LEGACY RESERVES LP
Form DEFM14A
August 03, 2018

Table of Contents

Index to Financial Statements

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934 (Amendment No.)

Filed by the Registrant Filed by a party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

Legacy Reserves LP

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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Table of Contents

Index to Financial Statements

REORGANIZATION PROPOSED YOUR VOTE IS VERY IMPORTANT

Dear Unitholders of Legacy Reserves LP:

The board of directors (the GP Board) of Legacy Reserves GP, LLC (the Partnership GP), which is the general partner of Legacy Reserves LP (the Partnership), has unanimously approved a corporate reorganization of the Partnership to transition from a master limited partnership to a corporation (the Corporate Reorganization). The Corporate Reorganization is to be accomplished through (i) a merger between the Partnership and Legacy Reserves Merger Sub LLC (Merger Sub), a wholly owned subsidiary of Legacy Reserves Inc. (New Legacy), pursuant to which all of the units representing limited partner interests in the Partnership (units), the 8% Series A Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units representing limited partner interests in the Partnership and the 8% Series B Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units representing limited partner interests in the Partnership will be converted into the right to receive shares of common stock, par value $0.01 per share, of New Legacy (common stock), and Merger Sub will be merged with and into the Partnership (the Merger) and (ii) the purchase by New Legacy of all of the outstanding limited liability company interests in the Partnership GP (the GP Interests) from Lion GP Interests, LLC (the GP Seller) for an aggregate purchase price of $3.0 million in cash (the GP Purchase). The conflicts committee of the GP Board (the Conflicts Committee) has unanimously determined that the GP Purchase is fair and reasonable to, and in the best interests of, the Partnership, its subsidiaries and the holders of units (unitholders) (other than the Partnership GP and its affiliates). In addition, the GP Board (acting based upon the Special Approval of the Conflicts Committee (as further described herein)) has unanimously determined that the GP Purchase is advisable, fair to and in the best interests of the Partnership, its subsidiaries and the unitholders (other than the Partnership GP and its affiliates).

Following the Corporate Reorganization, the Partnership and the Partnership GP will each be wholly owned subsidiaries of New Legacy, a newly formed Delaware corporation. Upon consummation of the Corporate Reorganization, New Legacy common stock is expected to be listed on the Nasdaq Global Select Market under the symbol LGCY.

The GP Board believes that the Corporate Reorganization is critical to the future success of the Partnership. Following the widespread bankruptcy filings and the destruction of nearly all of the collective equity value in the upstream master limited partnership space, the GP Board believes that maintaining the current master limited partnership structure is no longer in the best interests of the Partnership. Reorganizing the Partnership will provide management and the board of New Legacy better ability to grow the business, including removing the Partnership GP members negative control rights. The GP Board believes that the Partnership s assets and growth development plan are no longer best suited for the yield-based MLP sector, and the Partnership has already been transitioning its business model to reinvest its cash flow into the business in order to grow its asset base. The GP Board also believes that the transition to a C-Corp will increase New Legacy s access to, and lower the cost of, capital through an expanded field of investors, as many investors are unwilling or unable to invest in pass-through entities.

The Partnership is holding a special meeting of its unitholders on September 19, 2018. At this meeting, unitholders will be asked to approve the Amended and Restated Agreement and Plan of Merger (the Merger Agreement), to

approve the classification of the New Legacy Board of Directors (the New Legacy Board), to approve a new equity incentive plan to be used by New Legacy and to consider and vote upon, on an advisory, non-binding basis, the compensation payments that may be paid or become payable to the named executive officers of the Partnership in connection with the Corporate Reorganization. Information about the special meeting, the Corporate Reorganization, the New Legacy Board, the new equity incentive plan and the compensation payments are contained in this proxy statement/prospectus. We encourage you to read this entire proxy statement/prospectus, including the annexes, carefully. **In particular, you should read the Risk Factors section beginning on page 30 for a description of various risks you should consider in evaluating the proposed Corporate Reorganization.**

The GP Board has unanimously determined that the Merger Agreement and the Merger are advisable, fair to and in the best interests of the Partnership and the unitholders of the Partnership and has unanimously approved and adopted the Merger Agreement and the Merger. **The GP Board unanimously recommends that the unitholders of the Partnership vote FOR the approval of the Merger Agreement, FOR the approval of the classification of the New Legacy Board, FOR the approval of the new equity incentive plan, FOR the compensation payments to named executive officers of the Partnership in connection with the Corporate Reorganization and FOR the adjournment of the special meeting if necessary to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to approve the proposal to approve the Merger Agreement.**

EVERY VOTE IS IMPORTANT. Whether or not you plan to attend the special meeting, please take the time to vote by following the instructions on your proxy card as soon as possible. If your units are held in street name, please instruct your broker or bank how to vote your units.

Thank you, and we look forward to seeing you at the special meeting.

Sincerely,

Paul T. Horne

Chief Executive Officer and

Chairman of the Board of Directors of

Legacy Reserves GP, LLC

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued under this proxy statement/prospectus or has determined if this document is truthful or complete. Any representation to the contrary is a criminal offense.

This proxy statement/prospectus is dated August 3, 2018 and is being first mailed to unitholders on or about August 3, 2018.

[Table of Contents](#)

[Index to Financial Statements](#)

Midland, Texas

August 3, 2018

Legacy Reserves LP

303 W. Wall St., Suite 1800

Midland, Texas 79701

NOTICE OF SPECIAL MEETING OF UNITHOLDERS

To the Unitholders of Legacy Reserves LP:

A special meeting (the special meeting) of holders of units (units) representing limited partner interests in Legacy Reserves LP (the Partnership) will be held on September 19, 2018 at 10:30 a.m., local time, at Midland Country Club located at 6101 N. Highway 349, Midland, Texas 79705, for the following purposes:

to consider and vote upon a proposal to approve the Amended and Restated Agreement and Plan of Merger (the Merger Agreement), a copy of which is attached as Annex A to this proxy statement/prospectus, by and among the Partnership, Legacy Reserves Inc. (New Legacy), Legacy Reserves Merger Sub LLC (the Merger Sub), a wholly owned subsidiary of New Legacy, and Legacy Reserves GP, LLC, the general partner of the Partnership (the Partnership GP), pursuant to which Merger Sub will be merged with and into the Partnership (the Merger), with the Partnership continuing as the surviving entity and a wholly owned subsidiary of New Legacy (the Merger Proposal);

to consider and vote upon a proposal to approve the classification of the New Legacy Board in accordance with the Amended and Restated Certificate of Incorporation of New Legacy, a copy of which is attached as Exhibit A to Annex A to this proxy statement/prospectus, to be in effect following the consummation of the Corporate Reorganization (as defined below) (the Board Classification Proposal);

to consider and vote upon a proposal to approve the Legacy Reserves Inc. 2018 Omnibus Incentive Plan, a copy of which is attached as Annex B to this proxy statement/prospectus, to be in effect following the consummation of the Corporate Reorganization (the LTIP Proposal);

to consider and vote upon, on an advisory, non-binding basis, the compensation payments that may be paid or become payable to the Partnership s named executive officers in connection with the Corporate Reorganization (the Compensation Proposal); and

to consider and vote upon a proposal to adjourn the special meeting to a later date or dates, if presented, to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to approve the Merger Proposal (the Adjournment Proposal and, collectively with the Merger Proposal, the Board Classification Proposal, the LTIP Proposal and the Compensation Proposal, the Proposals).

Additionally, New Legacy, the Partnership and the Partnership GP entered into a GP Purchase Agreement (the GP Purchase Agreement) with Lion GP Interests, LLC (the GP Seller) and all of the current members of the Partnership GP, pursuant to which New Legacy will purchase all of the outstanding limited liability company interests in the Partnership GP from the GP Seller for an aggregate purchase price of $3.0 million in cash (the GP Purchase, and together with the Merger, the Corporate Reorganization). A vote for the Merger Proposal is effectively a vote in favor of the Corporate Reorganization which will result in a reorganization from a master limited partnership to a corporation.

Table of Contents

Index to Financial Statements

The Board Classification Proposal and the LTIP Proposal will be implemented only if the Merger is consummated and the Merger Proposal is approved.

Approval of the Merger Proposal requires the affirmative vote of holders of a majority of the votes cast (not including abstentions and broker non-votes) by unitholders who are present (in person or by proxy) and entitled to vote at the special meeting. Approval of the Board Classification Proposal requires the affirmative vote of holders of a majority of the votes cast (not including abstentions and broker non-votes) by unitholders who are present (in person or by proxy) and entitled to vote at the special meeting. Approval of the LTIP Proposal is being sought to satisfy the stockholder approval policy of the Nasdaq Global Select Market. For these purposes, approval of the LTIP Proposal requires the affirmative vote of holders of a majority of the votes cast (not including abstentions and broker non-votes) by unitholders who are present (in person or by proxy) and entitled to vote at the special meeting. Approval, on an advisory, non-binding basis, of the Compensation Proposal, requires the affirmative vote of holders of a majority of the votes cast (not including abstentions and broker non-votes) by unitholders who are present (in person or by proxy) and entitled to vote at the special meeting. Approval of the Adjournment Proposal, if presented, requires the affirmative vote of holders of a majority of the votes cast (not including abstentions and broker non-votes) by unitholders who are present (in person or by proxy) and entitled to vote at the special meeting. Abstentions and broker non-votes (if any) will not be taken into account in determining the outcome of the Merger Proposal, Board Classification Proposal, LTIP Proposal, Compensation Proposal and Adjournment Proposal. The votes on each Proposal are separate and apart from the votes on the other Proposals. Accordingly, you may vote to approve certain of the Proposals and vote not to approve other Proposals. Because the vote on the Compensation Proposal is advisory in nature only, it will not be binding on the Partnership or New Legacy.

We cannot complete the Corporate Reorganization unless the unitholders approve the Merger Proposal. **Accordingly, your vote is very important regardless of the number of units you own.**

The board of directors (the GP Board) of the Partnership GP (acting based upon the Special Approval (as defined in both the Amended and Restated Limited Liability Company Agreement of the Partnership GP and the Fifth Amended and Restated Agreement of Limited Partnership of the Partnership (the Partnership Agreement)) of the Conflicts Committee of the GP Board (the Conflicts Committee)) and the Conflicts Committee have unanimously determined that the GP Purchase Agreement is fair and reasonable to, and in the best interests of, the Partnership and the unitholders (other than the Partnership GP and its affiliates). The GP Board has determined that the Merger is fair and reasonable to, and in the best interests of, the Partnership and the unitholders; approved the Merger Agreement and the execution, delivery and performance of the Merger Agreement and the transactions contemplated thereby; and resolved to submit the Merger Agreement to a vote of the unitholders and recommend approval of the Merger Agreement by the unitholders. The GP Board recommends that the unitholders vote FOR the Merger Proposal, FOR the Board Classification Proposal, FOR the LTIP Proposal, FOR the Compensation Proposal and FOR the Adjournment Proposal.

For more information regarding the recommendation of the GP Board, including the obligations of the GP Board in making such determination under the Partnership Agreement, see The Corporate Reorganization Recommendation of the GP Board and Reasons for the Corporate Reorganization. In considering the recommendation of the GP Board, unitholders should be aware that some of the Partnership GP s directors and executive officers may have interests in the Corporate Reorganization that are different from, or in addition to, the interests they may have as unitholders. See The Corporate Reorganization Interests of Certain Persons in the Merger.

Only unitholders of record at the close of business on July 26, 2018 are entitled to notice of and to vote at the special meeting. A list of unitholders entitled to vote at the special meeting will be available for inspection at the Partnership s offices in Midland, Texas for any purpose relevant to the special meeting during normal business hours for a period of ten days before the meeting and at the special meeting. References to the special meeting in this proxy statement/prospectus are to such special meeting as adjourned or postponed.

Table of Contents

Index to Financial Statements

YOUR VOTE IS IMPORTANT. WHETHER OR NOT YOU EXPECT TO ATTEND THE SPECIAL MEETING, PLEASE SUBMIT YOUR PROXY IN ONE OF THE FOLLOWING WAYS:

If you hold your units in the name of a bank, broker or other nominee, you should follow the instructions provided by your bank, broker or other nominee when voting your units.

If you hold your units in your own name, you may submit your proxy by:

- using the toll-free telephone number shown on the proxy card;
- using the Internet website shown on the proxy card; or
- marking, signing, dating and promptly returning the enclosed proxy card in the postage-paid envelope. It requires no postage if mailed in the United States.

The enclosed proxy statement/prospectus provides a detailed description of the Corporate Reorganization and the Merger Agreement. You are urged to read this proxy statement/prospectus and the Annexes carefully and in their entirety. If you have any questions concerning the Corporate Reorganization, the Merger Agreement or this proxy statement/prospectus, would like additional copies or need help voting your units, please contact the Partnership s proxy solicitor:

Morrow Sodali Global, LLC

470 West Avenue

Stamford, Connecticut 06902

Banks and Brokers Call: (203) 658-9400

All Others Call Toll Free: (800) 662-5200

Email: LGCYinfo@morrowsodali.com

By order of the Board of Directors of

Legacy Reserves GP, LLC,

Paul T. Horne

Chief Executive Officer and

Chairman of the Board of Directors of

Legacy Reserves GP, LLC

Table of Contents

Index to Financial Statements

IMPORTANT NOTE ABOUT THIS PROXY STATEMENT/PROSPECTUS

This proxy statement/prospectus, which forms part of a registration statement on Form S-4 filed with the Securities and Exchange Commission (the SEC), constitutes a proxy statement of the Partnership under Section 14(a) of the Securities Exchange Act of 1934, as amended (the Exchange Act), with respect to the solicitation of proxies for the special meeting to approve the Merger Proposal, the Board Classification Proposal, the LTIP Proposal, the Compensation Proposal and the Adjournment Proposal. This proxy statement/prospectus is also a prospectus of New Legacy under Section 5 of the Securities Act of 1933, as amended (the Securities Act), for the shares (the shares) of New Legacy common stock, par value $0.01 (the common stock), that New Legacy will issue to the unitholders and Preferred Unitholders of the Partnership in the Corporate Reorganization pursuant to the Merger Agreement, a copy of which is attached as Annex A to this proxy statement/prospectus, by and among the Partnership, New Legacy, Merger Sub and the Partnership GP.

The Partnership and New Legacy have not authorized anyone to give any information or make any representation about the Corporate Reorganization, the Partnership or New Legacy that is different from, or in addition to, that contained in this proxy statement/prospectus. Therefore, if anyone distributes this type of information, you should not rely on it. If you are in a jurisdiction where offers to exchange or sell, or solicitations of offers to exchange or purchase, the securities offered by this proxy statement/prospectus or the solicitation of proxies are unlawful, or you are a person to whom it is unlawful to direct these types of activities, then the offer presented in this proxy statement/prospectus does not extend to you. The information contained in this proxy statement/prospectus speaks only as of the date of this proxy statement/prospectus unless the information specifically indicates that another date applies.

