

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

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.

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

LEGACY RESERVES OPERATING LP

3a. Address

P.O. BOX 10848
MIDLAND, TX 79702

3b. Phone No. (include area code)

432-689-5200

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

5. Lease Serial No.

6. If Indian, Allottee or Tribe Name

7. If Unit of CA/Agreement, Name and/or No.

8. Well Name and No.

9. API Well No.

10. Field and Pool or Exploratory Area
RED LAKE; QUEEN-GRAYBURG-SA

11. Country or Parish, State
EDDY, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other <u>VENT</u>
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

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 recompleate 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 recompleation 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.)

Legacy Reserves Operating LP has been notified by DCP Midstream - Artesia Plant that we are to be shut in from approximately December 1 - 9, 2010. This is a Force Majeure event for maintenance and shutdown.

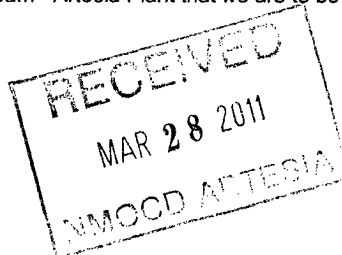
The following leases will be venting gas:

Midnight Matador - property #307858
Midnight Matador A - property #307862 and 307859
Midnight Matador A Federal #001Q - property #307860
South Red Lake II Unit - property #307863

South Red Lake II Unit will flare about 18 MCF/day.

Midnight Matador, Midnight Matador A and Midnight Matador A Federal will flare about 1961 MCF/day.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**



14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

Berry Johnson

Title Production Superintendent

Signature

Date 11/29/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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.

Office

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.

(Instructions on page 2)

submit Form C-129 to NMOC D for Approval. - DJ
3-31-11

Associated Cases, Wells, and Facilities

Case Number		Leases / Agreements Subject to this Permit/Report		Type		Status	
NMLC050158		O&G Lease - Exchange - Public Domain (PD)		O&G Lease		HELD BY PRODUCTION-ACTUAL	
NMLC055561		O&G Lease - Noncompetitive - PD		O&G Secondary Unit Agreement		HELD BY PRODUCTION-ACTUAL	
NNMM108695X						IN PRIMARY TERM	
API Number	Well Name	Well Number	Wells Subject to this Permit/Report	Fac ID	Fac Name	Facilities Subject to this Permit/Report	Next Well Test Date
			Twp/Lat	Rge/Lon		Sec	Aliq
300153286100S1	MIDNIGHT MATADOR	1	17S	27E		35	SENE
300153454700S1	MIDNIGHT MATADOR	3	17S	27E		35	NENW
300153526400S1	MIDNIGHT MATADOR	5	17S	27E		35	SENE
300153524000S1	MIDNIGHT MATADOR	6	17S	27E		35	SENE
300153528900S1	MIDNIGHT MATADOR	7	17S	27E		35	SENE
300153571300S1	MIDNIGHT MATADOR	9	17S	27E		35	SENE
300153561900S1	MIDNIGHT MATADOR A	2	17S	27E		35	NENW
300153569700S1	MIDNIGHT MATADOR A	3	17S	27E		35	SENE
300150123100S2	MIDNIGHT MATADOR A	4	17S	27E		35	SENE
300153592000S1	MIDNIGHT MATADOR A	5	17S	27E		35	NENW
300152515600S2	MIDNIGHT MATADOR A	7	17S	27E		35	NENW
300153451100S1	MIDNIGHT MATADOR FED	2	17S	27E		35	SENE
300153438500S1	MIDNIGHT MATADOR FED	1	17S	27E		35	SENE
300150085300S1	S RED LAKE II UNIT	1	17S	27E		35	SENE
300150083200S1	S RED LAKE II UNIT	25	17S	27E		35	SENE
300150084500S1	S RED LAKE II UNIT	32	17S	27E		35	SENE
300150072500S1	S RED LAKE II UNIT	34	18S	27E		35	SENE
300150072100S1	S RED LAKE II UNIT	36	18S	27E		2	NENW
300150073700S1	S RED LAKE II UNIT	38	18S	27E		2	NENW
300152596900S1	S RED LAKE II UNIT	47	17S	27E		36	SENE
300150593500S1	S RED LAKE II UNIT	51	17S	27E		36	SENE
300153611600S1	S RED LAKE II UNIT	57	17S	27E		38	SENE
300153613100S1	S RED LAKE II UNIT	59	17S	27E		36	NENW

Document No. Approvals for the First Selected Well or Facility Above Approval Type Appv. Dt.

