in the second							
	UNITED STATES PARTMENT OF THE INTERIOR OCD Artesia EAU OF LAND MANAGEMENT			FORM APPROVED OMB No. 1004-0137 Expires: October 31, 2014 5. Lease Sérial No.			
Do not use this	NOTICES AND REPOR form for proposals to Use Form 3160-3 (API	drill or to re-enter an	1	NMNM118710 6. If Indian, Allottee or	Tribe Name		
	IIT IN TRIPLICATE – Other in	7. If Unit of CA/Agreen	nent, Name and/or No.				
1. Type of Well     Image: Contract of Well	Well Other	8. Well Name and No. High Lonesome 23 Federal #2H					
2. Name of Operator Legacy Reserves Operating LP				9. API Well No. 30-015-37221			
3a. Address         3b. Phone No. (include area code           PO Box 10848, Midland, TX 79702         432-689-5200				10. Field and Pool or Exploratory Area Pavo Mesa; ABO			
4. Location of Well (Footage, Sec., 7 1980' FSL & 430' FEL, Unit Letter I, Sec.			11. County or Parish, State Eddy Co., NM				
12. CHI	ECK THE APPROPRIATE BOX	(ES) TO INDICATE NATURI	E OF NOTIC	E, REPORT OR OTHE	R DATA		
TYPE OF SUBMISSION		TY	PE OF ACT	ION			
Notice of Intent	Acidize Alter Casing Casing Repair Change Plans		Recla	action (Start/Resume) mation mplete porarily Abandon	Water Shut-Off Well Integrity Other Change of Operator		
Final Abandonment Notice	Convert to Injection	Plug Back		r Disposal			
testing has been completed. Find determined that the site is ready Effective 01/01/2013 COG Ope The undersigned accepts all ap or portion thereof, as described	al Abandonment Notices must be for final inspection.) erating, LLC transferred operat oplicable terms, conditions, stij d above.	filed only after all requirement tions to Legacy Reserves O pulations and restrictions co	ts, including perating LP pncerning op	reclamation, have been o perations on the lease	land		
Legacy Reserves Operating L	<sup>2</sup> bond coverage pursuant to 4				. NNIB000394.		
RECEIVED       Image: State of the state         JUN 25 2013       SUBJECT TO LIKE         SUBJECT TO LIKE       SEE ATTACHED FOR         APPROVAL BY STATE       CONDITIONS OF APPROVAL							
14. I hereby certify that the foregoing i	s true and correct. Name (Printed/I	Typed)			· · · · · · · · · · · · · · · · · · ·		
Ernie Hanson		Title Operatio	ons Manage	э <b>г</b>			
Signature Erm	2 Aum	Date 01/01/2	013				
	THIS SPACE F	OR FEDERAL OR ST	ATEOF	DCERVSEVED			
Approved by /s/ Jer	ry Blakley	Title					
Conditions of approval, if any, are attac that the applicant holds legal or equitabl entitle the applicant to conduct operatio	e title to those rights in the subject l	ot warrant or certify lease which would Office	L. L.	IUN 2 U 2013			
Title 18 U.S.C. Section 1001 and Title fictitious or fraudulent statements or re	43 U.S.C. Section 1212, make it a copresentations as to any matter within	rime for any person knowingly an its jurisdiction.	nd willfally	g make mady application. RESEAD FIELD OFFIC	den agency of the United States any false, E		

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(	Instructions	on	page	2)

# 6/21/2013 Approved subject to Conditions of Approval. Operator is responsible for

## surface reclamation if well is not drilled. JDB

# Change of Operator

### **Conditions of Approval**

#### Legacy Reserves Operating LP.

- 1. When complete tank battery must be bermed/diked (must be able to contain 1 1/2 times the volume of the largest tank).
- 2. When complete submit for approval of water disposal method.
- 3. When built 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. Operator is responsible for all reclamation if well is or is not drilled.
- 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.