Form 3160-5 (March 2012)

(Instructions on page 2)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED OMB No. 1004-0137 Expires: October 31, 2014

5. Lease Serial No. NMNM96219

CARLSBAD FIELD OFFICE

6. If Indian, Allottee or Tribe Name

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. | | | | | 7. If Unit of CA/Agreement, Name and/or No. | |
| 1. Type of Well Oil Well Gas Well Other | | | | | 8. Well Name and No. | |
| Oil Well | | | | Millennium 34 Federal #1 | | |
| Legacy Reserves Operating LP | | | | | 9. API Well No. 30-015-31833 | |
| 3a. Address | 3b. Phone No. (include area code) | | | 10. Field and Pool or Exploratory Area Grayburg Jackson; SR-Q-G-SA | | |
| PO Box 10848, Midland, TX 7 | 432-689-5200 | | | 11. County or Parish, State | | |
| Location of Well (Footage, Sec., T., R., M., o. 990' FSL & 990' FWL, Unit Letter M, Sec. 34, T-17-S, | | | Eddy Co., NM | | | |
| 12. CHECK THE | APPROPRIATE BOX | (ES) TO INDI | CATE NATUR | E OF NOTI | CE, REPORT OR OTHE | R DATA |
| TYPE OF SUBMISSION | | | TYPE OF ACTION | | | |
| ✓ Notice of Intent | Acidize | Deepen | | ☐ Proc | Production (Start/Resume) Water Shut-Off | |
| | Alter Casing | Fractu | re Treat | Rec | lamation | Well Integrity |
| Subsequent Report | Casing Repair | New (| Construction | Rec | omplete | Other Change of Operator |
| | Change Plans | | nd Abandon | | porarily Abandon | |
| Final Abandonment Notice | Convert to Injection | Plug I | Back | Wat | er Disposal | |
| Айдаў. | LC transferred operative terms, conditions, stip overage pursuant to 4: | ions to Lega oulations and 3 CFR 3104 | cy Reserves C | Operating LI oncerning of vities is proved in the control of the c | operations on the lease vided by BLM Bond No. SEE AT | land |
| 4. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) | | | | | | |
| Ernie Hanson | | | Title Operations Manager | | | |
| Signature ERuz Harv | | | Date 01/01/2013 | | | |
| | THIS SPACE FO | OR FEDE | RAL OR ST | ATE OF | FICE USE | |
| Approved by /s/ Jerry Blakley | | | <u></u> | | APPRUVED | |
| conditions of approval, if any, are attached. Appropart the applicant holds legal or equitable title to the ntitle the applicant to conduct operations thereon. | | | JUN 2 0 2013 | ate | | |
| Fitle 18 U.S.C. Section 1001 and Title 43 U.S.C. S | | | son knowingly a | | to make to any department | |

6/21/2013 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.