

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

HOBBSOCD

FEB 19 2014

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 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 L.P.

3a. Address

PO 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)

SHL Sec 18 T20S R34E 200FNL 1010FWL
BHL Sec 7 T20S R34E 330FNL 1980FWL

5. Lease Serial No.

NM-13276, NM129733, NM84651

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Hamon Fed Com A #1H

9. API Well No.

30-025-41616

10. Field and Pool or Exploratory Area

Teas East; Bone Spring

11. Country or Parish, State

Lea

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
	☐ 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 recompleat 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 recompleat 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 proposes to cement plug back the surface hole due to high deviation. The hole depth is 1225'MD. The plugs will go to 199'MD. 3 plugs will be used. Each plug will be 342'. They will be balanced plugs.

Each plug will be as follows:

Plug 1 1225 - 883'

14.8ppg 1.34cuft/sk 6.35gps

430 sacks Class C Cement + 2% bwoc Calcium Chloride + 0.005 lbs/sack Static Free + 0.005gps FP-6L + 56.3% Fresh Water

Plug 2 883'-541'

14.8ppg 1.34cuft/sk 6.35gps

430 sacks Class C Cement + 2% bwoc Calcium Chloride + 0.005 lbs/sack Static Free + 0.005gps FP-6L + 56.3% Fresh Water

Plug 3 541'-199'

14.8ppg 1.34cuft/sk 6.35gps

430 sacks Class C Cement + 2% bwoc Calcium Chloride + 0.005 lbs/sack Static Free + 0.005gps FP-6L + 56.3% Fresh Water

14. I hereby certify that the foregoing is true and correct.

Name (Printed/Typed)

Blain Lewis

Title Senior Engineer

Signature

Date 02/06/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

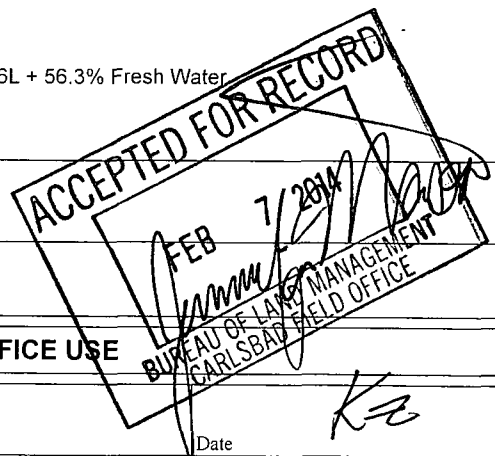
Date

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)



FEB 20 2014



Proposal No: 1001165872C

LEGACY RESERVES OPERATING LP

Hamon Fed Com A #1H

Precision 81 Rig

Lea County, New Mexico
February 6, 2014

Cement Proposal

Prepared for:
Joe Buendia

Prepared by:
Meseret A Belayneh

Service Point:
BJS, HOBBS
Bus Phone: 575-3925556
Fax: 575-492-0292

Service Representatives:
Steve D Matlock
Senior District Sales Supv.

Powered by
PowerVision

Operator Name: LEGACY RESERVES OPERATING LP
Well Name: Hamon Fed Com A #1H
Job Description: Plug Job (1,225' TVD)
Date: February 6, 2014



Proposal No: 1001165872C

JOB AT A GLANCE

Depth (TVD)	1,225 ft
Depth (MD)	1,225 ft
Hole Size	16 in
Pump Via	Casing 4 1/2" O.D. (4.000" I.D) 11.6
Total Mix Water Required	8,191 gals

Plug No: 1

Pre-Flush

Fresh Water	20 bbls
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Slurry

Class 'C' Cement + Additives	430 sacks
Density	14.8 ppg
Yield	1.34 cf/sack

Displacement

Displacement -Fresh water	14 bbls
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Plug No: 2

Slurry

Class 'C' Cement + Additives	430 sacks
Density	14.8 ppg
Yield	1.34 cf/sack

Displacement

Displacement Fresh Water	8 bbls
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Plug No: 3

Slurry

Class 'C' Cement + Additives	430 sacks
Density	14.8 ppg
Yield	1.34 cf/sack

Displacement

displacement Fresh Water	3 bbls
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Operator Name: LEGACY RESERVES OPERATING LP
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FLUID SPECIFICATIONS

