

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



May 19, 2015

Legacy Reserves Operating LP
P O Box 10848
Midland, TX 79702

RC: Hamon Federal Com #1, API # 30-025-30848
Fox Federal #5, API # 30-025-36585

Gentlemen:

Paperwork received on these wells is being Denied. A request for additional paperwork was requested, but as of today this paperwork has not been received. Per OCD records you have also been producing these wells without an approved C-104. To comply with standards imposed by Rules and Regulations of the Division, corrective action must be taken immediately and the situation brought into compliance.

In the event that a satisfactory response is not received to this letter of direction by June 15, 2015 further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon these wells.

If you have questions on this matter, please call Donna Mull (575) 393-6161 x 115, or Paul Kautz (575) 393-6161 x 104.

Sincerely,

OIL CONSERVATION DIVISION

A handwritten signature in black ink that reads "Maxey Brown".

Maxey Brown
Supervisor, District I

Mull, Donna, EMNRD

From: Mull, Donna, EMNRD
Sent: Wednesday, September 18, 2013 3:01 PM
To: Callahan, Terry
Subject: Fox Federal #5, API # 30-025-36585

Hi Terri,

I have a C-104 for this well that shows you are producing this well from the Pearsall Seven River.

I need a copy of the BLM Subsequent Sundry with dates and what was done.

A copy of the BLM Completion form
And C-102 for the Dedicated Acreage

Please email me these.

Thanks Donna