Table of Contents

Index to Financial Statements

PROXY STATEMENT/PROSPECTUS

TABLE OF CONTENTS

	Page
QUESTIONS AND ANSWERS ABOUT THE CORPORATE REORGANIZATION AND THE SPECIAL MEETING	1
SUMMARY	9
The Parties	9
The Merger	10
The Merger Consideration	10
The GP Purchase Agreement	10
Ownership Structure Before and After the Corporate Reorganization	11
Treatment of the Partnership Equity Awards	13
Special Meeting	13
Recommendation of the GP Board and Reasons for the Corporate Reorganization	14
Interests of Certain Persons in the Merger	15
New Legacy s Board of Directors and Management	15
The Merger Agreement	16
Material U.S. Federal Income Tax Consequences	19
Other Information Related to the Corporate Reorganization	20
Recent Developments	22
Summary of Risk Factors	22
SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF THE PARTNERSHIP	23
Non-GAAP Financial Measures	25
SUMMARY SELECTED UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION	27
MARKET PRICE INFORMATION	29
RISK FACTORS	30
Risks Related to the Corporate Reorganization	30
Tax Risks Related to the Merger	32
Risks Related to the Business	32
Risks Related to the Common Stock	46
CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS	49
INFORMATION ABOUT THE PARTIES	51
Legacy Reserves Inc.	51
Legacy Reserves LP	51
THE SPECIAL MEETING	52
Time, Place and Date	52
Proposal 1 Approval of the Merger Agreement and New Legacy Merger	52
Proposal 2 Approval of the Classification of the New Legacy Board	52
Proposal 3 Approval of the New Legacy Incentive Plan	52
Proposal 4 Advisory Approval of the Compensation Payments to Named Executive Officers	53
Proposal 5 Adjournment of the Special Meeting	53
Quorum	53
Record Date	54

Votes Required	**54**
Units Outstanding	**54**
Adjournments	**55**
Voting Procedure	**55**
Householding of Proxy Statement/Prospectus	**56**
THE CORPORATE REORGANIZATION	**58**
Overview	**58**
Background of the Corporate Reorganization	**58**

	Page
Recommendation of the GP Board and Reasons for the Corporate Reorganization	63
No Appraisal Rights	66
Antitrust and Regulatory Matters	66
Listing of New Legacy Common Stock	67
Deregistration and Delisting of the Units	67
Accounting Treatment of the Merger	67
Pending Litigation	67
Interests of Certain Persons in the Merger	68
Indemnification; Directors and Officers Insurance	69
THE MERGER AGREEMENT	74
The Merger	74
Effective Time; Closing	74
Unitholder Approval	74
Conditions to Consummation of the Merger	75
The Merger Consideration	76
Treatment of the Partnership Equity Awards	77
Adjustments to Prevent Dilution	77
Withholding	77
Dividends and Distributions	78
Antitrust and Regulatory Matters	78
Termination	78
Fees and Expenses	78
Indemnification; Directors and Officers Insurance	79
Amendment and Supplement; Waiver and Consent	79
Representations and Warranties	79
Additional Agreements	80
The GP Purchase Agreement	80
COMPARISON OF THE RIGHTS OF STOCKHOLDERS AND UNITHOLDERS	81
Purpose and Term of Existence	81
Authorized Capital	81
Dividends / Distributions	85
Business Combinations	87
Management by Board of Directors / General Partner	88
Nomination and Election of Directors	89
Stockholder Proposals and Director Nominations; Proxy Access	90
Removal of Directors; Withdrawal or Removal of General Partner	90
Filling Vacancies on the Board; Replacing the General Partner	92
Change of Management Provisions	93
Preemptive Rights	93
Amendment of Governing Documents	94
Voting Rights; Meetings; Action by Written Consent	98
Indemnification and Limitation on Liability	100
Conflicts of Interest; Fiduciary Duties; Corporate Opportunities	100
Taxation	102
DESCRIPTION OF NEW LEGACY CAPITAL STOCK	103

General	**103**
Common Stock	**103**
Preferred Stock	**103**
Dividends	**104**
Annual Stockholder Meetings	**104**

Table of Contents

Index to Financial Statements

	Page
Anti-Takeover Effects of New Legacy s Amended and Restated Certificate of Incorporation, Amended and Restated Bylaws and Certain Provisions of Delaware Law	104
Dissenters Rights of Appraisal and Payment	108
Stockholders Derivative Actions	109
Corporate Opportunity	109
Limitations on Liability and Indemnification and Advancement of Expenses of Officers and Directors	109
Transfer Agent and Registrar	110
Listing	110
MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES	111
Tax Consequences of the Merger to U.S. Holders of Common Units or Preferred Units	112
Tax Consequences to U.S. Holders of Owning and Disposing of Shares Received in the Merger	114
Information Reporting and Backup Withholding	114
Reporting Requirements	115
MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF THE PARTNERSHIP	116
Overview	116
Recent Developments	116
Trends Affecting the Partnership s Business and Operations	116
Restrictions on Paying Distributions	118
Operating Data	119
Results of Operations	120
Non-GAAP Financial Measure	125
Capital Resources and Liquidity	127
Cash Flow from Operations	128
Cash Flow from Investing Activities	129
Cash Flow from Financing Activities	131
Off-Balance Sheet Arrangements	140
Contractual Obligations	140
Critical Accounting Policies and Estimates	140
Recently Issued Accounting Pronouncements	143
BUSINESS OF THE PARTNERSHIP	145
Overview	145
2017 Highlights	145
Business Strategy	145
2018 Operating Focus	145
Operating Regions	146
Development Activities	147
Oil and Natural Gas Derivative Activities	148
Summary of Oil and Natural Gas Properties and Projects	148
Proved Reserves	149
Production and Price History	152
Productive Wells	153
Developed and Undeveloped Acreage	153
Drilling Activity	153
Summary of Development Projects	154

Present Activities	154
Operations	154
Title to Properties	155
Marketing and Major Purchasers	156

Index to Financial Statements

	Page
Competition	156
Seasonal Nature of Business	156
Environmental Matters and Regulation	156
Other Regulation of the Oil and Natural Gas Industry	160
Employees	161
Legal Proceedings	161
Offices	162
MANAGEMENT OF THE PARTNERSHIP	163
Management of the Partnership	163
Board of Directors of the Partnership GP	163
Executive Compensation and Other Information	169
Employment Agreements	172
New Employment Agreements	177
Director Compensation for 2017	177
MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF NEW LEGACY	179
Overview of New Legacy	179
BUSINESS OF NEW LEGACY	180
MANAGEMENT OF NEW LEGACY	181
Compensation of Directors	184
Committees of the Board of Directors	185
Audit Committee	185
Compensation Committee	185
Nominating and Governance Committee	186
DESCRIPTION OF THE NEW LEGACY 2018 OMNIBUS INCENTIVE PLAN	188
General	188
Eligibility	188
Administration	188
Shares Reserved for Awards; Limits on Awards	189
General Terms of Awards	189
Stock Options	189
Restricted Shares	190
Bonus Shares	190
Performance Awards	190
Other Stock-Based Awards	190
Other Cash-Based Awards	190
Certain U.S. Federal Income Tax Consequences	191
New Legacy LTIP Benefits	193
Other Information	193
New Legacy Equity Compensation Plans	194
UNITHOLDER PROPOSALS	195
HOUSEHOLDING OF PROXY STATEMENT/PROSPECTUS	196
LEGAL MATTERS	197
EXPERTS	197
WHERE YOU CAN FIND MORE INFORMATION	197

GLOSSARY OF TERMS	**G-1**
INDEX TO FINANCIAL STATEMENTS	**F-1**
Annex A Amended and Restated Agreement and Plan of Merger	**A-1**
Annex B Legacy Reserves Inc. 2018 Omnibus Incentive Plan	**B-1**
Annex C GP Purchase Agreement	**C-1**

Table of Contents

Index to Financial Statements

QUESTIONS AND ANSWERS ABOUT THE CORPORATE REORGANIZATION AND THE SPECIAL MEETING

Important Information and Risks. The following are brief answers to some questions that you may have regarding the Corporate Reorganization and matters being considered at the special meeting. You should read and consider carefully the remainder of this proxy statement/prospectus, including the Risk Factors beginning on page 30 and the attached Annexes, because the information in this section does not provide all of the information that might be important to you.

Q: Why am I receiving these materials?

A: This proxy statement/prospectus is being used:

(1) by the Partnership to solicit proxies to be used at its special meeting of unitholders; and

(2) by New Legacy in connection with its offering of shares of its common stock, par value $0.01 per share (common stock), to unitholders as part of the Corporate Reorganization.

The Partnership and New Legacy have agreed to reorganize by merging Merger Sub, a subsidiary of New Legacy, with and into the Partnership under the terms of the Merger Agreement that is described in this proxy statement/prospectus and attached as Annex A. You are receiving this document because the Corporate Reorganization cannot be completed without the approval of the Merger Agreement by the unitholders.

Q: When and where will the special meeting be held?

A: The special meeting will be held on September 19, 2018 at 10:30 a.m., local time, at Midland Country Club located at 6101 N. Highway 349, Midland, Texas 79705.

Q: What am I being asked to vote on?

A: The unitholders are being asked to consider and vote on a proposal to approve and adopt the Merger Agreement and the Merger, as a result of which the Partnership will become a wholly owned subsidiary of New Legacy, and the unitholders will become stockholders of New Legacy (the Merger Proposal). A vote for the Merger Proposal is effectively a vote in favor of the Corporate Reorganization which will result in a reorganization from a master limited partnership to a corporation.

The unitholders are also being asked to consider and vote on a proposal to approve the classification of the New Legacy Board in accordance with the Amended and Restated Certificate of Incorporation of New Legacy, to be in effect following the consummation of the Corporate Reorganization (the Board Classification Proposal).

Under the Merger Agreement, the approval of the Board Classification Proposal is not a condition to the consummation of the Merger.

To satisfy the stockholder approval policy of the Nasdaq Global Select Market (NASDAQ), where the common stock is expected to be listed following the Corporate Reorganization, the unitholders are also being asked to consider and vote on a proposal to approve a new long-term incentive plan of New Legacy to be in effect following the consummation of the Corporate Reorganization to make incentive compensation awards to directors, officers and employees of New Legacy (the LTIP Proposal).

In accordance with Section 14A of the Exchange Act, the unitholders are also being asked to consider and vote upon, on an advisory, non-binding basis, the compensation payments that may be paid or become payable to the Partnership s named executive officers in connection with the Corporate Reorganization and the agreements and understandings pursuant to which such compensation may be paid or become payable (the Compensation Proposal).

Table of Contents

Index to Financial Statements

Unitholders may also be asked to consider and vote on a proposal to adjourn the special meeting to a later date to solicit additional proxies in the event there are insufficient votes in favor of the Merger Proposal (the Adjournment Proposal and, collectively with the Merger Proposal, the Board Classification Proposal, the LTIP Proposal and the Compensation Proposal, the Proposals).

Q: What is the Corporate Reorganization?

A. The Corporate Reorganization is the transaction that will occur if the Merger Agreement receives all necessary approvals of the unitholders and the other closing conditions are satisfied or waived. The most important steps in the transaction that will occur as part of the Corporate Reorganization are:

- a wholly owned subsidiary of New Legacy will merge with and into the Partnership and the unitholders and Preferred Unitholders will receive shares of common stock in exchange for their units and Preferred Units, as applicable; and

- New Legacy will purchase all of the outstanding limited liability company interests in the Partnership GP for an aggregate purchase price of $3.0 million in cash. See The Merger Agreement The GP Purchase Agreement.

There are other steps in the transaction that will occur as part of the Corporate Reorganization. You should read The Merger Agreement for a description of these other transactions.

Q: Why are the Partnership and New Legacy proposing the Corporate Reorganization?

A: The Partnership and New Legacy believe that the Corporate Reorganization will benefit the unitholders. See The Corporate Reorganization Recommendation of the GP Board and Reasons for the Corporate Reorganization.

Q: What will limited partners receive in the Corporate Reorganization?

A: If the Corporate Reorganization is completed,

- each outstanding unit will be converted into the right to receive one share of common stock for each outstanding unit (the Common Unit Exchange Ratio);

each outstanding 8% Series A Fixed-to-Floating Rate Cumulative Redeemable Perpetual Unit of the Partnership (the Series A Preferred Units) will be converted into a right to receive 2.92033118 shares of common stock for each Series A Preferred Unit (the Series A Exchange Ratio) pursuant to the Settlement Agreement (as defined below);

each outstanding 8% Series B Fixed-to-Floating Rate Cumulative Redeemable Perpetual Unit of the Partnership (the Series B Preferred Units, and together with the Series A Preferred Units, the Preferred Units, and the Preferred Units together with the units, the limited partner interests) will be converted into a right to receive 2.90650421 shares of common stock for each Series B Preferred Unit (the Series B Exchange Ratio and, together with the Common Unit Exchange Ratio and the Series A Exchange Ratio, the Exchange Ratios) pursuant to the Settlement Agreement; and

the incentive distribution units will be cancelled in the Corporate Reorganization for no consideration.

Immediately following the Corporate Reorganization, the former unitholders (other than the Partnership, the Partnership GP, members of the Partnership GP and their affiliates, the founding investors (the Founding Investors) and members of the GP Board and management) will own approximately 60.95%, members of the Partnership GP and their affiliates, along with the Founding Investors and members of the GP Board and management, will own approximately 13.35%, former holders of Series A Preferred Units will own approximately 6.24% and the former holders of Series B Preferred Units will own approximately 19.45% of the common stock of New Legacy.

Table of Contents

Index to Financial Statements

The Exchange Ratios are fixed and will not be adjusted on account of any change in price of units or Preferred Units prior to consummation of the Corporate Reorganization. If the Exchange Ratios would result in a unitholder or a holder of Series A Preferred Units or Series B Preferred Units (each, a Preferred Unitholder, and together, the Preferred Unitholders) being entitled to receive a fraction of a share, such unitholder or Preferred Unitholder, as applicable, will receive cash from New Legacy in lieu of such fractional interest in an amount equal to the product of (i) the average closing prices of the units over the five trading days prior to the closing date of the Corporate Reorganization and (ii) the fraction of the share that such holder would otherwise be entitled to receive based on the applicable Exchange Ratio.

Q: What will happen to the accrued but unpaid distributions on the Preferred Units?

A: Pursuant to the Fifth Amended and Restated Agreement of Limited Partnership of the Partnership (the Partnership Agreement) and the Merger Agreement, if the Corporate Reorganization is completed, each Preferred Unitholder will receive in respect of his or her Preferred Units shares of common stock of New Legacy pursuant to the applicable Exchange Ratio, which shall constitute all consideration to be paid in respect to such Preferred Units, and any rights to accumulated and unpaid distributions on such Preferred Units will be discharged.

Q. What is the status of the litigation challenging the Merger?

A. On March 28, 2018, a holder of the Preferred Units filed a putative class action challenging the Merger against the Partnership, the Partnership GP and New Legacy (the Doppelt Action). On June 22, 2018, the Partnership, New Legacy, the Partnership GP and the plaintiff in the Doppelt Action reached an agreement in principle to settle the Doppelt Action, which agreement sets forth the Series A Exchange Ratio and the Series B Exchange Ratio. The parties submitted a stipulation and agreement of settlement to the court on July 6, 2018 (the Settlement Agreement) and, on July 11, 2018, the court entered a scheduling order for consideration of the Settlement Agreement (the Scheduling Order). The Scheduling Order sets September 12, 2018 as the date for the hearing at which the court will consider various matters related to the Settlement Agreement. For details regarding the Doppelt Action, the other lawsuits that have been filed challenging the Merger, the Settlement Agreement and the Scheduling Order, see Summary Other Information Related to the Corporate Reorganization Pending Litigation .

Q: Where will my shares or limited partner interests trade after the Corporate Reorganization?

A: The common stock is expected to be listed on NASDAQ under the symbol LGCY. The units will no longer be publicly traded and the Preferred Units will be cancelled after the consummation of the Corporate Reorganization.

Q: Who is entitled to vote at the special meeting?

A: The record date for the special meeting is July 26, 2018. Only unitholders of record as of the close of business on the record date are entitled to notice of, and to vote at, the special meeting. Pursuant to the Partnership Agreement, the Preferred Unitholders are not entitled to any voting rights with respect to their Preferred Units at the special meeting.

Q: What constitutes a quorum at the special meeting?

A: A majority of the voting power of the outstanding units entitled to vote at the meeting as of the record date represented in person or by proxy (by submitting a properly executed proxy card or properly submitting a proxy by telephone or Internet) will constitute a quorum and will permit the Partnership to conduct the proposed business at the special meeting. Proxies received but marked as abstentions and broker non-votes (if any) will be counted as units that are present and entitled to vote for purposes of determining the presence of a quorum.

Table of Contents

Index to Financial Statements

Q: What is the vote required to approve each proposal?

A: Approval of the Merger Proposal requires the affirmative vote of holders of a majority of the votes cast (not including abstentions and broker non-votes) by unitholders who are present (in person or by proxy) and entitled to vote at the special meeting. Approval of the Board Classification Proposal requires the affirmative vote of holders of a majority of the votes cast (not including abstentions and broker non-votes) by unitholders who are present (in person or by proxy) and entitled to vote at the special meeting. Approval of the LTIP Proposal is being sought to satisfy the stockholder approval policy of NASDAQ. For these purposes, approval of the LTIP Proposal requires the affirmative vote of holders of a majority of the votes cast (not including abstentions and broker non-votes) by unitholders who are present (in person or by proxy) and entitled to vote at the special meeting. Approval, on an advisory, non-binding basis, of the Compensation Proposal requires the affirmative vote of holders of a majority of the votes cast (not including abstentions and broker non-votes) by unitholders who are present (in person or by proxy) and entitled to vote at the special meeting. Approval of the Adjournment Proposal, if presented, requires the affirmative vote of holders of a majority of the votes cast (not including abstentions and broker non-votes) by unitholders who are present (in person or by proxy) and entitled to vote at the special meeting.

Abstentions and broker non-votes (if any) will not be taken into account in determining the outcome of the Merger Proposal, Board Classification Proposal, LTIP Proposal, Compensation Proposal and Adjournment Proposal. The votes on each Proposal are separate and apart from the votes on the other Proposals. Accordingly, you may vote to approve certain of the Proposals and vote not to approve other Proposals. Because the vote on the Compensation Proposal is advisory in nature only, it will not be binding on the Partnership or New Legacy.