Pre-Flush			20.0 bbls Fresh Water
PLUG NO.	VOLUME CU-FT	VOLUME FACTOR	AMOUNT AND TYPE OF CEMENT
1	578	/ 1.34	= 430 sacks Class C Cement + 2% bwoc Calcium Chloride + 0.005 lbs/sack Static Free + 0.005 gps FP-6L + 56.3% Fresh Water
Displacement			= 13.6 bbls Displacement -Fresh water
2	578	/ 1.34	= 430 sacks Class C Cement + 2% bwoc Calcium Chloride + 0.005 lbs/sack Static Free + 0.005 gps FP-6L + 56.3% Fresh Water
Displacement			= 8.3 bbls Displacement Fresh Water
3	578	/ 1.34	= 430 sacks Class C Cement + 2% bwoc Calcium Chloride + 0.005 lbs/sack Static Free + 0.005 gps FP-6L + 56.3% Fresh Water
Displacement			= 3.0 bbls displacement Fresh Water

CEMENT PROPERTIES

	PLUG NO.1	PLUG NO.2	PLUG NO.3
Slurry Weight (ppg)	14.80	14.80	14.80
Slurry Yield (cf/sack)	1.34	1.34	1.34
Amount of Mix Water (gps)	6.35	6.35	6.35
Amount of Mix Fluid (gps)	6.35	6.35	6.35

PLUG GEOMETRY

	PLUG TOP		PLUG BOTTOM	
1	883 ft	to	1225 ft	with 16 inch Open Hole
2	541 ft	to	883 ft	with 16 inch Open Hole
3	199 ft	to	541 ft	with 16 inch Open Hole

Anticipated Job time @ 5 BPM rate

Plug 1: 00:27 (HH:MM)
 Plug 2: 00:22 (HH:MM)
 Plug 3: 00:21 (HH:MM)

Operator: LEGACY RESERVES OPERATING LP
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Proposal No: 1001165872C

PRICE ESTIMATE

Product Material

QTY.	UNIT	PRODUCT DESCRIPTION	NET AMOUNT
1290	94lbs	Class C Cement	22,562.10
2426	lbs	Calcium Chloride	1,721.25
7	gals	FP-6L	401.36
600	lbs	Granulated Sugar	1,152.00
7	lbs	Static Free	156.70
Product Material Subtotal:			\$25,993.41

Service Charges

QTY	UNIT	PRODUCT DESCRIPTION	NET AMOUNT
1	ea	Personnel Per Diem Chrg - Cement Svc	210.00
1341	cu ft	Bulk Materials Blending Charge	4,019.65
Service Charges Subtotal:			\$4,229.65

Equipment

QTY	UNIT	PRODUCT DESCRIPTION	NET AMOUNT
1	day	Hi-Volume Air Compressor	409.75
1	4hrs	Cement Pumping, 1001 - 2000 ft	2,681.25
4	pump/hr	Fuel per pump charge - cement	154.55
1	job	Data Acquisition, Cement, Standard	1,171.50
1	day	2 in Valve	81.40
50	miles	Mileage, Heavy Vehicle	325.88
50	miles	Mileage, Auto, Pick-Up or Treating Van	184.25
2	job	Field Storage Bin, Up To 5 Days	1,820.50
Equipment Subtotal:			\$6,829.08

Customer will be charged for all 'SPECIAL PROPPANTS' delivered to location, whether they are pumped or not. All proppants other than standard grade frac sand are considered 'SPECIAL PROPPANTS'.

The technical data contained in this proposal is based on the best information available at the time of writing and is subject to further analysis and testing. The pricing data contained in this proposal are estimates only and may vary depending on the work actually performed. Pricing does not include federal, state and local taxes or royalties.

This quotation is based on Baker Hughes being awarded the work on a first call basis and within thirty (30) days of the proposal date. These prices will be subject to review if the work is done after thirty (30) days from the proposal date, or on a second or third call basis.

Operator: LEGACY RESERVES OPERATING LP
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PRICE ESTIMATE

Freight/Delivery Charges

QTY	UNIT	PRODUCT DESCRIPTION	NET AMOUNT
1545	tonmi	Bulk Delivery, Dry Products	3,348.02
Freight/Delivery Charges Subtotal:			\$3,348.02
TOTAL:			\$40,400.16

Customer will be charged for all 'SPECIAL PROPPANTS' delivered to location, whether they are pumped or not. All proppants other than standard grade frac sand are considered 'SPECIAL PROPPANTS'.

The technical data contained in this proposal is based on the best information available at the time of writing and is subject to further analysis and testing. The pricing data contained in this proposal are estimates only and may vary depending on the work actually performed. Pricing does not include federal, state and local taxes or royalties.

This quotation is based on Baker Hughes being awarded the work on a first call basis and within thirty (30) days of the proposal date. These prices will be subject to review if the work is done after thirty (30) days from the proposal date, or on a second or third call basis.