F. FAIRWAY
RE SOURCE

Well Status Listing (4/6/2010)

API	WELL/UNIT NAME	LOCATION	COUNTY	STATE	RESERVOIR	RSV CAT	WI	NRI
30-015-32861	Midnight Matador #1	Section 35-17S-27E, Unit H	Eddy	NM	San Andres	Prod	1.00000000	0.82500000
30-015-34511	Midnight Matador #2	Section 35-17S-27E, Unit F	Eddy	NM	San Andres	Prod	1.00000000	0.82500000
30-015-34547	Midnight Matador #3	Section 35-17S-27E, Unit C	Eddy	NM	San Andres	Prod	1.00000000	0.82500000
30-015-35264	Midnight Matador #5	Section 35-17S-27E, Unit H	Eddy	NM	San Andres	Prod	1.00000000	0.82500000
30-015-35240	Midnight Matador #6	Section 35-17S-27E, Unit F	Eddy	NM	San Andres	Prod	1.00000000	0.82500000
30-015-35289	Midnight Matador #7	Section 35-17S-27E, Unit H	Eddy	NM	San Andres	Prod	1.00000000	0.82500000
30-015-35713	Midnight Matador #9	Section 35-17S-27E, Unit C	Eddy	NM	San Andres	Prod	1.00000000	0.82500000
30-015-00621	Midnight Matador #10	Section 35-17S-27E, Unit A	Eddy	NM	San Andres	SI	1.00000000	0.82500000
30-015-34385	Midnight Matador A #1	Section 35-17S-27E, Unit G	Eddy	NM	San Andres	Prod	1.00000000	0.85500000
30-015-35619	Midnight Matador A #2	Section 35-17S-27E, Unit G	Eddy	NM	San Andres	Prod	1.00000000	0.85500000
30-015-35697	Midnight Matador A #3	Section 35-17S-27E, Unit G	Eddy	NM	San Andres	Prod	1.00000000	0.85500000
30-015-01231	Midnight Matador A #4	Section 35-17S-27E, Unit B	Eddy	NM	San Andres	Prod	1.00000000	0.85500000
30-015-35620	Midnight Matador A #5	Section 35-17S-27E, Unit B	Eddy	NM	San Andres	Prod	1.00000000	0.85500000
30-015-25156	Midnight Matador A #7	Section 35-17S-27E, Unit B	Eddy	NM	San Andres	Prod	1.00000000	0.85500000
30-015-31571	Trigg Federal #4	Section 26-17S-27E, Unit O	Eddy	NM	San Andres	Prod	1.00000000	0.77500000