All of the directors and executive officers of the Partnership GP beneficially owned, in the aggregate, approximately 11.5% of the outstanding units as of the record date. The Partnership and New Legacy believe that the directors and executive officers of the Partnership GP will vote in favor of the Merger Proposal, in favor of the Board Classification Proposal, in favor of the LTIP Proposal, in favor of the Compensation Proposal and in favor of the Adjournment Proposal.

Each of the holders of limited liability company interests in the Partnership GP is party to the GP Purchase Agreement, which contains a voting covenant obligating such holder and its affiliates to vote any units it owns, directly or indirectly, in favor of the Merger Proposal. As of the record date, such holders beneficially owned 10,285,059 units or approximately 13.4% of the outstanding units. Certain of these holders are directors and/or executive officers of the Partnership GP and are included in the beneficial ownership amounts included in the previous paragraph.

Additionally, the Partnership and the Partnership GP have entered into a Standstill and Voting Agreement (the Standstill and Voting Agreement), dated as of December 31, 2017, by and among the Partnership, the Partnership GP, Fir Tree Capital Management LP and certain funds managed by Fir Tree Capital Management LP (the Fir Tree Parties), pursuant to which, subject to certain limitations, the Fir Tree Parties are obligated to vote their units in accordance with the recommendation of the GP Board. As of the record date, the Fir Tree Parties own 3,633,533 units or approximately 4.7% of the outstanding units.

Q: How do I vote my units if I hold them in my own name?

A: After you have read this proxy statement/prospectus carefully, please respond by completing, signing and dating your proxy card and returning it in the enclosed postage-paid envelope, or by submitting your proxy by telephone or the Internet as soon as possible in accordance with the instructions provided under The Special Meeting Voting Procedure.

4

Table of Contents

Index to Financial Statements

Q: If my units are held in street name by my bank, broker or other nominee, will my bank, broker or other nominee vote them for me?

A: As a general rule, absent specific instructions from you, your bank, broker or other nominee is not allowed to vote your units on any proposal on which your bank, broker or other nominee does not have discretionary authority. The only proposals for consideration at the special meeting are the Merger Proposal, the Board Classification Proposal, the LTIP Proposal, the Compensation Proposal and the Adjournment Proposal, which are non-discretionary matters for which banks, brokers or other nominees do not have discretionary authority to vote. To instruct your bank, broker or other nominee how to vote, you should follow the directions that your bank, broker or other nominee provides to you.

Please note that you may not vote your units held in street name by returning a proxy card directly to the Partnership or by voting in person at the special meeting unless you provide a legal proxy, which you must obtain from your bank, broker or other nominee. If you do not instruct your bank, broker or other nominee on how to vote your units, your bank, broker or other nominee cannot vote your units. You should therefore provide your bank, broker or other nominee with instructions as to how to vote your units.

Q: When do you expect the Corporate Reorganization to be consummated?

A: We currently expect the Merger to close in late September 2018. A number of conditions must be satisfied before the Partnership and New Legacy can complete the Corporate Reorganization, including the approval of the Merger Agreement by the unitholders. Although the Partnership and New Legacy cannot be sure when all of the conditions to the Corporate Reorganization will be satisfied, the Partnership and New Legacy expect to consummate the Corporate Reorganizations as soon as practicable following the special meeting (assuming the Merger Agreement is approved by the unitholders), which is currently expected to be held in late September 2018, subject to, among other things, the registration statement of which this proxy statement/prospectus forms a part having been declared effective under the Securities Act. See Summary The Merger Agreement Conditions to Consummation of the Merger and Risk Factors The Corporate Reorganization is subject to conditions, including some conditions that may not be satisfied on a timely basis, if at all. Failure to complete the Corporate Reorganization, or significant delays in completing the Corporate Reorganization, could negatively affect the Partnership s business and financial results and the price of the units or, following the consummation of the Corporation Reorganization, future business and financial results and the price of the common stock.

Q: What if the proposed Corporate Reorganization is not consummated?

A: It is possible that the proposed Corporate Reorganization will not be consummated. The Corporate Reorganization will not be consummated if all closing conditions are not satisfied or waived. If the Corporate Reorganization is not consummated, the Partnership will remain a public master limited partnership. In addition, the failure to consummate the Corporate Reorganization may adversely impact the Partnership s business going forward. See Risk Factors. Whether or not the Corporate Reorganization is

consummated, the costs and expenses incurred in connection with the Corporate Reorganization will be paid in full by the Partnership.

Q: Should I send in my unit certificates now?

A: No. If the Corporate Reorganization is completed, we will send the limited partners a letter of transmittal with detailed written instructions for exchanging their certificates representing limited partner interests. The shares of New Legacy issued in the Merger will be in uncertificated, book-entry form unless a physical certificate is requested by the stockholder. Please do not send your certificates now.

Table of Contents

Index to Financial Statements

Q: How does the GP Board recommend that the unitholders vote?

A: The GP Board recommends that unitholders vote FOR the Merger Proposal, FOR the Board Classification Proposal, FOR the LTIP Proposal, FOR the Compensation Proposal and FOR the Adjournment Proposal.

The GP Board has determined that the Merger is fair and reasonable to, and in the best interests of, the Partnership and the unitholders, approved the Merger Agreement and the execution, delivery and performance of the Merger Agreement and the transactions contemplated thereby, and resolved to submit the Merger Agreement to a vote of the unitholders and recommend approval of the Merger Agreement by the unitholders. For more information regarding the recommendation of the GP Board, including the obligations of the GP Board in making such determination under the Partnership Agreement, see The Corporate Reorganization Recommendation of the GP Board and Reasons for the Corporate Reorganization.

The Conflicts Committee and the GP Board (acting based upon the Special Approval (as defined in both the amended and restated limited liability company agreement of the Partnership GP, as amended (the GP LLC Agreement), and the Partnership Agreement) of the Conflicts Committee) have unanimously determined that the GP Purchase Agreement is fair and reasonable to, and in the best interests of, the Partnership and the unitholders (other than the Partnership GP and its affiliates).

In considering the recommendation of the GP Board, unitholders should be aware that some of the Partnership GP s directors and executive officers may have interests in the Corporate Reorganization that are different from, or in addition to, the interests they may have as unitholders. See The Corporate Reorganization Interests of Certain Persons in the Merger.

Q: What are the expected U.S. federal income tax consequences to a unitholder and a Preferred Unitholder as a result of the Merger?

A: The receipt of common stock and cash in lieu of fractional shares, if any, in exchange for units and Preferred Units pursuant to the Merger Agreement is generally intended to qualify as an exchange described in Section 351 of the Code for U.S. holders (as defined in Material U.S. Federal Income Tax Consequences) for U.S. federal income tax purposes. It is intended that a U.S. holder generally will not recognize gain or loss (or cancellation of indebtedness income) on the receipt of common stock in exchange for units and Preferred Units (although they may recognize gain with respect to any cash received in lieu of fractional shares). See Material U.S. Federal Income Tax Consequences for a more complete discussion of the expected material U.S. federal income tax consequences of the Merger.

Q. How will previously accrued but unpaid distributions with respect to the Preferred Units be treated for U.S. federal income tax purposes?

A: Accrued but unpaid distributions with respect to the Preferred Units have been treated for U.S. federal income tax purposes as guaranteed payments for the use of capital and have generally already been included

in the taxable income of the Preferred Unitholders as ordinary income. Although the law is not certain, the basis of the common stock received by Preferred Unitholders should include the amounts such holders have previously included in taxable income with respect to accrued but unpaid distributions.

Q: What are the expected U.S. federal income tax consequences for a unitholder and a Preferred Unitholder of the ownership of common stock after the Merger is completed?

A: New Legacy is classified as a corporation for U.S. federal income tax purposes and is subject to U.S. federal income tax on its taxable income. As such, equity owners will no longer receive Forms K-1. Any future distribution of cash by New Legacy to a stockholder who is a U.S. holder (as defined in Material U.S. Federal Income Tax Consequences) generally will be included in such U.S. holder s

Table of Contents

Index to Financial Statements

income as ordinary dividend income to the extent of New Legacy s current or accumulated earnings and profits as determined under U.S. federal income tax principles and will be reported to such owner on Form 1099-DIV. A portion of the cash distributed to holders of shares (the stockholders) by New Legacy after the Merger may exceed New Legacy s current or accumulated earnings and profits. Distributions of cash in excess of New Legacy s current or accumulated earnings and profits will be treated as a non-taxable return of capital reducing a U.S. holder s adjusted tax basis in such U.S. holder s common stock and, to the extent the distribution exceeds such stockholder s adjusted tax basis, as capital gain from the sale or exchange of such common stock. See Material U.S. Federal Income Tax Consequences for a more complete discussion of the expected material U.S. federal income tax consequences of owning and disposing of common stock received in the Merger.

Q: Are unitholders entitled to appraisal rights or dissenters rights?

A: No. The unitholders are not entitled to appraisal rights or dissenters rights in connection with the Corporate Reorganization under applicable law or contractual appraisal rights or dissenters rights under the Partnership Agreement or the Merger Agreement.

Q: What if I do not vote?

A: If you do not vote in person or by proxy, vote abstain on your proxy card or a broker non-vote is made, it will be deemed to not be a vote cast with respect to the Merger Proposal, Board Classification Proposal, LTIP Proposal, Compensation Proposal and Adjournment Proposal. If you sign and return your proxy card but do not indicate how you want to vote, your proxy will be counted as a vote FOR the Merger Proposal, FOR the Board Classification Proposal, FOR the LTIP Proposal, FOR the Compensation Proposal and FOR the Adjournment Proposal.

Q: If I am planning to attend the special meeting in person, should I still vote by proxy?

A: Yes. Whether or not you plan to attend the special meeting, you should vote by proxy. Your units will not be voted if you do not vote by proxy or do not vote in person at the special meeting, as applicable.

Q: Who may attend the special meeting?

A: The unitholders (or their authorized representatives) and the Partnership s invited guests may attend the special meeting. All attendees should be prepared to present government-issued photo identification (such as a driver s license or passport) for admittance. The Preferred Unitholders are not entitled to attend the special meeting or to vote on any matters to be brought before the special meeting.

Q: Can I change my vote after I have submitted my proxy?

A: Yes. If you own your units in your own name, you may revoke your proxy at any time prior to its exercise by:

- giving written notice of revocation to the Secretary of the Partnership at or before the special meeting;
- appearing and voting in person at the special meeting; or
- properly completing and executing a later dated proxy and delivering it to the Secretary of the Partnership at or before the special meeting.

Your presence without voting at the special meeting will not automatically revoke your proxy, and any revocation during the meeting will not affect votes previously taken.

Q: What should I do if I receive more than one set of voting materials for the special meeting?

A: You may receive more than one set of voting materials for the special meeting, and the materials may include multiple proxy cards or voting instruction cards. For example, you will receive a separate

Table of Contents

Index to Financial Statements

voting instruction card for each brokerage account in which you hold units. Additionally, if you are a holder of record registered in more than one name, you will receive more than one proxy card. Please complete, sign, date and return each proxy card and voting instruction card that you receive according to the instructions on it.

Q: Whom do I call if I have further questions about voting, the special meeting or the Merger?

A: Any unitholders who have questions about the Merger, including the procedures for voting their units, or who desire additional copies of this proxy statement/prospectus or additional proxy cards should contact:

Morrow Sodali Global, LLC

470 West Avenue

Stamford, Connecticut 06902

Banks and Brokers Call: (203) 658-9400

All Others Call Toll Free: (800) 662-5200

Email: LGCYinfo@morrowsodali.com

or

Legacy Reserves LP

303 W. Wall St., Suite 1800

Midland, Texas 79701

Telephone: (432) 689-5200

Email: IR@legacylp.com

8

Table of Contents

Index to Financial Statements

SUMMARY

This summary highlights some of the information in this proxy statement/prospectus. It may not contain all of the information that is important to you. To understand the Corporate Reorganization fully and for a more complete description of the terms of the Corporate Reorganization, you should carefully read this document and the Annexes to this document, including the full text of the Merger Agreement included as Annex A.

References in this proxy statement/prospectus to the Partnership refer to Legacy Reserves LP and its subsidiaries. References to Partnership GP refer to Legacy Reserves GP, LLC, the general partner of the Partnership. References to New Legacy refer to Legacy Reserves Inc. References to Series A Preferred Units refer to the 8% Series A Fixed-to-Floating Rate Cumulative Redeemable Perpetual Units of the Partnership. References to Series B Preferred Units refer to the 8% Series B Fixed-to-Floating Rate Cumulative Redeemable Perpetual Units of the Partnership. References to units refers to the units representing limited partner interests in the Partnership and not to the Series A Preferred Units or the Series B Preferred Units, and unitholders refers to the holders of units. As used herein, unless the context requires otherwise, the term limited partner interests refers to the units, the Series A Preferred Units, the Series B Preferred Units and the Incentive Distribution Units (as defined herein), collectively, and limited partners refers to the holders of limited partner interests. References to Preferred Units refer to the Series A Preferred Units and the Series B Preferred Units, collectively, and Preferred Unitholders refers to holders of the Preferred Units. References to common stock refer to the common stock, par value $0.01, of New Legacy.

The Parties

Legacy Reserves Inc.

Legacy Reserves Inc., or New Legacy, is a Delaware corporation incorporated on March 22, 2018 for the purpose of effecting the Corporate Reorganization. New Legacy has not conducted any business operations other than incidental to its formation and in connection with the transactions contemplated by the Corporate Reorganization. Following the Corporate Reorganization, New Legacy will own the Partnership and the Partnership GP as direct or indirect wholly owned subsidiaries and will have no significant assets other than the stock or other voting securities of its subsidiaries. Its principal executive offices are located at 303 W. Wall St., Suite 1800, Midland, Texas 79701, and its telephone number is (432) 689-5200.

Legacy Reserves LP

Legacy Reserves LP, or the Partnership, is a master limited partnership headquartered in Midland, Texas, focused on the development of oil and natural gas properties primarily located in the Permian Basin, East Texas, Rocky Mountain and Mid-Continent regions of the United States.

The Partnership s oil and natural gas production and reserve data as of December 31, 2017 were as follows:

- proved reserves of approximately 180.0 MMBoe, of which 66% were natural gas, 34% were oil and natural gas liquids (NGLs) and 94% were classified as proved developed producing; and

proved reserves to production ratio of approximately 10.0 years based on the annualized production volumes for the three months ended December 31, 2017.

The Partnership has built a diverse portfolio of oil and natural gas reserves, primarily through the acquisition of producing oil and natural gas properties and the development of properties in established producing trends. These acquisitions, along with its ongoing development activities and operational improvements, have allowed the Partnership to achieve significant production and reserve growth over the last decade.

Table of Contents

Index to Financial Statements

The Partnership s principal executive offices are located at 303 W. Wall St., Suite 1800, Midland, Texas 79701, and its telephone number is (432) 689-5200.

The Merger

Subject to the terms and conditions of the Merger Agreement and in accordance with Delaware law, at the effective time of the Merger, Merger Sub, a subsidiary of New Legacy, will merge with and into the Partnership, with the Partnership continuing as the surviving entity and a wholly owned subsidiary of New Legacy.

The Merger Consideration

At the effective time of the Merger:

- each outstanding unit will be converted into the right to receive one share of common stock;
- each outstanding Series A Preferred Unit will be converted into the right to receive 2.92033118 shares of common stock pursuant to the Settlement Agreement as defined below;
- each outstanding Series B Preferred Unit will be converted into the right to receive 2.90650421 shares of common stock pursuant to the Settlement Agreement; and
- the incentive distribution units will be cancelled for no consideration;

with the exception that (a) limited partner interests that are owned immediately prior to the effective time of the Merger by the Partnership or its subsidiaries will be automatically cancelled and cease to exist and (b) any units owned immediately prior to the effective time of the Merger by the Partnership GP or New Legacy or any of its subsidiaries (other than the Partnership and its subsidiaries) will remain outstanding in the Partnership, unaffected by the Merger (collectively, the Merger Consideration).

New Legacy will not issue any fractional shares in the Merger. Instead, each holder of units or Preferred Units that are converted pursuant to the Merger Agreement who otherwise would have received a fraction of a share will be entitled to receive, from the exchange agent appointed by New Legacy pursuant to the Merger Agreement, a cash payment in lieu of such fractional shares in an amount equal to the product of (i) the average closing prices of the units over the five trading days prior to the closing date of the Merger and (ii) the fraction of the share that such holder would otherwise be entitled to receive based on the applicable Exchange Ratio. The amount of cash required to be paid in lieu of fractional shares is not expected to be material.