CONDITIONS



The services and products will be provided under the attached Baker Hughes Incorporated Worldwide Terms and Conditions. By requesting that Baker Hughes provide the services and products described herein, Customer accepts all of the terms and conditions of this proposal, including the attached Baker Hughes Incorporated Worldwide Terms and Conditions. In the event that Customer and Baker Hughes have executed a Master Services Agreement covering the services and products to be provided, such Master Services Agreement shall govern in place of the Baker Hughes Worldwide Terms and Conditions.

NOTE: THIS AGREEMENT CONTAINS PROVISIONS THAT INDEMNIFY AND/OR RELEASE THE INDEMNIFIED AND/OR RELEASED PARTY FROM THE CONSEQUENCES OF ITS OWN NEGLIGENCE AND OTHER LEGAL FAULT.



TERMS AND CONDITIONS

Worldwide

Orders for rental equipment ("Equipment"), services ("Services"), and the supply or sale of products, chemicals, or equipment ("Products") to be provided by Baker Hughes Incorporated through its direct or indirect subsidiaries (in each case such subsidiary is referred to herein as "BHI") and shall be severally liable for all obligations of BHI herein arising from or related to the order) to its customers (each a "Customer") are subject to acceptance by BHI, and any orders so accepted will be governed by the terms and conditions stated herein and any additional terms proposed or agreed to in writing by an authorized representative of BHI (these terms and conditions and any such additional terms collectively referred to herein as the "Agreement").

1. PAYMENT TERMS

Unless alternate payment terms are specified or approved by the BHI Credit Department, all charges billed by BHI must be paid within thirty (30) days of the date of invoice. For invoices unpaid after thirty (30) days, at BHI's option, discounts from list price may be revoked and interest may be charged at the rate of ten percent (10%) per annum unless such rate contravenes local law in which case the interest will accrue at the maximum rate allowed by law. Operating, production or well conditions that prevent satisfactory operation of Equipment, Services or Products do not relieve Customer of its payment responsibility.

2. CANCELLATION AND RETURNS

Products: Orders for Products that are subject to cancellation after acceptance by BHI, but before delivery, will be subject to a restocking charge of at least twenty-five percent (25%), plus any packing and transportation costs incurred before delivery. Products specially built or manufactured to Customer specifications, or orders for substantial quantities manufactured specially for Customer, may not be cancelled.

Products may be returned for credit only with prior written authorization from BHI. Such Products must be unused, in reusable condition, and with original unopened containers. Credit will be issued for the quantity returned at the original purchase price, less a restocking charge of at least twenty-five percent (25%) and any actual packing and transportation costs incurred by BHI. No credit will be given for shipping charges incurred by Customer.

Equipment/Services: In the event Customer cancels an order for Services, Customer shall be liable for all costs incurred by BHI in the mobilization/demobilization related thereto, and any other reasonable costs incurred by BHI incident to such cancellation. In the event Customer cancels an order for Equipment, Customer shall be liable for any transportation costs incurred by BHI in the mobilization/demobilization of the Equipment. In addition, a restocking charge of at least twenty-five percent (25%) of the original Equipment order may be applied at BHI's sole discretion.

3. THIRD-PARTY CHARGES, TAXES

Customer shall pay all third-party charges, in compliance with BHI's current price list, and any sales, use, rental or other taxes that may be applicable to transactions hereunder. Customer shall pay all applicable customs, excise, import and other duties unless otherwise agreed to in writing by an authorized representative of BHI. Customer shall provide necessary import licenses and extensions thereof.

4. RISK OF LOSS AND TITLE, CONSIGNMENT, STORAGE

Unless otherwise agreed to in writing between BHI and Customer: (i) for Product sales within the United States of America, title and risk of loss shall pass to Customer as soon as the Products depart BHI's point of origin; and (ii) for Product sales outside the United States of America, INCOTERM 2010 "CPT" shall apply with the following exception: **TITLE AND RISK OF LOSS REMAIN WITH BHI UNTIL THE PRODUCTS REACH THE PORT OF ENTRY.** For Products provided on consignment, the risk of loss shall pass to Customer as soon as the Products depart BHI's point of origin; however, the title shall remain with BHI until the Product is used by Customer.

In the event BHI agrees to store Products after title passes to Customer, the risk of loss shall remain with Customer. If any such Products remain on BHI's premises for more than two (2) years from the date initially placed in storage, title shall revert back to BHI, and BHI may resell or scrap any such Products with no liability to Customer for any proceeds generated therefrom.

