

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

NMOCD - ACOI 160-B

IN THE MATTER OF LEGACY RESERVES OPERATING LP,

Respondent.

**AMENDED
AGREED COMPLIANCE ORDER**

Pursuant to Ordering Paragraph 3 of Agreed Compliance Order 160, as amended (“Order”), the Director of the Oil Conservation Division (“OCD”) hereby amends that Order as follows:

FINDINGS

1. The Order requires Legacy Reserves Operating LP (“Operator”) to return to compliance with OCD Rules 703 and 201 the six wells identified in Ordering Paragraph 2 by September 30, 2007, and file a compliance report by that date.

2. The Order further provides that if Operator returns to compliance with OCD Rules 703 and 201 the six wells identified in Ordering Paragraph 2 by September 30, 2007, and files a timely compliance report, the OCD shall issue an amendment extending the terms of the Order, requiring Operator to return to compliance by March 30, 2008 the Langlie Mattix Penrose Sand Unit #331, API 30-025-10552 and five other wells identified in Exhibit A to the Order.

3. Operator filed a timely compliance report, and the OCD has verified that OCD records indicate that Operator has returned the following six wells identified in Ordering Paragraph 2 to compliance:

Langlie Mattix Penrose Sand Unit #104	30-025-23262	Injection
Langlie Mattix Penrose Sand Unit #135	30-025-10481	Injection
Langlie Mattix Penrose Sand Unit #171	30-025-23213	Injection
State Y #010	30-025-25376	Injection
Lea Unit #008	30-025-02431	Injection
Lea Unit SWD #002	30-025-28528	Injection

4. In addition, the OCD has verified that OCD records indicate that Operator has returned to compliance the following three wells identified in Exhibit A to the Order:

JM Denton #002	30-025-05276	Producer
South Justis Unit #190	30-025-31825	Injector

CONCLUSIONS

1. Operator met its goal of returning the six wells identified in Ordering Paragraph 2 to compliance by September 30, 2007, and has returned to compliance three of the wells identified in Exhibit A to the Order.

2. The OCD should amend ACOI 160 to require Operator to return to compliance by March 30, 2008 the Langlie Mattix Penrose Sand Unit #331, API 30-025-10552 and two additional wells identified in Exhibit A to the Order to meet its goal for the second period.

ORDER

1. Operator shall return to compliance by March 30, 2008 the Langlie Mattix Penrose Sand Unit #331, API 30-025-10552 and two other wells identified in Exhibit A to the Order.

2. Operator shall file a written compliance report by March 30, 2008 identifying the wells returned to compliance in the second period, identifying the wells by name and API number, and indicating how the well was returned to compliance (returned to production, injection or other beneficial use; wellbore plugged; placed on approved temporary abandonment status). The report must be mailed or e-mailed to the OCD's Compliance and Enforcement Manager so that it is received by the March 30, 2008 due date.

3. The terms of the Order otherwise remain in effect.

Done at Santa Fe, New Mexico this 24th day of July, 2007

By:



Mark Fesmire, P.E.

Director, Oil Conservation Division