35 & 36 of 17S-27E; 1 & 2 of 18S-27E

30-015-00653	S RED LAKE GRAYBURG II UNIT #1	C-36-17SW-27E	EDDY	NM	Grayburg	Prod	1.00000000	0.79729477
30-015-00620	S RED LAKE GRAYBURG II UNIT #7	H-35-17S-27E	EDDY	NM	Grayburg	Inj	1.00000000	0.79729477
30-015-00632	S RED LAKE GRAYBURG II UNIT #8	E-36-17S-27E	EDDY	NM	Grayburg	SI	1.00000000	0.79729477
30-015-00664	S RED LAKE GRAYBURG II UNIT #9	F-36-17S-27E	EDDY	NM	Grayburg	SI	1.00000000	0.79729477
30-015-00667	S RED LAKE GRAYBURG II UNIT #11	G-36-17S-27E	EDDY	NM	Grayburg	Inj	1.00000000	0.79729477
30-015-00660	S RED LAKE GRAYBURG II UNIT #12	F-36-17S-27E	EDDY	NM	Grayburg	SI	1.00000000	0.79729477
30-015-00658	S RED LAKE GRAYBURG II UNIT #13	E-36-17S-27E	EDDY	NM	Grayburg	TA	1.00000000	0.79729477
30-015-00623	S RED LAKE GRAYBURG II UNIT #19	I-35-17S-27E	EDDY	NM	Grayburg	Inj	1.00000000	0.79729477
30-015-00678	S RED LAKE GRAYBURG II UNIT #20	L-36-17S-27E	EDDY	NM	Grayburg	Inj	1.00000000	0.79729477
30-015-00632	S RED LAKE GRAYBURG II UNIT #25	K-35-17S-27E	EDDY	NM	Grayburg	Prod	1.00000000	0.79729477
30-015-00681	S RED LAKE GRAYBURG II UNIT #27	M-36-17S-27E	EDDY	NM	Grayburg	TA	1.00000000	0.79729477
30-015-00683	S RED LAKE GRAYBURG II UNIT #28	N-36-17S-27E	EDDY	NM	Grayburg	Inj	1.00000000	0.79729477
30-015-00634	S RED LAKE GRAYBURG II UNIT #29	P-35-17S-27E	EDDY	NM	Grayburg	Inj	1.00000000	0.79729477
30-015-00645	S RED LAKE GRAYBURG II UNIT #32	N-35-17S-27E	EDDY	NM	Grayburg	Prod	1.00000000	0.79729477
30-015-00725	S RED LAKE GRAYBURG II UNIT #34	C-02-18S-27E	EDDY	NM	Grayburg	Prod	1.00000000	0.79729477
30-015-01211	S RED LAKE GRAYBURG II UNIT #35	B-02-18S-27E	EDDY	NM	Grayburg	Inj	1.00000000	0.79729477
30-015-00721	S RED LAKE GRAYBURG II UNIT #36	A-02-18S-27E	EDDY	NM	Grayburg	Prod	1.00000000	0.79729477
30-015-00715	S RED LAKE GRAYBURG II UNIT #37	D-01-18S-27E	EDDY	NM	Grayburg	Inj	1.00000000	0.79729477
30-015-00737	S RED LAKE GRAYBURG II UNIT #38	B-02-18S-27E	EDDY	NM	Grayburg	Prod	1.00000000	0.79729477
30-015-23913	S RED LAKE GRAYBURG II UNIT #43	K-36-17S-27E	EDDY	NM	Grayburg	SI	1.00000000	0.79729477
30-015-25969	S RED LAKE GRAYBURG II UNIT #47	F-36-17S-27E	EDDY	NM	Grayburg	Prod	1.00000000	0.79729477
30-015-00675	S RED LAKE GRAYBURG II UNIT #50	L-36-17S-27E	EDDY	NM	Grayburg	TA	1.00000000	0.79729477
30-015-05935	S RED LAKE GRAYBURG II UNIT #51	K-36-17S-27E	EDDY	NM	Grayburg	Prod	1.00000000	0.79729477
30-015-35193	S RED LAKE GRAYBURG II UNIT #52	E-36-17S-27E	EDDY	NM	Grayburg	TA	1.00000000	0.79729477
30-015-36116	S RED LAKE GRAYBURG II UNIT #57	G-36-17S-27E	EDDY	NM	Grayburg	Prod	1.00000000	0.79729477
30-015-36131	S RED LAKE GRAYBURG II UNIT #59	C-36-17S-27E	EDDY	NM	Grayburg	Prod	1.00000000	0.79729477

Well County Summary	
Active Producers	24
Active Injectors	8
Shut-In	5
Temp Abandoned	4
Total	41

SRLU II Unit

#8 - Pull this & move to #52
#52 - Convert to Inj.

Legacy Reserves Operating LP
NMLC050158, NMLC055561, NMNM109695X

Midnight Matador and S. Red Lake 11 Unit

March 24, 2011

Condition of Approval to Flare Gas

1. Report all volumes on OGOR reports.
2. Comply with NTL-4A requirements
3. Subject to like approval from NMOCD — Form C-129 *da*
4. All gas will be required to be flared, not vented
5. Flared volumes will still require payment of royalties
6. Install gas meter on vent/flare line to measure gas prior to venting/flaring operations if it is not equipped as such at this time.