5. LIABILITIES, RELEASES AND INDEMNIFICATION:

A. In this Agreement (i) "BHI Indemnitees" means BHI, its parent, subsidiary and affiliated or related companies; its subcontractors at any tier; and the officers, directors, employees, consultants, and agents of all of the foregoing; (ii) "Claims" means all claims, demands, causes of action, liabilities, damages, judgments, fines, penalties, awards, losses, costs, expenses (including, without limitation, attorneys' fees and costs of litigation) of any kind or character arising out of, or related to, the performance of or subject matter of this Agreement; (iii) "Consequential Damages" means any indirect, special, punitive, exemplary or consequential damages or losses (whether foreseeable or not at the date of this Agreement) under applicable law and damages for lost production, lost revenue, lost product, lost profit, lost business, lost business opportunities, or charges for rig time, regardless of whether the same would be considered direct, indirect, special, punitive, exemplary or consequential damages or losses under applicable law; (iv) "Customer Indemnitees" means Customer, its parent, subsidiary and affiliated or related companies; its co-lessees, co-owners, partners, joint operators and joint ventures; its client or customer if it is not the end user of the Equipment, Services, or Products; its other contractors at any tier; and the officers, directors, employees, consultants, and agents of all of the foregoing; (v) "Cuttings and Waste" means any drill cuttings and associated muds, waste or materials from the well arising from or processed pursuant to this Agreement; and (vi) "Tools" means Equipment and any of BHI Indemnitees' instruments, equipment, or tools.

B. BHI SHALL RELEASE, INDEMNIFY, DEFEND AND HOLD CUSTOMER INDEMNITEES HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS ARISING OUT OF OR RELATED TO (I) PERSONAL OR BODILY INJURY, ILLNESS, SICKNESS, DISEASE OR DEATH OF ANY MEMBER OF BHI INDEMNITEES, AND (II) LOSS, DAMAGE OR DESTRUCTION OF REAL OR PERSONAL PROPERTY, WHETHER OWNED, LEASED, OR CHARTERED, OF ANY MEMBER OF BHI INDEMNITEES.

C. CUSTOMER SHALL RELEASE, INDEMNIFY, DEFEND AND HOLD BHI INDEMNITEES HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS ARISING OUT OF OR RELATED TO (I) PERSONAL OR BODILY INJURY, ILLNESS, SICKNESS, DISEASE OR DEATH OF ANY MEMBER OF CUSTOMER INDEMNITEES, AND (II) LOSS, DAMAGE OR DESTRUCTION OF REAL OR PERSONAL PROPERTY, WHETHER OWNED, LEASED, OR CHARTERED, OF ANY MEMBER OF CUSTOMER INDEMNITEES.

D. SHOULD TOOLS BECOME LOST OR DAMAGED IN THE WELL OR HOLE WHEN PERFORMING OR ATTEMPTING TO PERFORM THE SERVICES HEREUNDER, IT IS UNDERSTOOD THAT CUSTOMER SHALL MAKE EVERY EFFORT TO RECOVER THE LOST OR DAMAGED TOOLS AT ITS SOLE COST. CUSTOMER SHALL ASSUME THE ENTIRE RESPONSIBILITY FOR FISHING OPERATIONS IN THE RECOVERY OR ATTEMPTED RECOVERY OF ANY SUCH LOST OR DAMAGED TOOLS. NONE OF BHI'S EMPLOYEES ARE AUTHORIZED TO DO ANYTHING WHATSOEVER, NOR SHALL ANY OF BHI'S EMPLOYEES BE REQUIRED BY CUSTOMER TO DO ANYTHING, OTHER THAN CONSULT IN AN ADVISORY CAPACITY WITH CUSTOMER IN CONNECTION WITH SUCH FISHING OPERATIONS.

NOTWITHSTANDING PARAGRAPH B. ABOVE, SHOULD CUSTOMER FAIL TO RECOVER SUCH TOOLS LOST IN THE WELL, OR SHOULD SUCH TOOLS BECOME DAMAGED IN THE WELL, OR DAMAGED DURING RECOVERY, CUSTOMER SHALL REIMBURSE BHI FOR THE COST OF REPAIRING ANY TOOLS SO DAMAGED, OR THE REPLACEMENT VALUE OF ANY SUCH TOOLS THAT ARE LOST OR NOT REPAIRABLE.

FURTHER, NOTWITHSTANDING PARAGRAPH B. ABOVE, ALL RISKS ASSOCIATED WITH LOSS OF OR DAMAGE TO TOOLS WHILE IN THE CUSTODY OR CONTROL OF CUSTOMER OR DURING TRANSPORTATION ARRANGED BY OR CONTROLLED BY CUSTOMER, SHALL BE BORNE BY CUSTOMER.

