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

APPLICATIONS OF LEGACY RESERVES OPERATING LP FOR A HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case Nos. 22226, 22227, 22228 & 22229

NOTICE OF CONTINUANCE

Legacy Reserves Operating LP. ("Legacy" or "Applicant"), the Applicant in the above-referenced case numbers, by and through its undersigned attorney of Beatty & Wozniak, P.C., hereby submits this Notice of Continuance ("Notice") to the New Mexico Oil Conservation Division ("Division") regarding a continuance of the hearing on the above-referenced case nos. to June 17, 2022, and further states as follows.

- 1. This matter was originally set for hearing on November 4, 2021. On October 22, 2021, Legacy filed a motion to continue the matter to the Division's December 2, 2021 hearing. The motion was granted and the matter was set for a status conference at the December 2, 2021 hearing.
- 2. On December 10, 2021, Matador Production Company ("Matador") filed a motion to consolidate Legacy's applications in Case No. 22226-22229 ("Legacy Applications") together with Matador's applications in Case Nos. 22413-22416 ("Matador Applications"). The motion was granted by Amended Pre-Hearing Order dated December 10, 2021, and the matters were set for hearing on March 3, 2022.

- 3. On February 22, 2022, Legacy filed a Notice of Withdrawal and Substitution of Counsel, whereby Holland & Hart, LLP withdrew as Matador's counsel, and Mr. James Bruce entered his appearance as Matador's counsel.
- 4. On February 23, 2022, Legacy filed a motion to continue the matter to the Division's April 21, 2022 hearing. The motion was granted and the matter was set for hearing at the April 21, 2022 hearing.
- 5. On April 14, 2022, Matador filed its Opposed Motion to Vacate, or Partially Vacate, the Amended Pre-Hearing Order ("Motion to Vacate PHO"). In its Motion to Vacate PHO, Legacy noted that Mr. Bruce "recently became the attorney for Matador" and Matador failed to notify interested parties of the Matador Applications. Accordingly, Matador requested that the Division vacate the Amended Pre-Hearing Order for both the Legacy Applications and Matador Applications, and that all of the matters be set for a scheduling conference.
- 6. On April 15, 2022, Legacy filed its Response in Opposition to Matador's Motion to Vacate PHO ("Response"). In the Response, Legacy objected to any continuance of the Legacy Applications, noting Legacy had invested substantial time, effort, and money in preparing to drill the wells at issue in the Legacy Applications, and was ready to move forward with developing such wells.
- 7. Despite Legacy's opposition to its Legacy Applications being continued, the Division suspended the Amended Pre-Hearing Order, and set the Legacy Applications and the Matador Applications for a status conference at the April 21, 2022 hearing.
- 8. At the April 21, 2022 hearing, Legacy again reiterated that it was ready to move forward with its drilling program, and requested a special hearing on the Legacy Applications at the earliest available date, being May 5, 2022 or May 19, 2022. Matador stated that it had

not yet sent notices or well elections for the Matador Applications. The Division determined that a May hearing date would not provide sufficient time for Matador to send notices and elections, and therefore determined to set a special hearing docket for June 17, 2022 in Case Nos. 22226-22229 and 22413-22416 (the Legacy Applications and the Matador Applications, respectively).

- 9. On April 21, 2022, the Division issued its Third Amended Pre-Hearing Order, reinstating the previous Amended Pre-Hearing Order, and setting the Legacy Applications and the Matador Applications for a special hearing on June 17, 2022.
- 10. On June 3, 2022, the Division notified counsel for Legacy by email that Legacy must file continuances of the Legacy Applications to June 17, 2022, or the Legacy Applications would not be heard on June 17, 2022. Legacy responded by email, stating that Matador is the proper party to file continuances, because Matador had requested the continuances, whereas Legacy objected to a continuance of the Legacy Applications from the April 21, 2022 hearings.
- 11. On June 6, 2022, the Division responded to counsel for Legacy that one or the other party must file continuances for the Legacy Applications or they will not be heard on June 17, 2022.
- 12. Legacy contacted Matador to determine if Matador would file continuances for the Legacy Applications. As of the time this Motion is being filed, Matador had not responded.
- 13. Legacy maintains its objection to any continuance of the Legacy Applications from the April 21, 2022 hearing date. The two-month delay to June 17, 2022 caused prejudice to Legacy, for no other reason than that Matador had failed to send notice of its own applications.

- 14. Nevertheless, in order to avoid a further, highly prejudicial continuance of the Legacy Applications, Legacy hereby submits the Notice of Continuance, pursuant to and in accordance with the Third Amended Pre-Hearing Order.
- 15. Legacy further requests such additional relief as the Division deems necessary in this matter, and for compliance with the Third Amended Pre-Hearing Order and the Division's regulations and policies.

DATED: June 6, 2022.

Respectfully submitted,

BEATTY & WOZNIAK, P.C.

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the forgoing was served to counsel of record by electronic mail this 6th day of June, 2022, as follows:

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