The GP Purchase Agreement

Additionally, New Legacy, the Partnership and the Partnership GP entered into the GP Purchase Agreement with the GP Seller and all of the current members of the Partnership GP (the GP Members), pursuant to which New Legacy will purchase all of the outstanding limited liability company interests in the Partnership GP (the GP Interests) for an

aggregate purchase price of $3.0 million in cash. In addition, New Legacy has agreed to pay certain legal fees and $100,000 in advisor fees of GP Seller. The GP Purchase Agreement also contains certain representations and warranties by New Legacy, the GP Seller and each of the current GP Members as well as certain indemnification and release provisions. The Conflicts Committee has unanimously determined that the GP Purchase Agreement is fair and reasonable to, and in the best interests of, the Partnership, its subsidiaries and the unitholders (other than the Partnership GP and its affiliates). In addition, the GP Board (acting based upon the Special Approval (as defined in both the GP LLC Agreement and the Partnership Agreement) of the Conflicts Committee) has unanimously determined that the GP Purchase Agreement is advisable, fair to and in the best interests of the Partnership, its subsidiaries and the unitholders (other than the Partnership GP and its affiliates).

Table of Contents

Index to Financial Statements

Ownership Structure Before and After the Corporate Reorganization

(a) Includes entities controlled by Paul T. Horne, the Partnership s Chairman and Chief Executive Officer, Cary D. Brown, a Director, Dale A. Brown, a Director, and Kyle A. McGraw, the Partnership s Executive Vice President and Chief Development Officer and a Director, as well as certain members of Mr. McGraw s family.

(b) Held by WPX Energy Holdings, LLC, a controlled affiliate of WPX Energy, Inc.

11

Table of Contents

Index to Financial Statements

(a) Includes entities controlled by Paul T. Horne, the Partnership s Chairman and Chief Executive Officer, Cary D. Brown, a Director, Dale A. Brown, a Director, and Kyle A. McGraw, the Partnership s Executive Vice President and Chief Development Officer and a Director, as well as certain members of Mr. McGraw s family.

(b) Includes 3,010,680 shares to be issued to management at the closing of the Corporate Reorganization. 1,524,115 shares will be issued upon the conversion of certain phantom units which will vest in units of the Partnership upon the closing of the Corporate Reorganization and be converted to stock of New Legacy pursuant to the Merger Agreement. The remaining 1,486,565 shares will be granted as Excess Settlement Awards (as defined below) under the New Legacy LTIP (as defined below) and may be subject to change based on the unit price at the closing of the Corporate Reorganization. See Treatment of Partnership Equity Awards.

Table of Contents

Index to Financial Statements

Treatment of the Partnership Equity Awards

Pursuant to the Merger Agreement and the approval of the GP Board, and as more fully described under The Merger Agreement Treatment of the Partnership Equity Awards, for each named executive officer of the Partnership GP and for all of the employees of the Partnership, each award previously granted pursuant to the Amended and Restated Legacy Reserves LP Long-Term Incentive Plan, as amended (the Partnership LTIP), held by such person that is outstanding and unvested immediately prior to the effective time of the Corporate Reorganization will, automatically and without any action on the part of the holder, fully vest or become exercisable in full, as the case may be and shall be settled in accordance with each award s applicable award agreement provided that to the extent the aggregate amount of the aggregate award merger cashout exceeds $30 million (the Excess Settlement Awards), certain executives including our named executive officers will, in lieu of cash, receive a proportionate amount of such excess in the form of vested shares of Legacy Reserve Inc. s common stock, pursuant to the terms of the New Legacy 2018 Omnibus Incentive Plan (the New Legacy LTIP). In addition, certain or all such executives may elect, subject to approval by the compensation committee of the Partnership GP, to take a greater portion of his or her vesting award under the Partnership LTIP in the form of shares of New Legacy as opposed to cash. Lastly, all amounts previously credited to the named executive officers as distribution equivalent rights under awards granted pursuant to the Partnership LTIP shall continue to remain so credited and payable on the same payment date set forth in the respective award agreements, subject to the same time-based vesting schedule previously included in the award, but without application of any performance factor.

Special Meeting

When and where: The special meeting will be held on September 19, 2018 at 10:30 a.m., local time, at Midland Country Club located at 6101 N. Highway 349, Midland, Texas 79705.

What you are being asked to vote on: At the special meeting, unitholders will vote on the Merger Proposal, the Board Classification Proposal, the LTIP Proposal, the Compensation Proposal and the Adjournment Proposal. A vote for the Merger Proposal is effectively a vote in favor of the Corporate Reorganization which will result in a reorganization from a master limited partnership to a corporation. The unitholders also may be asked to consider other matters as may properly come before the special meeting. At this time, the Partnership knows of no other matters that will be presented for the consideration of the unitholders at the special meeting.

Who may vote: You may vote at the special meeting if you owned units at the close of business on the record date of July 26, 2018. On that date, there were 76,929,029 units outstanding. You may cast one vote for each outstanding unit that you owned on the record date. Pursuant to the Partnership Agreement, the holders of the Preferred Units are not entitled to any voting rights with respect to their Preferred Units at the special meeting nor are such holders entitled to attend the special meeting solely on account of their Preferred Units.

What vote is needed: Approval of the Merger Proposal requires the affirmative vote of holders of a majority of the votes cast (not including abstentions and broker non-votes) by unitholders who are present (in person or by proxy) and entitled to vote at the special meeting. Approval of the Board Classification Proposal requires the affirmative vote of holders of a majority of the votes cast (not including abstentions and broker non-votes) by unitholders who are present (in person or by proxy) and entitled to vote at the special meeting. Approval of the LTIP Proposal is being sought to satisfy the stockholder approval policy of NASDAQ. For these purposes, approval of the LTIP Proposal requires the affirmative vote of holders of a majority of the votes cast (not including abstentions and broker non-votes) by unitholders who are present (in person or by proxy) and entitled to vote at the special meeting. Approval, on an

advisory, non-binding basis, of the Compensation Proposal, requires the affirmative vote of holders of a majority of the votes cast (not including abstentions and broker non-votes) by unitholders who are present (in person or by proxy) and entitled to vote at the special meeting.

Table of Contents

Index to Financial Statements

Approval of the Adjournment Proposal, if presented, requires the affirmative vote of holders of a majority of the votes cast (not including abstentions and broker non-votes) by unitholders who are present (in person or by proxy) and entitled to vote at the special meeting. Abstentions and broker non-votes (if any) will not be taken into account in determining the outcome of the Merger Proposal, Board Classification Proposal, LTIP Proposal, Compensation Proposal and Adjournment Proposal. The votes on each Proposal are separate and apart from the votes on the other Proposals. Accordingly, you may vote to approve certain of the Proposals and vote not to approve other Proposals. Because the vote on the Compensation Proposal is advisory in nature only, it will not be binding on the Partnership or New Legacy.

All of the directors and executive officers of the Partnership GP beneficially owned, in the aggregate, approximately 11.5% of the outstanding units as of the record date. The Partnership and New Legacy believe that the directors and executive officers of the Partnership GP will vote in favor of the Merger Proposal, in favor of the Board Classification Proposal, in favor of the LTIP Proposal, in favor of the Compensation Proposal and in favor of the Adjournment Proposal.

Each of the holders of limited liability company interests in the Partnership GP is party to the GP Purchase Agreement, which contains a voting covenant obligating such holder and its affiliates to vote any units it owns, directly or indirectly, in favor of the Merger Proposal. As of the record date, such holders beneficially owned 10,285,059 units or approximately 13.4% of the outstanding units. Certain of these holders are directors and/or executive officers of the Partnership GP and are included in the beneficial ownership amounts included in the previous paragraph.

Additionally, the Partnership and the Partnership GP have entered into the Standstill and Voting Agreement, pursuant to which, subject to certain limitations, the Fir Tree Parties are obligated to vote their units as recommended by the GP Board to the unitholders. As of the record date, the Fir Tree Parties own 3,633,533 units or approximately 4.7% of the outstanding units.

Recommendation of the GP Board and Reasons for the Corporate Reorganization

The Conflicts Committee has unanimously determined that the GP Purchase Agreement is fair and reasonable to, and in the best interests of, the Partnership and the unitholders (other than the Partnership GP and its affiliates), provided Special Approval (as defined in both the GP LLC Agreement and the Partnership Agreement) and recommended that the GP Board approve the GP Purchase Agreement. The GP Board (acting based upon the Special Approval of the Conflicts Committee) has unanimously determined that the GP Purchase Agreement is advisable, fair to and in the best interests of the Partnership, its subsidiaries and the unitholders (other than the Partnership GP and its affiliates). The GP Board has also determined that the Merger is advisable, fair to and in the best interests of the Partnership, its subsidiaries and the unitholders; approved the Merger Agreement and the execution, delivery and performance of the Merger Agreement and the transactions contemplated thereby; and resolved to submit the Merger Agreement to a vote of the unitholders and recommend approval of the Merger Agreement by the unitholders. **Accordingly, the GP Board unanimously recommends that the unitholders vote FOR the approval of the Merger Agreement and the Merger.**

In reaching its determinations and recommendations described above, the GP Board consulted with the Partnership s senior management and outside legal counsel. These consultations included discussions regarding the Partnership s strategic business plan, the Partnership s past and current business operations and financial condition and performance, the Partnership s future prospects, other potential strategic alternatives that may be available to the Partnership and the

potential Corporate Reorganization. The GP Board considered a number of substantive factors, both positive and negative, and potential benefits and detriments of the Corporate Reorganization to the Partnership and the unitholders. For a more complete discussion of these factors, see the section entitled The Corporate Reorganization Recommendation of the GP Board and Reasons for the Corporate Reorganization.

Table of Contents

Index to Financial Statements

Interests of Certain Persons in the Merger

In considering the recommendations of the GP Board, unitholders should be aware that some of the executive officers and directors of the Partnership GP have interests in the Corporate Reorganization that may differ from, or may be in addition to, the interests of unitholders generally. These interests include:

- Certain indemnification arrangements and insurance policies for directors and officers of the Partnership GP and New Legacy will be continued for six years if the Corporate Reorganization is completed.

- Pursuant to the Merger Agreement and the approval of the GP Board, and as more fully described under The Merger Agreement Treatment of the Partnership Equity Awards, the outstanding incentive equity awards of each executive officer of the Partnership GP (as well as any such awards held by employees of the Partnership) will fully vest or become exercisable in full, as the case may be.

- Nearly all of the directors and executive officers of the Partnership GP beneficially own units and will receive the applicable Merger Consideration upon consummation of the Corporate Reorganization.

- All of the officers of Legacy GP have been offered continued employment with New Legacy after the effective time of the Corporate Reorganization and new employment agreements have been approved by the GP Board and are anticipated to be entered into upon the closing of the Corporate Reorganization.

- Certain of the officers of the Partnership GP are expected to receive grants under the New Legacy LTIP (subject to its approval) in connection with the Corporate Reorganization.

New Legacy s Board of Directors and Management

If the Board Classification Proposal is approved by the unitholders, upon consummation of the Corporate Reorganization, the New Legacy Board of Directors (the New Legacy Board) will consist of six directors, one of whom will be designated by GSO Capital Partners LP (GSO) (D. Dwight Scott), divided into three classes. The members of each class will serve staggered, three-year terms (other than with respect to the initial terms of the Class I and Class II directors, which will be one and two years, respectively). Upon the expiration of the term of a class of directors, directors in that class will be elected for three-year terms at the annual meeting of stockholders in the year in which their term expires. Following the completion of this offering:

- Paul T. Horne and Cary D. Brown will be Class I directors, whose initial terms will expire at the 2019 annual meeting of stockholders;

D. Dwight Scott and William R. Granberry will be Class II directors, whose initial terms will expire at the 2020 annual meeting of stockholders; and

G. Larry Lawrence and Kyle D. Vann will be a Class III directors, whose initial terms will expire at the 2021 annual meeting of stockholders.

Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors of New Legacy. This classification of the New Legacy Board may have the effect of delaying or preventing changes in control. Mr. Horne will be the chairman of the New Legacy Board unless he is not able or willing to serve as a director at the time of the consummation of the Corporate Reorganization, in which case the New Legacy Board will elect a chairman.

If any of the designees to the New Legacy Board identified above are not able or willing to serve as a director at the time of the consummation of the Corporate Reorganization, the party that designated such

Table of Contents

Index to Financial Statements

designee will determine a replacement. After the consummation of the Corporate Reorganization, each director of New Legacy will serve as a director until such person s successor is elected or, if earlier, until such director dies, resigns or is removed in accordance with New Legacy s organizational documents and applicable law.

The designees to the New Legacy Board identified above have indicated that they intend to vote all units held by them or over which they have control in favor of approval and adoption of the Merger Agreement and the transactions contemplated by the Merger Agreement.

If the Board Classification Proposal is not approved by the unitholders, the New Legacy Board will consist of a single class of six directors of the individuals identified above, each of whom will serve until the next annual meeting of stockholders and until his or her successor has been duly elected and qualified.

The Merger Agreement

Conditions to Consummation of the Merger

The Partnership and New Legacy may not complete the Merger unless each of the following conditions is satisfied or waived:

- the Merger Agreement must have been approved by the affirmative vote of a majority of the votes cast by unitholders who are entitled to vote on the matter at the special meeting (the unitholder approval);

- any waiting period applicable to the transactions contemplated by the Merger Agreement under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the HSR Act), must have been terminated or become expired;

- no law, injunction, judgment or ruling enacted, promulgated, issued, entered, amended or enforced by any governmental entity (collectively, restraints) is in effect enjoining, restraining, preventing or prohibiting the consummation of the transactions contemplated by the Merger Agreement or making the consummation of the transactions contemplated by the Merger Agreement illegal;

- the registration statement of which this proxy statement/prospectus forms a part must have been declared effective under the Securities Act and must not be subject to any stop order suspending the effectiveness of the registration statement or proceedings initiated or threatened by the SEC for that purpose;

- the shares deliverable to the unitholders as contemplated by the Merger Agreement must have been approved for listing on a national securities exchange, subject to official notice of issuance;

the Second Supplemental Indenture (the 2020 Supplemental Indenture), among the Partnership, Legacy Reserves Finance Corporation (together with the Partnership, the Issuers), the guarantors party thereto and Wilmington Trust, National Association (as successor to Wells Fargo Bank, National Association), as trustee (the Trustee), to the Indenture, dated as of December 4, 2012, among the Issuers, the guarantors party thereto and the Trustee relating to the issuance by the Issuers of the 8% senior notes due 2020 (the 2020 Senior Notes) must have been entered into and all conditions precedent necessary for its effectiveness, other than any conditions related to the transactions contemplated by the Merger Agreement, must have been satisfied or waived;

the Second Supplemental Indenture (the 2021 Supplemental Indenture), among the Issuers, the guarantors party thereto and the Trustee, to the Indenture, dated as of May 28, 2013, among the Issuers, the guarantors party thereto and the Trustee relating to the issuance by the Issuers of the 6.625% senior notes due 2021 (the 2021 Senior Notes, together with the 2020 Senior Notes, the Senior Notes), must have been entered into and all conditions precedent necessary for its effectiveness, other than any conditions related to the transactions contemplated by the Merger Agreement, must have been satisfied or waived;

Table of Contents

Index to Financial Statements

the Ninth Amendment to the Third Amended and Restated Credit Agreement (the Credit Agreement Amendment), among the Partnership, as borrower, Wells Fargo Bank, National Association, as administrative agent, Compass Bank, as syndication agent, UBS Securities LLC and U.S. Bank National Association, as co-documentation agents and the lenders party thereto, dated as of April 1, 2014, must have been entered into and all conditions precedent necessary for the effectiveness of the Credit Agreement Amendment, other than any conditions related to the transactions contemplated by the Merger Agreement, must have been satisfied or waived;

the Fourth Amendment to the Credit Agreement (the Term Loan Amendment), dated as of October 25, 2016, by and among the Partnership, the financial institutions from time to time party thereto as lenders, and Cortland Capital Market Services LLC, as the administrative agent, must have been entered into and all conditions precedent necessary for the effectiveness of the Term Loan Amendment, other than any conditions related to the transactions contemplated by the Merger Agreement, must have been satisfied or waived;

all conditions precedent required to consummate the GP Purchase Agreement, other than any conditions related to the transactions contemplated by the Merger Agreement, must have been satisfied or waived;

the New Legacy Board or its compensation committee shall have adopted the New Legacy LTIP and authorized certain equity awards thereunder as of the effective time of the Merger; and

the Partnership GP must have delivered or caused to be delivered to each of the Partnership, New Legacy and Merger Sub a consent authorizing, among other things, the Merger Agreement and the transactions contemplated thereby, duly executed by each of the members of the Partnership GP.

