New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson Governor

Jim Noel Cabinet Secretary

Karen W. Garcia Deputy Cabinet Secretary

December 29, 2010

Legacy Reserves Operating, LP Attn: Mr. Berry Johnson P.O. Box 10848 Midland, TX 79720

Re: South Justis Unit Waterflood Project

SOUTH JUSTIS UNIT Well No. 232 (API No. 30-025-31864) Unit A, Section 26, T25S, R37E, NMPM, Lea County Justis Blinebry-Tubb-Drinkard (R-9745)

You have submitted a request on behalf of Legacy for clarification of the allowable packer setting depth.

Your correspondence states the permitted packer setting depth 4967 feet loses 100 psi in 5 minutes and fails MIT. You have requested a new packer setting depth of 4900 feet in order to get a good MIT and meet state and federal standards.

Records indicate the top of the Justis Blinebry-Tubb-Drinkard unitized interval is 4980 feet. Your requested packer setting depth of 4900 feet is within 100 feet of the Justis Blinebry-Tubb-Drinkard unitized interval.

Your new packer seat at 4900 feet for API No. 30-025-31864 is hereby approved.

Sincerely,

Daniel Sanchez Acting Director

cc: Oil Conservation Division – Hobbs File: API No. 30-025-31864





Mark Fesmire Division Director Oil Conservation Division