

R-1540 1823



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Wyoming State Office Reservoir Management Group
2987 Prospector Drive
Casper, Wyoming 82604-2968



AUG 20 2018 #0157

In Reply Refer To:
3186
(3186.1)
Lea Unit
NMNM70976X

AUG 13 2018

Legacy Reserves
Attn: Pat Darden
P.O. Box 10848
Midland, Texas 79702

Re: Sixth Revision to the Bone Spring Formation Participating Area
Lea Unit
Lea County, New Mexico

Gentlemen:

The sixth revision to the Bone Spring Formation Participating Area is hereby approved effective as of January 1, 2016, pursuant to Section 11 of the Lea Unit Agreement, Lea County, New Mexico.

The application enlarges the Bone Spring Formation Participating Area from 1,760.00 acres to 2,559.68 acres and is based upon the completion of unit well 54H, located in the NW $\frac{1}{4}$ NE $\frac{1}{4}$ (SHL) of Section 11, T.20S., R.34E., unit tract No. 9, Lease No. NMNM06531A, and in the SW $\frac{1}{4}$ NE $\frac{1}{4}$ (BHL) of Section 14, T.20S, R.34E, unit tract No. 12, Lease No. NMNM080262, with an initial potential of 1,156 BOPD and 1,051 MCFPD on January 12, 2016, from the Bone Spring Formation.

Copies of the approved request are being distributed to the appropriate agencies and one copy of Exhibits "A" and "B" are returned herewith. Please advise all interested parties of the approval of the sixth revision to the Bone Spring Formation Participating Area effective as of January 1, 2016.

Any production royalties that are due must be reported and paid within 30 days of the Bureau of Land Management's approval date or the payors will be assessed interest for late payment under the Federal Oil and Gas Royalty Management Act of 1982 (30 CFR 218.54). If you need assistance or clarification, please contact the Office of Natural Resources Revenue (ONRR) at 1-800-525-9167 or 303-231-3856.

If you have any questions, please call the undersigned at (307) 261-7685.

Sincerely,

/s/ J. David Chase

J. David Chase
Chief, Reservoir Management Group

1 Enclosure

Encl. 1 - Exhibits "A" and "B"

cc: NMSO, James Glover
CFO, Chris Walls
ONRR, Glen Reese
New Mexico State Land Office, Marilyn Gruebel
New Mexico Oil Conservation Division, William Jones

LEGACY RESERVES OPERATING, LP

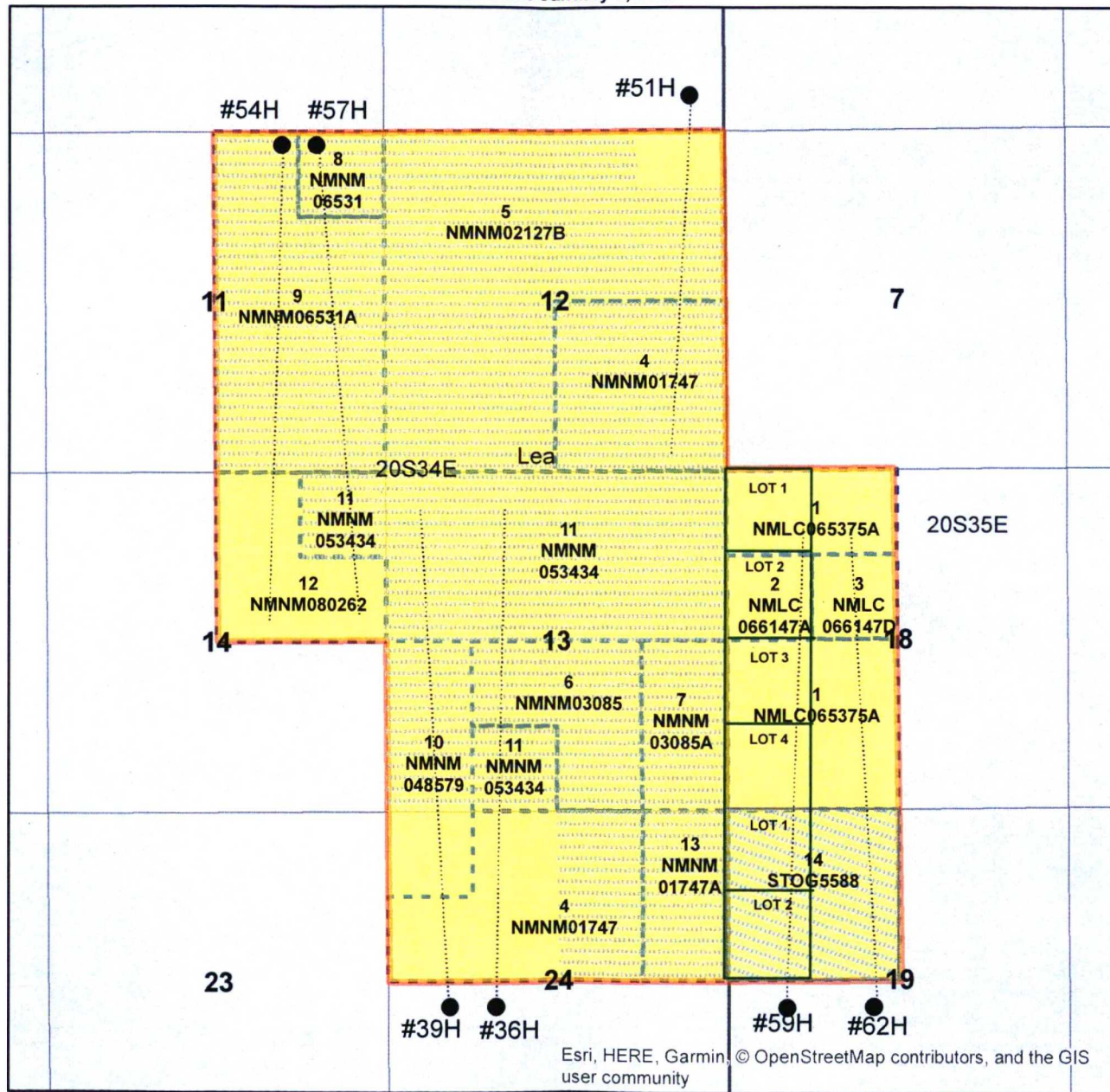
Exhibit "A"