The obligations of New Legacy and Merger Sub to effect the Merger are subject to the satisfaction or waiver of the following additional conditions:

the representations and warranties in the Merger Agreement of the Partnership and the Partnership GP being true and correct as of March 23, 2018 and as of the closing date of the Merger, subject to certain standards, including materiality and material adverse effect qualifications, as described in The Merger Agreement Conditions to Consummation of the Merger ;

the Partnership and the Partnership GP having performed in all material respects all obligations required to be performed by each of them under the Merger Agreement; and

the receipt by New Legacy of an officer s certificate signed on behalf of the Partnership and the Partnership GP by an executive officer of the Partnership GP certifying that the preceding conditions have been satisfied.

The obligation of the Partnership to effect the Merger is subject to the satisfaction or waiver of the following additional conditions:

- the representations and warranties in the Merger Agreement of New Legacy being true and correct as of March 23, 2018 and as of the closing date of the Merger, subject to certain standards, including materiality and material adverse effect qualifications, as described in The Merger Agreement Conditions to Consummation of the Merger ;

- New Legacy and Merger Sub having performed in all material respects all obligations required to be performed by each of them under the Merger Agreement; and

- the receipt by the Partnership of an officer s certificate signed on behalf of New Legacy by an executive officer of New Legacy certifying that the preceding conditions have been satisfied.

Table of Contents

Index to Financial Statements

Unitholder Approval

The Partnership has agreed to hold a special meeting of the unitholders as promptly as practicable for purposes of obtaining the unitholder approval. See Special Meeting.

The Merger Agreement also requires the Partnership, through the GP Board, to recommend to the unitholders the approval of the Merger Agreement, unless the GP Board has concluded that recommending approval of the Merger Agreement to the unitholders would be inconsistent with its duties to the unitholders under applicable law, and to use reasonable best efforts to obtain from the unitholders of the Partnership the unitholder approval. This obligation of the Partnership to hold the special meeting is not affected by the withdrawal or modification by the GP Board of its recommendation with respect to the Merger Proposal or its approval of the Merger Agreement or the transactions contemplated by the Merger Agreement.

Termination of the Merger Agreement

The Partnership and New Legacy may terminate the Merger Agreement at any time prior to the effective time of the Merger by mutual written consent authorized by the New Legacy Board and GP Board.

In addition, either the Partnership or New Legacy may terminate the Merger Agreement at any time prior to the effective time of the Merger by written notice to the other party if:

- the closing of the Merger has not occurred on or before December 31, 2018;
- any restraint is in effect and has become final and nonappealable, except that the right to terminate will not be available to the Partnership or New Legacy if the failure to satisfy such condition was due to the failure of, in the case of the Partnership, the Partnership or the Partnership GP and in the case of New Legacy or Merger Sub, to perform any of its obligations under the Merger Agreement; or
- the special meeting is concluded and the unitholder approval is not obtained.

New Legacy also may terminate the Merger Agreement if:

- the Partnership or the Partnership GP breaches or fails to perform any of its representations, warranties, covenants or agreements such that certain closing conditions would not be satisfied, or if such breach or failure is capable of being cured, such breach or failure has not been cured within 30 days following delivery of written notice by New Legacy and New Legacy is not then in any material breach.

The Partnership also may terminate the Merger Agreement if:

the GP Board, prior to the special meeting, shall have concluded that recommending to the unitholders approval of the Merger Agreement would be inconsistent with its duties to the unitholders under applicable laws; or

New Legacy breaches or fails to perform any of its representations, warranties, covenants or agreements such that certain closing conditions would not be satisfied, or if such breach or failure is capable of being cured, such breach or failure has not been cured within 30 days following delivery of written notice by the Partnership and the Partnership GP and the Partnership and the Partnership GP are not then in any material breach.

Fees and Expenses

The Merger Agreement provides that all costs and expenses, including fees and disbursements of counsel, financial advisors and accountants, incurred in connection with the Corporate Reorganization shall be paid by the Partnership, except that New Legacy has agreed to pay certain legal fees and $100,000 in advisor fees to GP Seller in connection with the GP Purchase pursuant to the GP Purchase Agreement.

Table of Contents

Index to Financial Statements

Material U.S. Federal Income Tax Consequences

The receipt of common stock in exchange for units or Preferred Units pursuant to the Merger Agreement is generally intended to qualify as an exchange described in Section 351 of the Code for U.S. holders (as defined in Material U.S. Federal Income Tax Consequences) for U.S. federal income tax purposes. A U.S. holder generally will not recognize gain or loss on the receipt of common stock in exchange for units or Preferred Units (although they may recognize gain with respect to any cash received in lieu of fractional shares as discussed below). Accordingly, other than with respect to cash received in lieu of fractional shares, it is intended that:

- U.S. holders will generally recognize no gain or loss (or cancellation of indebtedness income) on their receipt of common stock in exchange for units or Preferred Units;

- each U.S. holder s aggregate tax basis in the shares of common stock received in the Merger will generally be the same as their aggregate tax basis in the units or Preferred Units surrendered in exchange therefor, with such aggregate basis allocated pro rata among each share of common stock received in the Merger; and

- the holding period of common stock received in exchange for units or Preferred Units will generally include the holding period of the units or Preferred Units for which it is exchanged, except to the extent the common stock is received by such holder in exchange for interests in Section 751 assets of Partnership that are neither capital assets nor Section 1231 assets, in which case the holding period of such stock begins on the day following the date of the Merger.

The foregoing discussion assumes that no U.S. holder s share of the Partnership s nonrecourse liabilities exceeds their adjusted tax basis in their units or Preferred Units. If this assumption is not accurate with respect to any U.S. holder, such U.S. holder is strongly urged to consult its own tax advisor with respect to the U.S. holder s specific tax consequences of the Merger, taking into account its own particular circumstances.

The tax treatment of cash received in lieu of fractional shares by Preferred Unitholders is not entirely certain. New Legacy intends to take the position that the receipt of cash in lieu of fractional shares by Preferred Unitholders generally will be treated as money received in the Section 351 exchange and U.S. holders may recognize gain, if any, but not loss as a result thereof. The amount of gain required to be recognized by a holder will be equal to the lesser of (i) the amount of cash received and (ii) the amount of gain realized on the exchange. The amount of gain realized on the exchange, if any, will be the excess of (x) the sum of the fair value of the common stock received, plus any cash received in lieu of fractional shares, plus such holder s share of the Partnership s nonrecourse liabilities immediately prior to the Merger, over (y) such holder s adjusted tax basis in the units and Preferred Units exchanged in the Merger. Except as noted below, gain recognized by a U.S. holder on the receipt of cash in lieu of fractional shares in the Merger generally will be taxable as capital gain. However, a portion of this gain, if any, may be separately computed and taxed as ordinary income under Section 751 of the Code to the extent attributable to unrealized receivables, including depreciation recapture, or to inventory items owned by the Partnership and its subsidiaries. To the extent a U.S. holder of Preferred Units receives cash in lieu of fractional shares, such holder s basis in the common stock received in the Merger will be calculated as described above, but increased by the amount of any gain, if any, recognized in the Merger and decreased by the amount of cash received. It is possible, however, that the receipt of cash in lieu of a fractional share may be treated as if the U.S. holder received the fractional share in the Merger and

then received the cash in a redemption of the fractional share, in which case the U.S. holder should generally recognize gain or loss equal to the difference between the amount of the cash received in lieu of the fractional share and the U.S. holder s tax basis allocable to such fractional share.

Capital gain recognized by a U.S. holder will generally be long-term capital gain if the U.S. holder has held its units for more than one year as of the effective time of the Merger. If the U.S. holder is an individual, such long-term capital gain will generally be eligible for reduced rates of taxation.

Table of Contents

Index to Financial Statements

Passive losses that were not deductible by a U.S. holder in prior taxable periods because they exceeded a U.S. holder s share of the Partnership s income may be utilized to offset any gain recognized in the Merger and may be deducted in full upon the U.S. holder s taxable disposition of its common stock received in the Merger.

The U.S. federal income tax consequences of the Merger to a unitholder or Preferred Unitholder are complex and will depend on such limited partner s own personal tax situation. Accordingly, each U.S. holder is strongly urged to consult its own tax advisor with respect to the specific tax consequences of the Merger, taking into account its own particular circumstances. See Material U.S. Federal Income Tax Consequences for a more complete discussion of certain U.S. federal income tax consequences of the Merger.

Other Information Related to the Corporate Reorganization

No Appraisal Rights or Dissenters Rights

The limited partners are not entitled to appraisal rights or dissenters rights in connection with the Corporate Reorganization under applicable law or contractual appraisal rights under the Partnership Agreement or the Merger Agreement.

Antitrust and Regulatory Matters

The Partnership and New Legacy have determined that the Corporate Reorganization is not subject to the requirements of the HSR Act, and no other governmental consents are required.

Listing of New Legacy Common Stock; Deregistration and Delisting of the Units

It is a condition to the consummation of the Merger that the common stock issuable in the Merger be approved for listing on NASDAQ, subject to official notice of issuance. The common stock is expected to trade on NASDAQ under the symbol LGCY. Upon consummation of the Merger, the units currently listed on NASDAQ will cease to be listed on NASDAQ and will be subsequently deregistered under the Exchange Act.

The former unitholders and Preferred Unitholders will become stockholders of New Legacy, and their rights as stockholders will be governed by Delaware law and by New Legacy s amended and restated certificate of incorporation and bylaws that will be in effect upon consummation of the Corporate Reorganization. The Partnership intends to cease filing periodic reports pursuant to the Exchange Act with the SEC following deregistration of its limited partner interests, pursuant to securities laws requirements, with New Legacy becoming the successor registrant.

Accounting Treatment of the Merger

The Merger will be accounted for as an equity transaction among the owners of New Legacy using historical cost accounting with no gain or loss being recognized.

Pending Litigation

On March 28, 2018, a holder of the Preferred Units filed a putative class action challenging the Merger against the Partnership, the Partnership GP and New Legacy (the Doppelt Action) in the Court of Chancery of the State of

Delaware (the Court). The initial complaint in the Doppelt Action contained two causes of action challenging the Merger, including breach of the Partnership Agreement and breach of the implied covenant of good faith and fair dealing. The plaintiff in the Doppelt Action sought injunctive relief prohibiting consummation

of the Merger or, in the event the Merger is consummated, rescission or rescissory damages, as well as reasonable attorneys and experts fees and expenses. On April 4, 2018, a motion to expedite was filed in connection with the Doppelt Action, by which the plaintiff sought a hearing on a motion for a preliminary injunction prior to the close of the Merger and requested that the Court set an expedited discovery schedule prior to any such hearing. The plaintiff in the Doppelt Action also filed a lawsuit against the Partnership and the Partnership GP in 2017 for breach of the Partnership Agreement based on the treatment of the accrued but unpaid preferred distributions as guaranteed payments for tax purposes (the Doppelt Tax Action).

A second putative class action lawsuit challenging the Merger was filed in the Court on April 3, 2018 against the Partnership, the Partnership GP and New Legacy (the Chammah Ventures Action). The Chammah Ventures Action contained the same causes of action and sought substantially the same relief as the Doppelt Action.

On April 13, 2018, the Court issued an order consolidating the Doppelt Action and Chammah Ventures Action (together, the Consolidated Action) and appointing the plaintiff in the Doppelt Action as lead plaintiff and his counsel as lead counsel for the putative class action. On April 13, 2018, the Court also granted the motion to expedite the Consolidated Action. On April 23, 2018, the plaintiff in the Consolidated Action filed an amended complaint, adding an additional count for breach of the Partnership Agreement. A hearing on the plaintiff s motion for a preliminary injunction and the Partnership s motion to dismiss occurred on June 4, 2018.

On June 22, 2018, the Partnership, New Legacy, the Partnership GP and the plaintiff in the Consolidated Action reached an agreement in principle to settle the Consolidated Action. The parties submitted a stipulation and agreement of settlement to the Court on July 6, 2018 (the Settlement Agreement) and, on July 11, 2018, the Court entered a scheduling order for consideration of the Settlement Agreement (the Scheduling Order). The Scheduling Order sets September 12, 2018 as the date for the hearing at which the Court will consider (i) the fairness of the Settlement Agreement; (ii) whether a judgment should be entered dismissing the Doppelt Action with prejudice; (iii) the plaintiff s counsel s application for fees and expenses; and (iv) any objections to the Settlement Agreement. The Settlement Agreement, if approved by the Court, will grant holders of Series A Preferred Units and Series B Preferred Units approximately 10,730,000 shares of common stock in New Legacy in addition to the approximately 16,913,592 shares those holders would collectively receive pursuant to the exchange ratios that were included in the Agreement and Plan of Merger, dated March 23, 2018, by and among the Partnership, New Legacy, Merger Sub and the Partnership GP. In exchange, the class of Preferred Unitholders (dating back to January 21, 2016 through the consummation of the Merger) have agreed to release the Partnership, the Partnership GP and New Legacy, and any of their parent entities, controlling persons, associates, affiliates, including any person or entity owning, directly or indirectly, any portion of the Partnership GP, or subsidiaries and each and all of their respective officers, directors, stockholders, employees, representatives, advisors, consultants and other released parties (the Released Parties), from liability for any claims related to or arising out of the rights inhering to the Preferred Units (subject to limited exceptions related to tax liabilities), including all claims brought in the Consolidated Action. As part of the Settlement Agreement, the Doppelt Tax Action will be dismissed. Each of the administrative agent for the Revolving Credit Agreement (as defined below) and the majority lenders under the Term Loan Credit Agreement (as defined below) have consented to the terms of the Settlement Agreement, as required pursuant to the terms of the Revolving Credit Agreement and the Term Loan Credit Agreement, respectively.

A third putative class action lawsuit challenging the Merger was filed against the Partnership, the Partnership GP, New Legacy and Merger Sub on April 27, 2018 by Patrick Irish in the District Court in Midland County, Texas (the Irish Action). The Irish Action contains the same general causes of action as the initial complaint filed in the Doppelt Action and the Chammah Ventures Action and seeks the same relief. The Partnership, the Partnership GP, New

Legacy and the plaintiff s counsel in the Consolidated Action have agreed to coordinate efforts to obtain a dismissal of the Irish Action following the consummation of the Merger.

Table of Contents

Index to Financial Statements

The Partnership and New Legacy cannot predict the outcome of these or any other lawsuits that might be filed subsequent to the date of the filing of this proxy statement/prospectus, nor can the Partnership or New Legacy predict the amount of time and expense that will be required to resolve such litigation.

Comparison of the Rights of Stockholders and Unitholders

A limited partnership is inherently different from a corporation. Ownership interests in a limited partnership are therefore fundamentally different from ownership interests in a corporation. Unitholders and Preferred Unitholders will own common stock following the consummation of the Merger, and their rights associated with the common stock will be governed by the Delaware General Corporation Law (the DGCL) and New Legacy s organizational documents (which will be effective upon consummation of the Merger), which differ in a number of respects from the Partnership Agreement and Delaware Revised Uniform Limited Partnership Act (the Delaware LP Act). These differences are described in more detail under Comparison of the Rights of Stockholders and Unitholders.

Recent Developments

On July 31, 2018, the lenders for the Revolving Credit Agreement agreed to waive the Partnership s compliance with the ratio of consolidated current assets to consolidated current liabilities covenant contained in the Revolving Credit Agreement for the fiscal quarter ended June 30, 2018.

Summary of Risk Factors

You should consider carefully all the risk factors together with all of the other information included in this proxy statement/prospectus before deciding how to vote. The risks related to the Corporate Reorganization and the related transactions, the Partnership s business, common stock and risks resulting from New Legacy s organizational structure are described under Risk Factors beginning on page 30. Some of these risks include, but are not limited to, those described below:

- The Corporate Reorganization is subject to conditions, including some conditions that may not be satisfied on a timely basis, if at all. Failure to complete the Corporate Reorganization, or significant delays in completing the Corporate Reorganization, could negatively affect the Partnership s business and financial results and the price of the units or, following the consummation of the Corporate Reorganization, future business and financial results and the price of the common stock.

- If the Corporate Reorganization is approved by unitholders, the date that the unitholders and Preferred Unitholders will receive the Merger Consideration is uncertain.

- The Partnership will incur substantial transaction-related costs in connection with the Corporate Reorganization.

Certain executive officers and directors of the Partnership GP have interests in the Corporate Reorganization that are different from, or in addition to, the interests they may have as unitholders, which could have influenced their decision to support or approve the Corporate Reorganization.