E. NOTWITHSTANDING ANYTHING CONTAINED IN THIS AGREEMENT TO THE CONTRARY, CUSTOMER SHALL RELEASE, INDEMNIFY, DEFEND AND HOLD BHI INDEMNITEES HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS ASSERTED BY OR IN FAVOR OF ANY PERSON, PARTY, OR ENTITY (INCLUDING BHI INDEMNITEES) ARISING OUT OF OR RELATED TO: (I) LOSS OF OR DAMAGE TO ANY WELL OR HOLE (INCLUDING BUT NOT LIMITED TO THE COSTS OF RE-DRILL AND SIDETRACK), (II) BLOWOUT, FIRE, EXPLOSION, CRATERING OR ANY UNCONTROLLED WELL CONDITION (INCLUDING BUT NOT LIMITED TO THE COSTS TO CONTROL A WILD WELL AND THE REMOVAL OF DEBRIS), (III) DAMAGE TO ANY RESERVOIR, GEOLOGICAL FORMATION OR UNDERGROUND STRATA OR THE LOSS OF OIL, WATER OR GAS THEREFROM, (IV) THE USE OF BHI INDEMNITEES' RADIOACTIVE TOOLS OR ANY CONTAMINATION RESULTING THEREFROM (INCLUDING BUT NOT LIMITED TO RETRIEVAL OR CONTAINMENT AND CLEAN-UP), (V) POLLUTION OR CONTAMINATION OF ANY KIND INCLUDING BUT NOT LIMITED TO THE COST OF CONTROL, REMOVAL, CLEAN-UP AND REMEDIATION, OR (VI) DAMAGE TO, OR ESCAPE OF ANY SUBSTANCE FROM, ANY PIPELINE, VESSEL, OR STORAGE OR PRODUCTION FACILITY.

F. CUSTOMER ACKNOWLEDGES THAT CUTTINGS AND WASTE REMAIN CUSTOMER'S RESPONSIBILITY. CUSTOMER SHALL RELEASE, INDEMNIFY, DEFEND AND HOLD BHI INDEMNITEES HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS, ASSERTED BY OR IN FAVOR OF ANY PERSON OR ENTITY ARISING OUT OF OR RELATED TO THE TRANSPORTATION, STORAGE, TREATMENT, DISPOSAL OR HANDLING OF CUTTINGS AND WASTE, INCLUDING, WITHOUT LIMITATION, CONTAMINATION OF, OR ADVERSE EFFECTS ON THE ENVIRONMENT OR ANY FORM OF PROPERTY, OR ANY VIOLATION OR ALLEGED VIOLATION OF STATUTES, ORDINANCES, LAWS, ORDERS, RULES AND REGULATIONS (INCLUDING, WITHOUT LIMITATION, ALL CLAIMS UNDER THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION, AND LIABILITY ACT ("CERCLA"), 42 U.S.C. §§ 9601 ET SEQ., OR OTHER APPLICABLE STATUTES OR REGULATIONS).

G. CUSTOMER SHALL RELEASE, DEFEND, INDEMNIFY AND HOLD BHI INDEMNITEES HARMLESS FROM AND AGAINST ANY CLAIMS FOR CONSEQUENTIAL DAMAGES ASSERTED BY OR IN FAVOR OF ANY MEMBER OF CUSTOMER INDEMNITEES. BHI SHALL RELEASE, DEFEND, INDEMNIFY AND HOLD CUSTOMER INDEMNITEES HARMLESS FROM AND AGAINST ANY CLAIMS FOR CONSEQUENTIAL DAMAGES ASSERTED BY OR IN FAVOR OF ANY MEMBER OF BHI INDEMNITEES.

H. In the event this agreement is subject to the indemnity or release limitations in Chapter 127 of the Texas Civil Practices and Remedies Code (or any successor statute), and so long as such limitations are in force, each party covenants and agrees to support the mutual indemnity and release obligations contained in Paragraphs B. and C. above by carrying equal amounts of insurance (or qualified self-insurance) in an amount not less than U.S. \$5,000,000.00 for the benefit of the other party as indemnitee.

