



Aubrey Dunn
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

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

R2332

February 27, 2018

Legacy Reserves Operating, LP
PO Box 10848
Midland, TX 79702

RE: TERMINATION OF WESTCAP QUEEN SAND UNIT
Chaves County, NM

CERTIFIED LETTER #
7016 0340 0000 2491 4463

Our records reflect the following:

- Legacy became the operator for the Westcap Queen Sand Unit effective November 21, 2014.
- The last reported production for this unit was June 2014.

Section 23 (Effective Date and Term) of the Westcap Queen Sand Unit Agreement states the following:

The term of this agreement shall be for and during the time that Unitized Substances are produced in paying quantities from the Unit Area and so long thereafter as drilling, reworking or other operations (including secondary recovery) are prosecuted thereon without cessation of more than ninety (90) consecutive days, unless sooner terminated by Working Interest Owners in the manner hereinafter provided.

The U.S. Bureau of Land Management sent you a letter dated January 17, 2018, that also stated the terms of the unit agreement. In that letter, the BLM terminated the Westcap Queen Sand Unit.

Pursuant to Section 23 of the Unit Agreement, the Commissioner of Public Lands has terminated the Westcap Queen Sand Unit effective the same date as BLM termination (January 17, 2018).

If you have any questions or if we may be of assistance, please contact Units Manager Marilyn Gruebel at 505.827.5791.

Respectfully,

AUBREY DUNN
COMMISSIONER OF PUBLIC LANDS

AD/mg

cc: NMOCD – Attn: Mr. Daniel Sanchez

BLM Carlsbad – Attn: Mr. Chris Walls

BLM NM9200 – Attn: Ms. Adrienne Brumley

RMD – Attn: Mr. Roddy Martinez

OGMD & Units Reader Files

MAR 06 2018 AM 09:13