The unaudited pro forma financial information included in this proxy statement/prospectus is presented for illustrative purposes only and may not be an indication of New Legacy s financial condition or results of operations following the Corporate Reorganization.

The Partnership and New Legacy are subject to litigation related to the Merger.

The Merger may be treated as a taxable transaction, and result in tax liability, for a limited partner, depending on such limited partner s particular situation.

The U.S. federal income tax treatment of owning and disposing of common stock received in the Merger will be different than the U.S. federal income tax treatment of owning and disposing of units.

Table of Contents

Index to Financial Statements

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF THE PARTNERSHIP

The following table sets forth the Partnership s selected historical consolidated financial data derived from the Partnership s unaudited condensed consolidated financial statements as of and for the three months ended March 31, 2018 and 2017 and from the Partnership s audited consolidated financial statements as of and for each of the years ended December 31, 2017, 2016, 2015, 2014 and 2013. You should read the following data in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations of the Partnership and the consolidated financial statements and the related notes thereto included within this proxy statement/prospectus. You should not assume the results of operations for any past period indicate results for any future period.

	Three Months Ended March 31,		Years Ended December 31,				
	2018	2017	2017[(a)]	2016	2015[(b)]	2014[(c)]	2013
	(In thousands, except per unit data)						
Statement of Operations Data:							
Revenues:							
Oil sales	$ 93,411	$ 49,142	$ 239,448	$ 152,507	$ 199,841	$ 396,774	$ 405,536
Natural gas liquids sales	7,396	5,050	24,796	15,406	16,645	27,483	14,095
Natural gas sales	36,672	45,355	172,057	146,444	122,293	108,042	65,858
Total revenues	137,479	99,547	436,301	314,357	338,779	532,299	485,489
Expenses:							
Oil and natural gas production	47,967	51,217	183,219	179,333	194,491	198,801	154,679
Production and other taxes	7,326	4,159	19,825	14,267	16,383	31,534	29,508
General and administrative	24,090	10,552	49,372	43,639	46,511	38,980	28,907
Depletion, depreciation, amortization and accretion	36,547	28,796	126,938	150,414	177,258	173,686	158,415
Impairment of long-lived assets		8,062	37,283	61,796	633,805	448,714	85,757
(Gain) loss on disposal of assets	(20,395)	(5,524)	1,606	(50,095)	(3,972)	(2,479)	579
Total expenses	95,535	97,262	418,243	399,354	1,064,476	889,236	457,845
Operating income (loss)	41,944	2,285	18,058	(84,997)	(725,697)	(356,937)	27,644
Other income (expense):							
Interest income	12	1	64	67	329	873	776
Interest expense	(27,368)	(20,133)	(89,206)	(79,060)	(76,891)	(67,218)	(50,089)
Gain on extinguishment of debt	51,693			150,802			
	17	11	17		126	428	559

Equity in income of equity method investees							
Net gains (losses) on commodity derivatives	(1,704)	34,669	17,776	(41,224)	98,253	138,092	(13,531)
Other	275	(40)	792	(179)	841	258	18
Income (loss) before income taxes	64,869	16,793	(52,499)	(54,591)	(703,039)	(284,504)	(34,623)
Income tax (expense) benefit	(487)	(421)	(1,398)	(1,229)	1,498	859	(649)
Net income (loss)	64,382	16,372	(53,897)	(55,820)	(701,541)	(283,645)	(35,272)
Distributions to Preferred Unitholders	(4,750)	(4,750)	(19,000)	(19,000)	(19,000)	(11,694)	
Net income (loss) attributable to unitholders	$ 59,632	$ 11,622	$ (72,897)	$ (74,820)	$ (720,541)	$ (295,339)	$ (35,272)

23

Table of Contents

Index to Financial Statements

	Three Months Ended March 31,		Years Ended December 31,				
	2018	2017	2017[(a)]	2016	2015[(b)]	2014[(c)]	2013
	(In thousands, except per unit data)						
Income (loss) per unit							
Basic and diluted	$ 0.78	$ 0.16	$ (1.01)	$ (1.06)	$ (10.45)	$ (4.92)	$ (0.62)
Distributions paid per unit	$	$	$	$	$ 1.46	$ 2.41	$ 2.31
Cash Flow Data:							
Net cash provided by (used in) operating activities	$ 54,017	$ 34,892	$ 100,209	$ (310)	$ 2,046	$ 207,216	$ 241,134
Net cash provided by (used in) investing activities	$ (49,622)	$ (20,390)	$ (279,236)	$ 119,989	$ (377,420)	$ (632,414)	$ (209,401)
Net cash provided by (used in) financing activities	$ (5,633)	$ (15,049)	$ 177,718	$ (119,130)	$ 376,655	$ 423,339	$ (32,658)
Capital expenditures	$ 73,927	$ 29,023	$ 314,491	$ 41,932	$ 579,463	$ 640,414	$ 204,911

	Three Months Ended March 31,	Historical As of December 31,				
	2018	2017[(a)]	2016	2015[(b)]	2014[(c)]	2013
	(In thousands)					
Balance Sheet Data						
Cash and cash equivalents	$	$ 1,246	$ 2,555	$ 2,006	$ 725	$ 2,584
Other current assets	109,939	111,358	80,217	127,453	191,529	72,115
Oil and natural gas properties, net of accumulated depletion, depreciation, amortization and impairment	1,359,444	1,353,356	1,181,909	1,408,956	1,639,974	1,535,429
Other assets	26,226	27,122	35,145	74,705	66,378	49,705
Total assets	$ 1,495,609	$ 1,493,082	$ 1,299,826	$ 1,613,120	$ 1,898,606	$ 1,659,833
Current liabilities	$ 139,945	$ 144,810	$ 86,609	$ 81,093	$ 97,576	$ 93,890
Long-term debt	1,296,953	1,346,769	1,161,394	1,427,614	938,876	878,693
Other long-term liabilities	259,825	273,190	273,902	284,090	224,949	176,854
Partners equity (deficit)	(201,114)	(271,687)	(222,079)	(179,677)	637,205	510,396
Total liabilities and partners equity	$ 1,495,609	$ 1,493,082	$ 1,299,826	$ 1,613,120	$ 1,898,606	$ 1,659,833

(a) Includes the production and operating results from the closing date on August 1, 2017 through December 31, 2017 of the properties acquired in conjunction with the $141 million acceleration payment (the Acceleration Payment) under the Partnership s joint development agreement with certain investment funds of TPG Sixth Street Partners.

(b) Includes the Partnership s purchase of (1) 100% of the issued and outstanding limited liability company membership interests in Dew Gathering LLC, which owns directly and indirectly natural gas gathering and processing assets in Anderson, Freestone, Houston, Leon, Limestone and Robertson Counties, Texas (the WGR Acquisition) from WGR Operating LP (WGR), and (2) various oil and natural gas properties and associated exploration and production assets (the Anadarko E&P Acquisition, together with the WGR

24

Table of Contents

Index to Financial Statements

Acquisition, the Anadarko Acquisitions) from Anadarko E&P Onshore LLC (Anadarko) as of the closing date of the acquisition on July 31, 2015.

(c) Includes the Partnership s purchase of non-operated interests in 2,676 active wells acquired in the Piceance acquisition as of the closing date of the acquisition on June 4, 2014 (the Piceance Acquisition).

Non-GAAP Financial Measures

The Partnership s management uses Adjusted EBITDA as a tool to provide additional information and metrics relative to the performance of its business. The management believes that Adjusted EBITDA is useful to investors because this measure is used by many companies in the industry as a measure of operating and financial performance and is commonly employed by financial analysts and others to evaluate the operating and financial performance of the Partnership from period to period and to compare it with the performance of other publicly traded partnerships within the industry. Adjusted EBITDA may not be comparable to a similarly titled measure of other publicly traded limited partnerships or limited liability companies because all companies may not calculate Adjusted EBITDA in the same manner. The following presents a reconciliation of Adjusted EBITDA, which is a non-GAAP measure, to its nearest comparable GAAP measure. Adjusted EBITDA should not be considered as an alternative to GAAP measures, such as net income, operating income, cash flow from operating activities, or any other GAAP measure of financial performance. Adjusted EBITDA is defined as net income (loss) plus:

Interest expense;

(Gain) loss on extinguishment of debt;

Income tax expense (benefit);

Depletion, depreciation, amortization and accretion;

Impairment of long-lived assets;

(Gain) loss on sale of partnership investment;

Loss (gain) on disposal of assets;

Equity in (income) loss of equity method investees;

Unit-based compensation expense (benefit) related to LTIP unit awards accounted for under the equity or liability methods;

Minimum payments received in excess of overriding royalty interest earned;

Equity in EBITDA of equity method investee;

Net (gains) losses on commodity derivatives;

Net cash settlements received (paid) on commodity derivatives; and

Transaction costs.

Table of Contents

Index to Financial Statements

The following table presents a reconciliation of the Partnership s consolidated net income (loss) to Adjusted EBITDA for the three months ended March 31, 2018 and 2017, and for the years ended December 31, 2017, 2016 and 2015, respectively.

	Three Months Ended March 31,		Years Ended December 31,		
	2018	2017	2017	2016	2015
			(in thousands)		
Net income (loss)	$ 64,382	$ 16,372	$ (53,897)	$ (55,820)	$ (701,541)
Plus:					
Interest expense	27,368	20,133	89,206	79,060	76,891
Gain on extinguishment of debt	(51,693)			(150,802)	
Income tax expense (benefit)	487	421	1,398	1,229	(1,498)
Depletion, depreciation, amortization and accretion	36,547	28,796	126,938	150,414	177,258
Impairment of long-lived assets		8,062	37,283	61,796	633,805
Loss (gain) on disposal of assets	(20,395)	(5,524)	1,606	(50,095)	(3,972)
Equity in income of equity method investees	(17)	(11)	(17)		(126)
Unit-based compensation expense	12,806	1,897	6,597	7,198	6,673
Minimum payments received in excess of overriding royalty interest earned[(a)]	522	445	1,936	1,659	1,130
Equity in EBITDA of equity method investee[(b)]					169
Net (gains) losses on commodity derivatives	1,704	(34,669)	(17,776)	41,224	(98,253)
Net cash settlements received on commodity derivatives	(2,795)	4,236	24,156	64,505	132,925
Transaction costs	1,782	32	8,769	5,245	8,919
Adjusted EBITDA	$ 70,698	$ 40,190	$ 226,199	$ 155,613	$ 232,380

(a) A portion of minimum payments received in excess of overriding royalties earned under a contractual agreement expiring December 31, 2019. The remaining amount of the minimum payments are recognized in net income.

(b) EBITDA applicable to equity method investee is defined as the equity method investee s net income plus interest expense and depreciation. The Partnership divested its interest in this investee in May 2015.

Table of Contents

Index to Financial Statements

SUMMARY SELECTED UNAUDITED PRO FORMA CONDENSED CONSOLIDATED

FINANCIAL INFORMATION

The following sets forth summary selected unaudited pro forma condensed consolidated financial information for New Legacy after giving effect to the Corporate Reorganization. The amount of cash required to be paid in lieu of fractional shares has not been included in the unaudited pro forma financial information because such amount is not expected to be material and is based on the unit price on the closing of the Transaction and as such cannot be determined until the consummation of the Corporate Reorganization. See The Merger Consideration.

Balance Sheet. Had the Corporate Reorganization occurred as of March 31, 2018, the pro forma balance sheet would have reflected pro forma adjustments as follows:

- an increase in the Partnership s current liabilities of $6.5 million to $146.5 million due to a $3.0 million payment for the acquisition of the Partnership GP as well as other estimated professional fees to be incurred in connection with the Corporate Reorganization;

- an increase in the Partnership s current liabilities by $26.8 million to $173.3 million due to the acceleration of vesting dates related to the change of control. As these long term incentive plan liabilities are determined based upon the Partnership s unit price on the closing of the Transaction, a $6.15 unit price is assumed, which was the closing price of the units on July 9, 2018. Upon closing, New Legacy anticipates funding these obligations with approximately $30 million of borrowings under the $1.5 billion secured revolving credit facility with Wells Fargo Bank, National Association, as administrative agent, Compass Bank, as syndication agent, UBS Securities LLC and U.S. Bank National Association, as co-documentation agents and the lenders party thereto as amended most recently by the Ninth Amendment thereto (as amended, the Revolving Credit Agreement) with the remainder of the obligation to be satisfied with the issuance of approximately 1.5 million shares of corporate stock;

- an increase in our deferred tax asset of $119.6 million determined using the current federal tax rate of 21%, as enacted under the Tax Cuts and Jobs act. This balance is due to historic impairment charges and recent net cumulative tax losses. However, due to our recent cumulative losses and current realization assessment, we would have recorded a full valuation allowance to fully offset such deferred tax asset and therefore would have no pro forma balance sheet impact related to our conversion to a taxable entity from a pass-through entity; and

- partners equity (deficit) would be eliminated and replaced with the common shares, paid in capital and retained earnings (deficit). There would be an increase in the Partnership s retained deficit of $33.4 million to $234.5 million representing the effect on partners deficit of the above noted adjustments.

Statement of Operations. Had the Corporate Reorganization occurred on January 1, 2017, the pro forma statements of operations for the year ended December 31, 2017 and the three months ended March 31, 2018 would have reflected pro forma adjustments as follows:

any costs associated with the Corporate Reorganization are direct costs and non-recurring by nature. As such, there would be no related pro forma adjustment to the Partnership s statement of operations;

there would not be a pro forma adjustment for income taxes upon becoming a taxable entity based on the Partnership s history of losses. Tax benefit calculated using the federal statutory rate would be offset by a full valuation allowance resulting in no net effect upon the Partnership s statement of operations;

distributions to preferred unit holders historically used to calculate net loss attributable to unitholders would be eliminated; and

Table of Contents

Index to Financial Statements

Income (loss) per unit would be eliminated and replaced with income (loss) per share (basic and diluted). For the twelve months ended December 31, 2017, this amount would have been ($0.52) which is calculated based on a net loss of $53.9 million and assuming 103,059,396 outstanding shares of common stock to be issued in connection with the Corporate Reorganization. For the three months ended March 31, 2018, this amount would have been $0.60 which is calculated based on a net income of $64.4 million and assuming 107,004,538 (107,311,728 diluted) outstanding shares of common stock to be issued in connection with the Corporate Reorganization.

Table of Contents

Index to Financial Statements

MARKET PRICE INFORMATION

The units are traded on NASDAQ under the ticker symbol LGCY. The following table sets forth, for the periods indicated, the range of high and low sales prices for the units, on the NASDAQ composite tape, as well as information concerning quarterly cash dividends declared and paid on the Preferred Units. The sales prices are as reported in published financial sources.

	Common Units	
	High	**Low**
2016		
First Quarter	$ 1.96	$ 0.61
Second Quarter	$ 3.89	$ 0.78
Third Quarter	$ 2.01	$ 1.25
Fourth Quarter	$ 2.74	$ 1.13
2017		
First Quarter	$ 2.77	$ 1.76
Second Quarter	$ 2.42	$ 1.26
Third Quarter	$ 1.55	$ 1.08
Fourth Quarter	$ 1.82	$ 1.07
2018		
First Quarter	$ 4.94	$ 1.56
Second Quarter	$ 10.54	$ 4.11
Third Quarter (through August 1, 2018)	$ 6.97	$ 4.95

As of July 26, 2018, the record date for the special meeting, there were 76,929,029 units outstanding held by 124 holders of record. The Partnership Agreement requires, within 45 days after the end of each quarter, the Partnership to distribute all of its available cash, as defined in the Partnership Agreement, to holders of record on the applicable record date. Although the Partnership has suspended distributions to the Preferred Unitholders, such distributions continue to accrue in arrears. Pursuant to the terms of the Partnership Agreement, the Partnership is required to pay or set aside for payment all accrued but unpaid distributions with respect to the Preferred Units prior to or contemporaneously with making any distribution with respect to the units.

The following table presents unit closing prices for units on March 23, 2018, the last trading day before the public announcement of the Corporate Reorganization, and August 1, 2018, the last practicable trading day prior to the printing of this proxy statement/prospectus, as reported on the NASDAQ.

	Common Units
March 23, 2018	$ 4.47
August 1, 2018	$ 5.35

Table of Contents

Index to Financial Statements

RISK FACTORS

In addition to the other information included in this proxy statement/prospectus, including the matters addressed in the section titled Cautionary Statement Regarding Forward-Looking Statements, you should carefully consider the following risks before deciding whether to vote for the approval of the applicable proposals described in this proxy statement/prospectus. Realization of any of the risks described below or any of the events described under Cautionary Statement Regarding Forward-Looking Statements could have a material adverse effect on the Partnership s or, following the consummation of the Corporation Reorganization, New Legacy s business, financial condition, cash flows and results of operations and could result in a decline in the price of common stock and for the trading prices of units.