I. THE EXCLUSIONS OF LIABILITY, RELEASES AND INDEMNITIES SET FORTH IN PARAGRAPHS B. THROUGH G. OF THIS ARTICLE 5, AND ARTICLES 6 AND 10, SHALL APPLY TO ANY CLAIM(S) WITHOUT REGARD TO THE CAUSE(S) THEREOF INCLUDING BUT NOT LIMITED TO PRE-EXISTING CONDITIONS, WHETHER SUCH CONDITIONS BE PATENT OR LATENT, THE UNSEAWORTHINESS OF ANY VESSEL OR VESSELS, IMPERFECTION OF MATERIAL, DEFECT OR FAILURE OF PRODUCTS OR EQUIPMENT, BREACH OF REPRESENTATION OR WARRANTY (EXPRESS OR IMPLIED), ULTRAHAZARDOUS ACTIVITY, STRICT LIABILITY, TORT, BREACH OF CONTRACT, BREACH OF DUTY (STATUTORY OR OTHERWISE), BREACH OF ANY SAFETY REQUIREMENT OR REGULATION, OR THE NEGLIGENCE, GROSS NEGLIGENCE, WILLFUL MISCONDUCT, OR OTHER LEGAL FAULT OR RESPONSIBILITY OF ANY PERSON, PARTY, OR ENTITY (INCLUDING THE INDEMNIFIED OR RELEASED PARTY), WHETHER SUCH FORM OF NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, ACTIVE OR PASSIVE.

J. REDRESS UNDER THE INDEMNITY PROVISIONS SET FORTH IN THIS ARTICLE 5 SHALL BE THE EXCLUSIVE REMEDIES AVAILABLE TO THE PARTIES HERETO FOR THE CLAIMS COVERED BY SUCH PROVISIONS.

6. DIRECTIONAL DRILLING

Customer shall furnish BHI with a well location plan (certified by Customer as correct) setting out the surface location of the well, the lease, license, or property boundary lines, and the bottom hole location of Customer's directionally drilled well. If, in the course of drilling the well, it becomes evident to BHI that the certified plan is in error, BHI shall notify Customer of the error, and Customer shall be responsible to regulate all directional drilling factors so that Customer's well bottom hole location will be situated on Customer's property, license, or leasehold at total depth of the well being drilled. CUSTOMER SHALL RELEASE, DEFEND, INDEMNIFY AND HOLD BHI INDEMNITEES HARMLESS FROM AND AGAINST ANY CLAIMS ARISING OUT OF, OR RELATED TO, SUBSURFACE TRESPASS ARISING OUT OF DIRECTIONAL DRILLING OPERATIONS OR OTHER OPERATIONS PERFORMED BY BHI INDEMNITEES OR CUSTOMER INDEMNITEES.

7. CUSTOMER WARRANTY/BINDING AUTHORITY

If Customer is not the sole owner of the mineral interests, the well or the field, Customer's request for Services, Equipment or Products shall constitute Customer's warranty that Customer is the duly constituted agent of each and every owner and has full authority to represent the interests of the same with respect to all decisions taken throughout the provision of any Services, Equipment or Products hereunder. CUSTOMER SHALL RELEASE, DEFEND, INDEMNIFY AND HOLD BHI INDEMNITEES HARMLESS FROM AND AGAINST ALL CLAIMS RESULTING FROM THE ALLEGATION BY ANY PERSON OR ENTITY THAT CUSTOMER HAS MISREPRESENTED OR LACKED SUFFICIENT AUTHORITY TO REPRESENT SUCH PERSON OR ENTITY AS WARRANTED BY CUSTOMER IN THIS ARTICLE.

8. ACCESS TO WELL AND WELL SITE STORAGE

With respect to onshore and offshore operations, Customer shall provide at its expense adequate means of transportation required for Tools, Products and BHI personnel to gain access to or return from a well site, and

[illegible][illegible][illegible]

The design, construction, application and operation of Bilt's Services, Equipment and Products embody proprietary and confidential information. Customer shall maintain this information in strict confidence and shall not disclose or to others, subject only to disclosure required by law or legal process. To the extent permissible by law, Customer shall make any Bilt Intellectual Property rights in such Intellectual Property, and Bilt shall own all such improvements, including drawings, specifications, calculations and other documents.

Each party shall maintain all data and information obtained from the other party in strict confidence, subject only to disclosures required by law or legal process. In the event that Btl owns copyrights to, patents to, or has filed patent applications on, any technology related to the Services, Products or Equipment furnished by Btl hereunder, and if Btl makes any improvement on such technology, then such improvement shall remain the confidential property of Btl.

