

OCD-ARTESIA

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

5. Lease Serial No.
NM 100530

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – Other instructions on page 2.

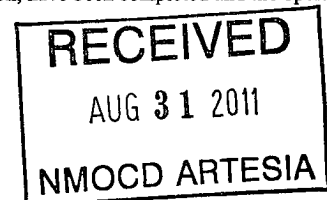
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		7. If Unit of CA/Agreement, Name and/or No. NMNM121370
2. Name of Operator LEGACY RESERVES OPERATING LP		8. Well Name and No. NIAGAGA 3 FEE COM #1H & #2H
3a. Address P.O. BOX 10848 MIDLAND, TX. 79702	3b. Phone No. (include area code) (432) 689-5200	9. API Well No. SEE BELOW
4. Location of Well (Footage, Sec., T.,R.,M., or Survey Description) SEE BELOW		10. Field and Pool or Exploratory Area GOPHER; WOLFCAMP (G)
		11. Country or Parish, State EDDY COUNTY, 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"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete
	<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
			<input type="checkbox"/> Water Shut-Off
			<input type="checkbox"/> Well Integrity
			<input checked="" type="checkbox"/> Other <u>CHANGE OF OPERATOR</u>

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 5/1/2011 EOG Resources Inc. transferred operations to Legacy Reserves Operating LP.



The undersigned accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on the leased land or portion thereof, as described below:

Niagara 3 Fee Com #1H - A-3-18S-23E - API #30-015-36237 - 760' FNL & 460' FEL
Niagara 3 Fee Com #2H - H-3-18S-23E - API #30-015-36168 - 2330' FNL & 350' FEL

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

Legacy Reserves Operating LP bond coverage pursuant to 43 CFR 3104 for lease activities is provided by BLM Bond No. NMB000394.

**Accepted for record
NMOCD**

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)
Kyle A. McGraw Title Executive Vice President - Business Development

Signature *Kyle McGraw* Date 08/04/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ Title _____ Office _____

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.



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.

**BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972**

Conditions of Approval

Legacy Reserves Operating LP—Niagara 3 Fee Com 1H & 2H

Submit Designation of Successor Operator for CA (see attached) by 9/28/11.

1. Tank battery must be bermed/diked (must be able to contain 1 1/2 times the volume of the largest tank).
2. All above ground structures and equipment on the lease shall be painted Shale Green (5Y 4/2). This is to be done within 90 days, if you have not already done so.
3. Submit for approval of water disposal method.
4. Submit updated facility diagrams as per Onshore Order #3
5. This agency shall be notified of any spill or discharge as required by NTL-3A.
6. All outstanding environmental issue must be addressed within 90 days. Contact Jim Amos for inspection and to resolve environmental issues. 575-234-5909
7. 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.
8. Subject to like approval by NMOCD.

Designation of Successor Operator for CA

Designation of successor operator, communitization agreement no. _____, covering the _____ Sec. _____, T. _____, R. _____, _____ County, _____.

This indenture, dated as to the _____ day of _____, 20____, by and between _____, hereinafter designated as "First Party," and the owners of 'communitized working interest, hereinafter designated as "Second Parties,"

Witnesseth: Whereas under the provision of section 17(j) of the Act of February 25, 1920, as amended (74 Stat. 784; 30 U.S.C. 266(J)), the Secretary of the Interior, acting by and through the Authorized Officer, on the _____ day of _____, 20____, approved communitization agreement no. _____ whereby _____ is designated as Operator of the communitized area; and

Whereas the designation of a successor operator is now desired pursuant to section No. 3 of the communitization agreement; and

Whereas the First Party has been and hereby is designated by Second Parties as Operator of the communitized area, and said First Party desires to assume all the rights, duties and obligations of Operator under said communitization;

Now, therefore, in consideration of the premises hereinbefore set forth and the promises hereinafter stated, the First Party hereby covenants and agrees to fulfill the duties and assume the obligations of Operator of the communitized area under and pursuant to all the terms of communitization agreement no. _____ and the Second Parties covenant and agree that effective as of the date herein specified (Effective date _____), and upon receipt of this indenture, properly executed, by the Authorized Officer, the First Party shall be granted the exclusive right and privilege of exercising any and all rights and privileges as Operator, pursuant to the terms and conditions of said communitization agreement, said communitization agreement being hereby incorporated herein by reference and made a part hereof as fully and effectively as though said agreement were expressly set forth in this instrument.

Operator states that they have notified all working interest owners of Communitization Agreement _____.

In witness whereof, the parties hereto have executed this instrument as of the date hereinabove set forth.

(First Party/Date)

(Witness/Date)

(Witness/Date)