00000000 | 0.79729477 |
| SI- 30-015-00652 | S RED LAKE GRAYBURG II UNIT #8  | E-36-17S-27E  | EDDY | NM | Grayburg | SI   | 1.00000000 | 0.79729477 |
| SI- 30-015-00664 | S RED LAKE GRAYBURG II UNIT #9  | F-36-17S-27E  | EDDY | NM | Grayburg | SI   | 1.00000000 | 0.79729477 |
| 30-015-00667     | S RED LAKE GRAYBURG II UNIT #11 | G-36-17S-27E  | EDDY | NM | Grayburg | Inj  | 1.00000000 | 0.79729477 |
| SI- 30-015-00660 | S RED LAKE GRAYBURG II UNIT #12 | F-36-17S-27E  | EDDY | NM | Grayburg | SI   | 1.00000000 | 0.79729477 |
| TA- 30-015-00658 | S RED LAKE GRAYBURG II UNIT #13 | E-36-17S-27E  | EDDY | NM | Grayburg | TA   | 1.00000000 | 0.79729477 |
| 30-015-00623     | S RED LAKE GRAYBURG II UNIT #19 | I-35-17S-27E  | EDDY | NM | Grayburg | Inj  | 1.00000000 | 0.79729477 |
| 30-015-00678     | S RED LAKE GRAYBURG II UNIT #20 | L-36-17S-27E  | EDDY | NM | Grayburg | Inj  | 1.00000000 | 0.79729477 |
| 30-015-00632     | S RED LAKE GRAYBURG II UNIT #25 | K-35-17S-27E  | EDDY | NM | Grayburg | Prod | 1.00000000 | 0.79729477 |
| TA- 30-015-00681 | S RED LAKE GRAYBURG II UNIT #27 | M-36-17S-27E  | EDDY | NM | Grayburg | TA   | 1.00000000 | 0.79729477 |
| 30-015-00683     | S RED LAKE GRAYBURG II UNIT #28 | N-36-17S-27E  | EDDY | NM | Grayburg | Inj  | 1.00000000 | 0.79729477 |
| 30-015-00634     | S RED LAKE GRAYBURG II UNIT #29 | P-35-17S-27E  | EDDY | NM | Grayburg | Inj  | 1.00000000 | 0.79729477 |
| 30-015-00645     | S RED LAKE GRAYBURG II UNIT #32 | N-35-17S-27E  | EDDY | NM | Grayburg | Prod | 1.00000000 | 0.79729477 |
| 30-015-00725     | S RED LAKE GRAYBURG II UNIT #34 | C-02-18S-27E  | EDDY | NM | Grayburg | Prod | 1.00000000 | 0.79729477 |
| 30-015-01211     | S RED LAKE GRAYBURG II UNIT #35 | B-02-18S-27E  | EDDY | NM | Grayburg | Inj  | 1.00000000 | 0.79729477 |
| 30-015-00721     | S RED LAKE GRAYBURG II UNIT #36 | A-02-18S-27E  | EDDY | NM | Grayburg | Prod | 1.00000000 | 0.79729477 |
| 30-015-00715     | S RED LAKE GRAYBURG II UNIT #37 | D-01-18S-27E  | EDDY | NM | Grayburg | Inj  | 1.00000000 | 0.79729477 |
| 30-015-00737     | S RED LAKE GRAYBURG II UNIT #38 | B-02-18S-27E  | EDDY | NM | Grayburg | Prod | 1.00000000 | 0.79729477 |
| SI- 30-015-23913 | S RED LAKE GRAYBURG II UNIT #43 | K-36-17S-27E  | EDDY | NM | Grayburg | SI   | 1.00000000 | 0.79729477 |
| 30-015-25969     | S RED LAKE GRAYBURG II UNIT #47 | F-36-17S-27E  | EDDY | NM | Grayburg | Prod | 1.00000000 | 0.79729477 |
| TA- 30-015-00675 | S RED LAKE GRAYBURG II UNIT #50 | L-36-17S-27E  | EDDY | NM | Grayburg | TA   | 1.00000000 | 0.79729477 |
| 30-015-05935     | S RED LAKE GRAYBURG II UNIT #51 | K-36-17S-27E  | EDDY | NM | Grayburg | Prod | 1.00000000 | 0.79729477 |
| TD- 30-015-35193 | S RED LAKE GRAYBURG II UNIT #52 | E-36-17S-27E  | EDDY | NM | Grayburg | TA   | 1.00000000 | 0.79729477 |
| 30-015-36116     | S RED LAKE GRAYBURG II UNIT #57 | G-36-17S-27E  | EDDY | NM | Grayburg | Prod | 1.00000000 | 0.79729477 |
| 30-015-36131     | S RED LAKE GRAYBURG II UNIT #59 | C-36-17S-27E  | EDDY | NM | Grayburg | Prod | 1.00000000 | 0.79729477 |

| Well County Summary |    |
|---------------------|----|
| Active Producers    | 24 |
| Active Injectors    | 8  |
| Shut-In             | 5  |
| Temp Abandoned      | 4  |
| Total               | 41 |

SRLU II Unit

#8 - Pull this + move to #52  
#52 - Convert to Inj.

Legacy Reserves Operating LP  
NMLC050158, NMLC055561, NMNM109695X

**Midnight Matador and S. Red Lake 11 Unit**

March 24, 2011

**Condition of Approval to Flare Gas**

1. Report all volumes on OGOR reports.
2. Comply with NTL-4A requirements
3. Subject to like approval from NMOCD — Form C-129 *DS*
4. All gas will be required to be flared, not vented
5. Flared volumes will still require payment of royalties
6. Install gas meter on vent/flare line to measure gas prior to venting/flaring operations if it is not equipped as such at this time.