15. CONFIDENTIALITY

PATENT INFRINGEMENT. THIS PARAGRAPH STATES THE ENTIRE RESPONSIBILITY OF BHL CONCERNING

(i) and (ii) above. THIS PARAGRAPH STATES THE ENTIRE RESPONSIBILITY OF BHL CONCERNING

damages or losses of any nature whatsoever resulting from actual or alleged patent infringement arising pursuant

combination or use, including any such patent, and BHL shall not be liable and does not hold Customer harmless for

combination with other materials or processes, will not, as a result of such

manufacture, or specially made, in whole or in part, to the Customer's design specifications where not BHL

component, or specially made, in whole or in part, to the Customer's design specifications where not BHL

manufacture, or specially made, in whole or in part, to the Customer's design specifications where not BHL

threat of loss, assume the control of the defense of BHL's patent, and settle or compromise same in any way BHL

withheld, shall occur the third day of BHL's opportunity to defend its patent, and BHL shall not be liable for

any infringement, and BHL shall not be liable for any damages, including any such patent suit for infringement,

any infringement, and BHL shall not be liable for any damages, including any such patent suit for infringement,

any infringement, and BHL shall not be liable for any damages, including any such patent suit for infringement,

reason of the use or sale of such Equipment or Products per se, and hereby agrees to hold CUSTOMER harmless

14. PATENTS

Intel reserves the right to change or modify the design and construction of any of its Products without obligation or express/ reserved the right to change or modify the design and construction of any of its Products without obligation to furnish or install such changes or modifications on Products previously or subsequently sold.

Intel warrants that the use or sale of Environment or Product hereunder will not infringe valid patents of others by Intel.

13. CHANGE OF DESIGN

[illegible]

12. INSURANCE

BHI reserves the right not to offer LEIB at its sole discretion.

DEFECTIVE OR NON-CONFORMING SERVICES, EQUIPMENT OR PRODUCTS.

WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, REGARDING ANY SERVICES PERFORMED OR EQUIPMENT OR PRODUCTS SUPPLIED BY BH HEREUNDER, IN NO EVENT SHALL BH BE LIABLE FOR RIG TIME INCURRED BY CUSTOMER INDEMNITEES AS A RESULT OF DEFECTIVE OR NON-CONFORMING SERVICES, EQUIPMENT OR PRODUCTS.

OTHERWISE EXPRESSLY PROVIDED PURSUANT TO THE PROVISIONS OF THIS ARTICLE 10, BHI MAKES NO WARRANTY OR GUARANTEE OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING NO IMPLIED

THIS ARTICLE 10 SETS FORTH CUSTOMER'S SOLE REMEDIES AND BHHS ONLY OBLIGATION WITH REGARD TO DEFECTIVE OR NON-CONFORMING SERVICES, EQUIPMENT OR PRODUCTS, EXCEPT AS IS

REACH Compliance in respect of the Products and shall comply with its obligations under REACH.

reasonable time and may suspend any further deliveries of the relevant Products and/or terminate the Order. Customer shall promptly provide such information to BHL as may be required in order to obtain and maintain

the event BHL receives written notice from any competent authority, or in its reasonable opinion decides, that any of the Products are not or will not become REACH Compliant, it shall inform Customer in writing within a

REACH Compliance in respect of the Products where required by law, unless it is Customer's responsibility to obtain or maintain REACH Compliance or any non-compliance is caused by any act or omission of Customer. In

implied warranties as to compliance with REACH ("REACH Compliance"), are hereby excluded to the fullest extent permitted by law. Without prejudice to the foregoing, BII shall use reasonable endeavors to obtain or maintain

BH does not represent or warrant that the Products are or will be compliant with the requirements of REACH (the Registration Evaluation Authorisation and Restriction of Chemicals Regulation 1907/2006, as amended) and all

by others.

current industry practice. Notwithstanding the foregoing, BHI does not warrant the accuracy of data transmitted by electronic processes and will not be responsible to Customer for accidental or intentional interception of such data.

BHI will endeavor to transmit data to Customer as accurately and securely as practicable in accordance with

INDEMNITIES HARMLESS FROM ANY CLAIMS ARISING OUT OF THE USE OF SUCH INTERPRETATIONS AND/OR RECOMMENDATIONS.

PRODUCTION FORECASTS AND RESERVE ESTIMATES, FURNISHED BY BHI TO CUSTOMER HEREUNDER, AND CUSTOMER HEREBY AGREES TO RELEASE, DEFEND, INDEMNIFY AND HOLD BHI

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equipment. BHI shall immediately have the right, without notice and without liability for trespass or damages, to remove and remove any of its Products or Equipment wherever it may be found. CUSTOMER SHALL RELEASE, DEFEND INDEMNIFY AND HOLD BHI INDEMNIFIERS HARMLESS FROM ANY AND ALL LIENS AND ENCUMBRANCES AGAINST PRODUCTS OR EQUIPMENT FURNISHED HEREUNDER AND SHALL RETURN SAME PROMPTLY TO BHI FREE OF ANY LIENS OR ENCUMBRANCES.