Sixth Revision to the Bone Spring Formation PA

Lea Unit Area

Lea County, New Mexico

Effective January 1, 2016



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RECEIVED 08/10/18 10:09 AM BLM WHPD/CASPER FIELD OFFICE

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EXHIBIT "B"
SCHEDULE OF LANDS AND TRACT PARTICIPATION
SIXTH REVISION BONE SPRING FORMATION PARTICIPATING AREA
LEA UNIT
LEA COUNTY, NEW MEXICO
EFFECTIVE JANUARY 1, 2016

Tract No.	Lease No.	Description	Acres	Participation
1	NMLC065375A Federal	T20S-R35E, 23rd P.M. Sec 18: NE/4NW/4, Lot 1 (39.89), Lot 3 (39.93), Lot 4 (39.95), E/2SW/4	239.77	9.3672%
2	NMLC066147A Federal	T20S-R35E, 23rd P.M. Sec 18: Lot 2 (39.91)	39.91	1.5590%
3	NMLC066147D Federal	T20S-R35E, 23rd P.M. Sec 18: SE/4NW/4	40.00	1.5627%
4	NMNM01747 Federal	T20S-R34E, 23rd P.M. Sec 12: SE/4 Sec 24: W/2NE/4, E/2NW/4, SW/4NW/4	360.00	14.0643%
5	NMNM02127B Federal	T20S-R34E, 23rd P.M. Sec 12: W/2, NE/4	480.00	18.7523%
6	NMNM03085 Federal	T20S-R34E, 23rd P.M. Sec 13: NE/4SW/4, W/2SE/4	120.00	4.6881%
7	NMNM03085A Federal	T20S-R34E, 23rd P.M. Sec 13: E/2SE/4	80.00	3.1254%
8	NMNM06531 Federal	T20S-R34E, 23rd P.M. Sec 11: NE/4NE/4	40.00	1.5627%
9	NMNM06531A Federal	T20S-R34E, 23rd P.M. Sec 11: NW/4NE/4, S/2NE/4, SE/4	280.00	10.9389%
10	NMNM048579 Federal	T20S-R34E, 23rd P.M. Sec 13: W/2SW/4 Sec 24: NW/4NW/4	120.00	4.6881%
11	NMNM053434 Federal	T20S-R34E, 23rd P.M. Sec 13: N/2, SE/4SW/4 Sec 14: NE/4NE/4	400.00	15.6270%
12	NMNM080262 Federal	T20S-R34E, 23rd P.M. Sec 14: W/2NE/4, SE/4NE/4	120.00	4.6881%
13	NMNM01747A Federal	T20S-R34E, 23rd P.M. Sec 24: E/2NE/4	80.00	3.1254%
14	STNMOG5588 State	T20S-R35E, 23rd P.M. Sec 19: Lot 1 (39.98), Lot 2 (40.02), E/2NW/4	160.00	6.2508%
Totals			2559.68	100.0000%
TYPE OF LAND		COMMITTED ACRES	NON-COMMITTED ACRES	PERCENT
FEDERAL		2399.68	0.00	93.7492%
STATE		160.00	0.00	6.2508%
PATENTED		0.00	0.00	0.0000%
TOTAL		2559.68	0.00	100.0000%

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