

6/22/2013 Approved subject to Conditions of Approval. Recent Bond review. JDB

**Change of Operator
Conditions of Approval
Legacy Reserves Operating LP.**

1. Tank battery must be bermed/diked (must be able to contain 1 1/2 times the volume of the largest tank).
2. Submit for approval of water disposal method.
3. Submit updated facility diagrams as per Onshore Order #3
4. This agency shall be notified of any spill or discharge as required by NTL-3A.
5. All outstanding environmental issue must be addressed within 90 days. Contact Jim Amos for inspection and to resolve environmental issues. 575-234-5909
6. 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.
7. Subject to like approval by NMOCD.
8. Submit plan for approval of well operations for all TA/SI wells within 90 days of this approval to change operator.
9. If a well is not capable of production in paying quantities submit Notice of Intent to P&A or submit documentation proving that well is capable of production in paying quantities within 90 days of approval of change of operator.