Risks Related to the Corporate Reorganization

The Corporate Reorganization is subject to conditions, including some conditions that may not be satisfied on a timely basis, if at all. Failure to complete the Corporate Reorganization, or significant delays in completing the Corporate Reorganization, could negatively affect the Partnership s business and financial results and the price of the units or, following the consummation of the Corporate Reorganization, future business and financial results and the price of the common stock.

The consummation of the Corporate Reorganization is subject to a number of conditions. The consummation of the Corporate Reorganization is not assured and is subject to risks, including the risk that the unitholder approval of the Merger is not obtained. Further, the Corporate Reorganization may not be consummated even if such unitholder approval is obtained. The Merger Agreement contains conditions, some of which are beyond the parties control, that, if not satisfied or waived, may prevent, delay or otherwise result in the Merger and the Corporate Reorganization not being consummated. See The Merger Agreement Conditions to Consummation of the Merger.

If the Corporate Reorganization is not completed, or if there are significant delays in completing the Corporate Reorganization, the Partnership s future business and financial results and the trading price of the units could be negatively affected or, following the consummation of the Corporation Reorganization, New Legacy s future business and financial results and the price of the common stock could be negatively affected, and the parties will be subject to several risks, including the following:

- there may be negative reactions from the financial markets due to the fact that the current price of the units may reflect a market assumption that the Corporate Reorganization will be completed; and

- the attention of management will have been diverted to the Corporate Reorganization rather than the Partnership s own operations and pursuit of other opportunities that could have been beneficial to the Partnership s business.

If the Corporate Reorganization is approved by unitholders, the date that the unitholders and Preferred Unitholders will receive the Merger Consideration is uncertain.

As described in this proxy statement/prospectus, completing the proposed Corporate Reorganization is subject to several conditions, not all of which are controllable by the Partnership or New Legacy. Accordingly, if the proposed

Corporate Reorganization is approved by unitholders, the date that the unitholders and Preferred Unitholders will receive Merger Consideration depends on the completion date of the Corporate Reorganization, which is uncertain.

The Partnership will incur substantial transaction-related costs in connection with the Corporate Reorganization.

The Partnership expects to incur substantial expenses in connection with completing the Corporate Reorganization, including fees paid to legal, financial and accounting advisors, filing fees and printing costs. Many of the expenses that will be incurred, by their nature, are difficult to estimate accurately at the present time.

Table of Contents

Index to Financial Statements

Certain executive officers and directors of the Partnership GP have interests in the Corporate Reorganization that are different from, or in addition to, the interests they may have as unitholders, which could have influenced their decision to support or approve the Corporate Reorganization.

Certain executive officers and directors of the Partnership GP are parties to agreements or participants in other arrangements that give them interests in the Corporate Reorganization that may be different from, or be in addition to, your interests as a unitholder. These different interests are described in The Corporate Reorganization Interests of Certain Persons in the Merger.

The unaudited pro forma financial information included in this proxy statement/prospectus is presented for illustrative purposes only and may not be an indication of New Legacy s financial condition or results of operations following the Corporate Reorganization.

The unaudited pro forma financial information contained in this proxy statement/prospectus is presented for illustrative purposes only, is based on various adjustments, assumptions and preliminary estimates and may not be an indication of the financial condition or results of operations of New Legacy following the Corporate Reorganization for several reasons. The actual financial condition and results of operations of New Legacy following the Corporate Reorganization may not be consistent with, or evident from, this pro forma financial information. In addition, the assumptions used in preparing the pro forma financial information may not prove to be accurate, and other factors may affect the financial condition or results of operations of New Legacy following the Corporate Reorganization. Any potential decline in the financial condition or results of operations of New Legacy following the Corporate Reorganization may cause significant variations in the price of common stock after consummation of the Corporate Reorganization. See Summary Summary Selected Unaudited Pro Forma Condensed Consolidated Financial Information.

The shares to be received by the unitholders and Preferred Unitholders as a result of the Corporate Reorganization have different rights than the units and Preferred Units.

Following consummation of the Corporate Reorganization, unitholders and Preferred Unitholders will no longer hold units or Preferred Units, but will instead hold common stock. There are important differences between the rights of unitholders and Preferred Unitholders and the rights of stockholders. Ownership interests in a limited partnership are fundamentally different from ownership interests in a corporation. The unitholders and Preferred Unitholders will own common stock following the completion of the Corporate Reorganization, and their rights associated with the common stock will be governed by New Legacy s organizational documents and the DGCL, which differ in a number of respects from the Partnership Agreement and the Delaware LP Act. See Comparison of the Rights of Stockholders and Unitholders.

The Partnership and New Legacy are subject to litigation related to the Merger.

The Partnership and New Legacy are subject to litigation related to the Merger. See The Corporate Reorganization Pending Litigation. The Partnership, the Partnership GP and New Legacy have entered into the Settlement Agreement related to the Merger, which is subject to final court approval. There can be no assurances that final court approval will be obtained. In addition, it is possible that additional claims beyond those which have already been filed will be brought in an effort to enjoin the Merger or seek monetary relief from the Partnership or New Legacy. The Partnership and New Legacy cannot predict the outcome of this existing or potential litigation, nor can they predict the amount of time and expense that will be required to resolve such litigation. An unfavorable resolution

of any such litigation concerning the Merger could delay or prevent its consummation. In addition, the costs of defending the litigation, even if resolved in the Partnership s or New Legacy s favor, could be substantial and such litigation could distract the Partnership and New Legacy from pursuing the consummation of the Merger and other potentially beneficial business opportunities. The administrative agent for the Revolving Credit Agreement and the majority lenders under the Term Loan Credit Agreement each have consent rights relating to the settlement of certain litigation which may also limit the Partnership and New Legacy s ability to resolve any litigation in order to consummate the Merger and the Corporate Reorganization.

Table of Contents

Index to Financial Statements

Tax Risks Related to the Merger

In addition to reading the following risk factors, you are urged to read Material U.S. Federal Income Tax Consequences for a more complete discussion of the expected material U.S. federal income tax consequences of the Merger and owning and disposing of common stock received in the Merger.

No ruling has been requested with respect to the tax consequences of the Merger.

Although it is intended that the Merger will qualify as an exchange described in Section 351 of the Code and that the U.S. holders of units will generally not recognize any gain or loss as a result of the Merger (other than gain that may be recognized with respect to cash received in lieu of fractional shares), no ruling has been or will be requested from the Internal Revenue Service, or IRS, with respect to the tax consequences of the Merger. Under certain circumstances, the Merger may be treated as a taxable transaction, and result in tax liability, for a limited partner, depending on such limited partner s particular situation. See Material U.S. Federal Income Tax Consequences.

Unitholders will be allocated taxable income and gain of the Partnership through the time of the Merger and will not receive any additional distributions attributable to that income.

Unitholders will be allocated their proportionate share of the Partnership s taxable income and gain for the period ending at the time of the Merger. Unitholders will have to report, and pay taxes on, such income even though they will not receive any additional cash distributions attributable to such income.

The U.S. federal income tax treatment of owning and disposing of common stock received in the Merger will be different than the U.S. federal income tax treatment of owning and disposing of units.

The Partnership is classified as a partnership for U.S. federal income tax purposes and, generally, is not subject to entity-level U.S. federal income taxes. Instead, each unitholder is required to take into account its respective share of the Partnership s items of income, gain, loss and deduction in computing its federal income tax liability as if the unitholder had earned such income directly, even if no cash distributions are made to the unitholder. A pro rata distribution of cash by the Partnership to a unitholder who is a U.S. holder (as defined in Material U.S. Federal Income Tax Consequences) is generally not taxable for U.S. federal income tax purposes unless the amount of cash distributed is in excess of the unitholder s adjusted tax basis in its units.

In contrast, New Legacy is classified as a corporation for U.S. federal income tax purposes and is subject to U.S. federal income tax on its taxable income. As such, equity owners will no longer receive Forms K-1. Any future distribution of cash by New Legacy to a stockholder who is a U.S. holder generally will be included in such U.S. holder s income as ordinary dividend income to the extent of New Legacy s current or accumulated earnings and profits, as determined under U.S. federal income tax principles and will be reported to such owner of Form 1099-DIV. A portion of the cash distributed to stockholders by New Legacy after the Merger may exceed New Legacy s current or accumulated earnings and profits. Cash distributions in excess of New Legacy s current or accumulated earnings and profits will be treated as a non-taxable return of capital, reducing a U.S. holder s adjusted tax basis in such stockholder s common stock and, to the extent the cash distribution exceeds such stockholder s adjusted tax basis, as gain from the sale or exchange of such common stock. See Material U.S. Federal Income Tax Consequences.

Risks Related to the Business

Unless the context provides otherwise, when used in this Risks Related to the Business, references to we, us and our or like terms refer to (x) the Partnership, prior to the consummation of the Corporate Reorganization, and (y) New Legacy, after giving effect to the consummation of the Corporate Reorganization.

Table of Contents

Index to Financial Statements

If oil and natural gas prices decline, our cash flow from operations will decline.

Lower oil and natural gas prices may decrease our revenues and thus cash flow from operations. Prices for oil and natural gas may fluctuate widely in response to relatively minor changes in the supply of and demand for oil and natural gas, market uncertainty and a variety of additional factors that are beyond our control, such as:

- the domestic and foreign supply of and demand for oil and natural gas;
- market expectations about future prices of oil and natural gas;
- the price and quantity of imports of crude oil and natural gas;
- overall domestic and global economic conditions;
- political and economic conditions in other oil and natural gas producing countries, including embargoes and continued hostilities in the Middle East and other sustained military campaigns, and acts of terrorism or sabotage;
- the willingness and ability of members of the Organization of Petroleum Exporting Countries and other petroleum producing countries to agree to and maintain oil price and production controls;
- trading in oil and natural gas derivative contracts;
- the level of consumer product demand;
- weather conditions and natural disasters;
- technological advances affecting energy production and consumption;
- domestic and foreign governmental regulations and taxes;
- the proximity, cost, availability and capacity of oil and natural gas pipelines and other transportation facilities;

- the impact of the U.S. dollar exchange rates on oil and natural gas prices; and
- the price and availability of alternative fuels.

Historically, oil and natural gas prices have been extremely volatile. For example, for the five years ended December 31, 2017, the NYMEX-WTI oil price ranged from a high of $110.62 per Bbl to a low of $26.19 per Bbl, while the NYMEX-Henry Hub natural gas price ranged from a high of $8.15 per MMBtu to a low of $1.49 per MMBtu. As of June 30, 2018, the NYMEX WTI oil spot price was $74.15 per Bbl and the NYMEX-Henry Hub natural gas spot price was $2.96 per MMBtu. If oil and natural gas prices decline from current levels, it may have a material adverse effect on our operations and financial condition.

Our business requires significant capital expenditures and we may be unable to obtain needed capital or financing on satisfactory terms or at all.

Our development and acquisition activities require substantial capital expenditures. We expect to fund our capital expenditures through cash flows from operations. Future cash flows are subject to a number of variables, including the level of production from existing wells, prices of oil and natural gas and our success in developing and producing new reserves. If our cash flow from operations is not sufficient to fund our capital expenditure budget, we may have limited ability to obtain the additional capital necessary to sustain our operations at current levels. We may not be able to obtain debt or equity financing on terms favorable to us or at all. The failure to obtain additional financing could result in a curtailment of our operations relating to development of our oil and natural gas properties, which in turn could lead to a decline in our oil and natural gas production or reserves, and in some areas a loss of properties.

Failure to replace reserves may negatively affect our business, results of operations and financial condition.

The growth of our business depends upon our ability to find, develop or acquire additional oil and natural gas reserves that are economically recoverable. Our proved reserves generally decline when reserves are

Table of Contents

Index to Financial Statements

produced, unless we conduct successful exploration or development activities or acquire properties containing proved reserves, or both. Further, the rate of estimated decline of our oil and natural gas reserves may increase if our wells do not produce as expected. We may not be able to find, develop or acquire additional reserves to replace our current and future production at acceptable costs. If oil and natural gas prices increase, our costs for additional reserves would also increase; conversely if natural gas or oil prices decrease, it could make it more difficult to fund the replacement of our reserves.

Increases in the cost of or failure of costs to adjust downward for drilling rigs, service rigs, pumping services and other costs in drilling and completing wells could reduce the viability of certain of our development projects.

The costs of rigs and oil field services necessary to implement our development projects decreased when oil and natural gas prices decreased in 2015. As oil and natural gas prices have increased, we are seeing service costs rise and availability diminish. Increased capital requirements for our projects will result in higher reserve replacement costs and could cause certain of our projects to become uneconomic even with increased commodity prices and therefore not to be implemented, reducing our production and cash flow. Decreased availability of drilling equipment and services could significantly impact the planned execution of our development program.

Our substantial indebtedness and liquidity issues may impact our business, financial condition and operations.

Due to our substantial indebtedness and liquidity issues, there is risk that, among other things:

- third parties confidence in our ability to develop oil and natural gas properties could erode, which could impact our ability to execute on our business strategy;

- it may become more difficult to retain, attract or replace key employees;

- employees could be distracted from performance of their duties or more easily attracted to other career opportunities; and

- our suppliers, vendors and service providers could renegotiate the terms of our arrangements, terminate their relationship with us or require financial assurances from us.

The occurrence of certain of these events may increase our operating costs and may have a material adverse effect on our business, results of operations and financial condition.

Our debt levels may limit our flexibility to obtain additional financing and pursue other business opportunities.

As of June 30, 2018, we had total long-term debt of approximately $1.3 billion. Our existing and future indebtedness could have important consequences to us, including:

our ability to obtain additional financing, if necessary, for working capital, capital expenditures, acquisitions or other purposes may be impaired or such financing may not be available on terms acceptable to us;

covenants in our existing and future credit and debt arrangements will require us to meet financial tests that may affect our flexibility in planning for and reacting to changes in our business, including possible acquisition opportunities;

our access to the capital markets may be limited;

our borrowing costs may increase;

we will need a substantial portion of our cash flow to make principal and interest payments on our indebtedness, reducing the funds that would otherwise be available for operations and future business opportunities; and

our debt level will make us more vulnerable than our competitors with less debt to competitive pressures or a downturn in our business or the economy generally.

Our ability to service our indebtedness will depend upon, among other things, our future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors, some of which are beyond our control. If our operating results and cash flows are not sufficient to service our current or future indebtedness, in addition to the suspension of distributions, we will be forced to take actions such as further reducing or delaying business activities, acquisitions, investments and/or capital expenditures, selling assets, restructuring or refinancing our indebtedness, or seeking additional equity capital or bankruptcy protection. We may not be able to effect any of these remedies on satisfactory terms or at all.

Our Revolving Credit Agreement matures on April 1, 2019, our Term Loan Credit Agreement matures on August 31, 2021 (or August 31, 2020 if we have $15 million or more of outstanding Senior Notes), our 2020 Senior Notes mature on December 1, 2020 and our 2021 Senior Notes mature on December 1, 2021; if we are unable to refinance or otherwise repay such indebtedness there would be a material and adverse effect on our business continuity and our financial condition.

As maturity dates for our outstanding indebtedness approach, particularly that of our Revolving Credit Agreement, we are evaluating, and will continue to evaluate and will opportunistically pursue, our options to refinance or repay such indebtedness, including alternatives in the debt and equity capital markets or discussions with lenders under our Revolving Credit Agreement and our second lien term loan credit agreement (the Term Loan Credit Agreement).

If we do not have the capital necessary to repay our outstanding indebtedness when it matures, it will be necessary for us to take significant actions, such as revising or delaying our strategic plans, reducing or delaying planned capital expenditures, selling assets, restructuring or refinancing our debt or seeking additional equity capital. We may be unable to effect any of these remedial steps on a satisfactory basis, or at all. If we are unable to refinance or otherwise repay our debt upon the maturity of our indebtedness, we would be in default, which would result in material adverse consequences for us.

In addition, if we are unable to refinance indebtedness before that debt s maturity becomes current, there could be substantial doubt about our ability to continue as a going concern. If we are unable, or there is substantial doubt about our ability, to continue as a going concern, it would have a material adverse effect on the value of an investment in us.

Our development projects require substantial capital expenditures. We may be unable to obtain needed capital or financing on satisfactory terms, which could lead to a decline in our oil and natural gas reserves.