17. FORCE MAJEURE
If either party is prevented by reason of Force Majeure to carry out any of its obligations under this Agreement, other than obligations to pay money, then on such party giving notice and particulars in writing to the other party within a reasonable time after the occurrence of the cause relied upon, such obligations shall be suspended. "Force Majeure" shall include any event that is beyond the reasonable control of the party so affected including, without limitation, acts of God, laws and regulations, government action, war, civil disturbances, hijack, piracy, criminal action by a third party, strikes or acts of terrorism, strikes and labor problems, delays of vendors or carriers, lightning, fire, flood, vandalism, storm, breakage or accident to equipment or machinery, and shortage of raw materials. In the event that any suspension due to Force Majeure exceeds ten (10) consecutive days, either party may terminate this Agreement by written notice to the other party, and Customer shall be liable for demobilization and any other reasonable costs incurred by BHI incidental to such termination.

18. INDEPENDENT CONTRACTOR
It is expressly understood that BHI is an independent contractor, and that neither BHI nor its principals, partners, employees or subcontractors are servants, agents or employees of Customer.
In all cases where BHI's employees (defined to include BHI's and its subcontractors' direct, borrowed, special, or statutory employees) are covered by the Louisiana Workers' Compensation Act, La. R.S. 23:102 et seq., BHI and Customer agree that all Services, Products and Equipment provided by BHI and BHI's employees pursuant to this Agreement are an integral part of, and are essential to the ability of Customer to generate Customer's goods, products, and services for the purpose of La. R.S. 23:106 (A) (1). Furthermore, BHI and Customer agree that Customer is the statutory employer of BHI's employees for purposes of La. R.S. 23:1061 (A) (3).

19. LAWS, RULES, REGULATIONS, AND EXPORT CONTROL
BHI and Customer agree to be subject to the laws, rules, regulations and decrees of any governmental or regulatory body having jurisdiction over the Services, Equipment or Products to be provided by BHI or the work site or that may otherwise be applicable to BHI's or Customer's performance under this Agreement.
Customer acknowledges that Equipment, Services, Products and/or related technical data covered by this Agreement may be subject to U.S. and/or foreign trade controls. Customer agrees that it will not sell, re-export or transfer Equipment, Products and/or related technical data except in full compliance with all governmental requirements including but not limited to economic sanctions and export controls administered by the U.S. Department of Treasury, U.S. Department of Commerce and U.S. Department of State. Customer agrees to comply with all BHI requests for trade compliance information, statements, and other assurances including, without limitation, requests for End-User and Route Transaction certifications. Any breach of this provision shall be deemed a material breach of this Agreement and sufficient basis for BHI to reject any or all orders or to terminate the Agreement and Customer hereby waives any and all claims against BHI related to such refusal, cancellation, or termination.

20. GOVERNING LAW AND ARBITRATION
A. Except for Services, Equipment or Products provided, or to be provided, by BHI in North or South America (the "Americas"), THIS AGREEMENT SHALL BE GOVERNED BY AND INTERPRETED IN ACCORDANCE WITH ENGLISH LAW, EXCLUDING CONFLICTS OF LAW AND CHOICE OF LAW PRINCIPLES. ANY DISPUTE OR CLAIM (DISPUTE) ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE FURNISHING OF EQUIPMENT, SERVICES OR PRODUCTS HEREUNDER SHALL BE RESOLVED BY BOTH PARTIES. In the event that any conflict exists between the provisions of this Agreement and any other type of memoranda or other documents used by Customer in the normal course of business, whether oral or written, conditions set forth in Customer's purchase orders, field work orders, work tickets, invoices, statements, or any other type of memoranda or other documents used by Customer in the normal course of business, whether oral or written, shall prevail. In the event that any conflict exists between the provisions of this Agreement and any other type of memoranda or other documents used by Customer in the normal course of business, whether oral or written, conditions set forth in Customer's purchase orders, field work orders, work tickets, invoices, statements, or any other type of memoranda or other documents used by Customer in the normal course of business, whether oral or written, shall prevail.

22. GENERAL
BHI reserves the right to refuse to fulfill any order or otherwise perform under this Agreement if BHI in its sole discretion determines that such action may violate any law or regulation. Customer agrees that such refusal, cancellation, or termination of the Agreement by BHI will not constitute a breach of BHI's obligations under this Agreement and Customer hereby waives any and all claims against BHI related to such refusal, cancellation, or termination.

21. ASSIGNMENT
BHI shall have the right to assign this Agreement to any of its subsidiaries, affiliated or related companies without the consent of Customer.

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Operator Name: LEGACY RESERVES OPERATING LP
Well Name: Hamon Fed Com A #1H
Date: February 6, 2014



Proposal No: 1001165872C

End of Report