We make and expect to continue to make substantial capital expenditures in our business for the development, production and acquisition of oil and natural gas reserves. We intend to finance our future capital expenditures with cash flow from operations and, subject to availability, borrowings under our Revolving Credit Agreement and our Term Loan Credit Agreement. Our cash flow from operations and access to capital are subject to a number of variables, including:

our proved reserves;

the level of oil and natural gas we are able to produce from existing wells;

- capital and lending market conditions;
- the prices at which our oil and natural gas are sold; and
- our ability to identify, acquire and exploit new reserves.

If our revenues or the borrowing base under our Revolving Credit Agreement decrease as a result of lower oil and/or natural gas prices, operating difficulties, declines in reserves or for any other reason, we may have limited ability to obtain the capital necessary to sustain our operations at current levels. Our Revolving Credit

Table of Contents

Index to Financial Statements

Agreement and our Term Loan Credit Agreement restrict our ability to obtain new financing. If additional capital is needed, we may not be able to obtain debt or equity financing due to such restrictions, market conditions or otherwise. If cash generated by operations or available under our Revolving Credit Agreement and our Term Loan Credit Agreement is not sufficient to meet our capital requirements, the failure to obtain additional financing could result in a curtailment of our operations relating to development of our prospects, which in turn could lead to a decline in our oil and natural gas production and reserves, and could adversely affect our business, results of operations and financial condition.

Drilling for and producing oil and natural gas are high risk activities with many uncertainties that could adversely affect our business, results of operations and financial condition.

Our drilling activities are subject to many risks, including the risk that we will not encounter commercially productive reservoirs. Drilling for oil and natural gas can be uneconomic, not only from dry holes, but also from productive wells that do not produce sufficient revenues to be commercially viable.

In addition, our drilling and producing operations may be curtailed, delayed or canceled as a result of other factors, including:

- the high cost, shortages or delivery delays of equipment and services;
- unexpected operational events;
- adverse weather conditions or events;
- facility or equipment malfunctions;
- title disputes;
- pipeline ruptures or spills;
- collapses of wellbore, casing or other tubulars;
- unusual or unexpected geological formations;
- loss of drilling fluid circulation;

- formations with abnormal pressures;
- fires;
- blowouts, craterings and explosions; and
- uncontrollable flows of oil, natural gas or well fluids.

Any of these events can cause substantial losses, including personal injury or loss of life, damage to or destruction of property, natural resources and equipment, pollution, environmental contamination, loss of wells and regulatory penalties.

We ordinarily maintain insurance against various losses and liabilities arising from our operations; however, insurance against all operational risks is not available to us. Additionally, we may elect not to obtain insurance if we believe that the cost of available insurance is excessive relative to the perceived risks presented. Losses could therefore occur for uninsurable or uninsured risks or in amounts in excess of existing insurance coverage. The occurrence of an event that is not fully covered by insurance could have a material adverse impact on our business, results of operations and financial condition.

If commodity prices decline, a significant portion of our development projects may become uneconomic and cause write downs of the value of our oil and natural gas properties, which may adversely affect our financial condition.

Lower oil and natural gas prices may not only decrease our revenues, but also may render many of our development and production projects uneconomic and result in a downward adjustment of our reserve estimates,

Table of Contents

Index to Financial Statements

which would negatively impact our borrowing base under our Revolving Credit Agreement and ability to fund operations.

A reduction in commodity prices may be caused by many factors, including substantial increases in U.S. production and reserves from unconventional (shale) reservoirs, without a corresponding increase in demand. The International Energy Agency forecasts continued U.S. oil production growth in 2018. This environment could cause the prices for oil to fall to lower levels.

Furthermore, a decrease in oil and natural gas prices may render a significant portion of our development projects uneconomic. In addition, if oil and natural gas prices decline, our estimates of development costs increase, production data factors change or drilling results deteriorate, accounting rules may require us to write down, as a non-cash charge to earnings, the carrying value of our oil and natural gas properties for impairments. For example, in the year ended December 31, 2017, we incurred impairment charges of $37.3 million, a portion of which was driven by commodity price changes. We may incur further impairment charges in the future related to depressed commodity prices, which could have a material adverse effect on our results of operations in the period taken.

Our identified drilling location inventories are scheduled out over several years, making them susceptible to uncertainties that could materially alter the occurrence or timing of their drilling.

Our management team has specifically identified and scheduled drilling locations as an estimation of our future multi-year drilling activities on our acreage. These identified drilling locations represent a significant part of our growth strategy. Our ability to drill and develop these locations depends on a number of factors, including the availability of capital, seasonal conditions, regulatory approvals, oil and natural gas prices, costs and drilling results. Our final determination on whether to drill any of these drilling locations will be dependent upon the factors described above as well as, to some degree, the results of our drilling activities with respect to our proved drilling locations. Because of these uncertainties, we do not know if the numerous drilling locations we have identified will be drilled within our expected time frame or will ever be drilled or if we will be able to produce oil or natural gas from these or any other potential drilling locations. As such, our actual drilling activities may be materially different from those presently identified, which could adversely affect our business, results of operations and financial condition.

Fluctuations in price and demand for our production may force us to shut in a significant number of our producing wells, which may adversely impact our revenues.

We are subject to great fluctuations in the prices we are paid for our production due to a number of factors. Drilling in shale resources has developed large amounts of new oil and natural gas supplies, both from natural gas wells and associated natural gas from oil wells, that have depressed the prices paid for our production, and we expect the shale resources to continue to be drilled and developed by our competitors. We also face the potential risk of shut-in production due to high levels of oil, natural gas and NGL inventory in storage, weak demand due to mild weather and the effects of any economic downturns on industrial demand. Lack of NGL storage in Mont Belvieu, where our West Texas and New Mexico NGLs are shipped for processing, could cause the processors of our natural gas to curtail or shut-in our natural gas wells and potentially force us to shut-in oil wells that produce associated natural gas, which may adversely impact our revenues. For example, following past hurricanes, certain Permian Basin natural gas processors were forced to shut down their plants due to the shutdown of the Texas Gulf Coast NGL fractionators, requiring us to vent or flare the associated natural gas from our oil wells. There is no certainty we will be able to vent or flare natural gas again due to potential changes in regulations. Furthermore, we may encounter problems in restarting production of previously shut-in wells.

Table of Contents

Index to Financial Statements

An increase in the differential between the West Texas Intermediate (WTI) or other benchmark prices of oil and the wellhead price we receive for our production could adversely affect our operating results and financial condition.

The prices that we receive for our oil production sometimes reflect a discount to the relevant benchmark prices, such as WTI, that are used for calculating derivative positions. The difference between the benchmark price and the price we receive is called a differential. Increases in the differential between the benchmark prices for oil and the wellhead price we receive could adversely affect our operating results and financial condition. While this differential remained largely unchanged from 2015 through the first quarter of 2018, we have been adversely impacted by widening differentials in prior periods and a recurrence of such wider differentials could adversely affect our operating results and financial condition.

Due to regional fluctuations in the actual prices received for our natural gas production, the derivative contracts we enter into may not provide us with sufficient protection against price volatility since they are based on indexes related to different and remote regional markets.

We sell our natural gas into local markets, the majority of which is produced in East Texas, Colorado, West Texas, Southeast New Mexico, Central Oklahoma and Wyoming and shipped to the Midwest, West Coast and Texas Gulf Coast. These regions account for over 90% of our natural gas sales. In the past, we have used swaps on Northwest Pipeline, California SoCal NGI and San Juan Basin natural gas prices and we may do so again in the future. While we are paid a local price indexed to or closely related to these indexes, these indexes are heavily influenced by prices received in remote regional consumer markets less transportation costs and thus may not be effective in protecting us against local price volatility.

The substantial restrictions and financial covenants of both our Revolving Credit Agreement and our Term Loan Credit Agreement, any negative redetermination of our borrowing base under our Revolving Credit Agreement by our lenders and any potential disruptions of the financial markets could adversely affect our business, results of operations and financial condition.

We depend on our Revolving Credit Agreement and our Term Loan Credit Agreement for future capital needs. Our Revolving Credit Agreement, which matures on April 1, 2019, limits the amounts we can borrow to a borrowing base amount, determined by the lenders in their sole discretion. As of June 30, 2018, our borrowing base was $575.0 million and we had approximately $66.2 million available for borrowing. Our Term Loan Credit Agreement for second lien term loans maturing on August 31, 2020 provides for up to an aggregate principal amount of $400.0 million, of which we have used $338.6 million.

Our Revolving Credit Agreement and our Term Loan Credit Agreement restrict, among other things, our ability to incur debt and requires us to comply with certain financial covenants and ratios. We may not be able to comply with these restrictions and covenants in the future and will be affected by the levels of cash flow from our operations and events or circumstances beyond our control, such as any potential disruptions in the financial markets. Our failure to comply with any of the restrictions and covenants under our Revolving Credit Agreement or our Term Loan Credit Agreement could result in a default under our Revolving Credit Agreement or our Term Loan Credit Agreement. A default under our Revolving Credit Agreement or our Term Loan Credit Agreement could cause all of our existing indebtedness, including our second lien term loans and our Senior Notes, to be immediately due and payable.

Outstanding borrowings in excess of the borrowing base must be repaid within four months, and, if mortgaged properties represent less than 95% of total value of oil and natural gas properties used to determine the borrowing base, we must pledge other oil and natural gas properties as additional collateral. We may not have the financial resources in the future to make any mandatory principal prepayments required under our Revolving Credit Agreement.

Table of Contents

Index to Financial Statements

The occurrence of an event of default or a negative redetermination of our borrowing base, such as a result of lower commodity prices or a deterioration in the condition of the financial markets, could adversely affect our business, results of operations and financial condition.

See Management s Discussion and Analysis of Financial Condition and Results of Operations of the Partnership Financing Activities.

Low commodity prices may impact our ability to comply with debt covenants.

Should oil and natural gas prices decline dramatically in 2018, we could breach certain financial covenants under our Revolving Credit Agreement or our Term Loan Credit Agreement, which would constitute a default under our Revolving Credit Agreement or our Term Loan Credit Agreement. Such default would require a waiver from our lenders in order for us to avoid an event of default and subsequent acceleration of all amounts outstanding under our Revolving Credit Agreement or our Term Loan Credit Agreement or foreclosure on our oil and natural gas properties. If the lenders under our Revolving Credit Agreement were to accelerate the indebtedness under our Revolving Credit Agreement as a result of such defaults, such acceleration could cause a cross-default of all of our other outstanding indebtedness and permit the holders of such indebtedness to accelerate the maturities of such indebtedness. Such a cross-default or cross-acceleration could have a wider impact on our liquidity than might otherwise arise from a default or acceleration of a single debt instrument. If an event of default occurs, or if other debt agreements cross-default, and the lenders under the affected debt agreements accelerate the maturity of any loans or other debt outstanding, the saleable value of our assets may not be sufficient to repay all of our outstanding indebtedness.

Any acquisitions we complete are subject to substantial risks that could adversely affect our financial condition and results of operations.

We may not achieve the expected results of any acquisition we complete, and any adverse conditions or developments related to any such acquisition may have a negative impact on our operations and financial condition.

Further, even if we complete any acquisitions, which we would expect to increase our cash flow, actual results may differ from our expectations and the impact of these acquisitions may actually result in a decrease in cash flow. Any acquisition involves potential risks, including, among other things:

- the validity of our assumptions about recoverable reserves, development potential, future production, revenues, capital expenditures, future oil and natural gas prices, operating costs and potential environmental and other liabilities;

- an inability to successfully integrate the assets and businesses we acquire;

- a decrease in our liquidity by using a portion of our available cash or borrowing capacity under our Revolving Credit Agreement and our Term Loan Credit Agreement to finance acquisitions;

a significant increase in our interest expense or financial leverage if we incur additional debt to finance acquisitions;

the assumption of unknown environmental and other liabilities, losses or costs for which we are not indemnified or for which our indemnity is inadequate;

the diversion of management s attention from other business concerns;

the incurrence of other significant charges, such as impairment of oil and natural gas properties, goodwill or other intangible assets, asset devaluation or restructuring charges; and

the loss of key purchasers.

Table of Contents

Index to Financial Statements

Our decision to acquire a property depends in part on the evaluation of data obtained from production reports and engineering studies, geophysical and geological analyses, seismic data and other information, the results of which are often inconclusive and subject to various interpretations. Our estimates of future reserves and estimates of future development and production for our acquisitions and related forecasts of anticipated cash flow therefrom are initially based on detailed information furnished by the sellers and are subject to review, analysis and adjustment by our internal staff, typically without consulting with outside petroleum engineers. Such assessments are inexact and their accuracy is inherently uncertain and our proved reserves estimates and cash flow forecasts therefrom may exceed actual acquired proved reserves or the estimates of future cash flows therefrom. In connection with our assessments, we perform a review of the acquired properties included in our acquisitions that we believe is generally consistent with industry practices. However, such a review will not reveal all existing or potential problems.

Also, our reviews of newly acquired properties are inherently incomplete because it is generally not feasible to perform an in-depth review of the individual properties involved in each acquisition given time constraints imposed by sellers. Even a detailed review of records and properties may not necessarily reveal existing or potential problems, nor will it permit a buyer to become sufficiently familiar with the properties to fully assess their deficiencies and potential. Inspections may not always be performed on every well, and environmental problems, such as groundwater contamination, are not necessarily observable even when an inspection is undertaken. Even when we inspect a well, we do not always discover structural, subsurface and environmental problems that may exist or arise.

We are subject to complex federal, state, local and other laws and regulations that could adversely affect the cost, manner or feasibility of conducting our operations.

Our oil and natural gas exploration and production operations are subject to complex and stringent laws and regulations. In order to conduct our operations in compliance with these laws and regulations, we must obtain and maintain numerous permits, approvals and certificates from various federal, state and local governmental authorities including the Bureau of Land Management. We may incur substantial costs in order to maintain compliance with these existing laws and regulations and could experience substantial disruptions to our operations if we do not timely receive permits required to drill new wells, especially on federal lands. In addition, our costs of compliance may increase if existing laws and regulations are revised or reinterpreted, or if new laws and regulations become applicable to our operations. All such costs or disruptions may have a negative effect on our business, results of operations and financial condition.

Our business is subject to federal, state and local laws and regulations as interpreted and enforced by governmental authorities possessing jurisdiction over various aspects of the exploration for, and the production of, oil and natural gas. Failure to comply with such laws and regulations, as interpreted and enforced, could have a material adverse effect on our business, results of operations and financial condition.

Our operations expose us to significant costs and liabilities with respect to environmental and operational safety matters.

We may incur significant costs and liabilities as a result of environmental and safety requirements applicable to our oil and natural gas exploration and production activities. These costs and liabilities could arise under a wide range of federal, state and local environmental and safety laws and regulations, including regulations and enforcement policies, which have tended to become increasingly strict over time. Failure to comply with these laws and regulations may result in the assessment of administrative, civil and criminal penalties, imposition of cleanup and site restoration costs and liens, and to a lesser extent, issuance of injunctions to limit or cease operations. In addition, claims for damages to

persons or property may result from environmental and other impacts of our operations.

Strict, joint and several liability may be imposed under certain environmental laws, which could cause us to become liable for the conduct of others or for consequences of our own actions that were in compliance with all

Table of Contents

Index to Financial Statements

applicable laws at the time those actions were taken. New laws, regulations or enforcement policies could be more stringent and impose unforeseen liabilities or significantly increase compliance costs. If we were not able to recover the resulting costs through insurance or increased revenues, our financial condition could be adversely affected.

Federal, state and local legislation and regulatory initiatives relating to hydraulic fracturing could result in increased costs and additional operating restrictions or delays.

From time to time, Congress has considered legislation to amend the federal Safe Drinking Water Act to require the disclosure of chemicals used by the oil and natural gas industry in the hydraulic fracturing process. Hydraulic fracturing is an important and commonly used process in the completion of unconventional wells in shale formations, as well as tight conventional formations including many of those that New Legacy completes and produces. This process involves the injection of water, sand and chemicals under pressure into rock formations to stimulate hydrocarbon production. Sponsors of these bills have asserted that chemicals used in the fracturing process could adversely affect drinking water supplies. In addition, some states have adopted and others are considering legislation to restrict hydraulic fracturing. Several states including Texas and Wyoming have adopted or are considering legislation requiring the disclosure of hydraulic fracturing chemicals. Public disclosure of chemicals used in the hydraulic fracturing process could make it easier for third parties opposed to the hydraulic fracturing process to initiate legal proceedings based on allegations that specific chemicals used in the fracturing process could adversely affect the environment, including groundwater, soil or surface water. In addition, state and federal agencies recently have focused on a possible connection between the operation of injection wells used for oil and natural gas waste disposal and seismic activity. Similar concerns have been raised that hydraulic fracturing may also contribute to seismic activity. In light of these concerns, some state regulatory agencies have modified their regulations or issued order to address seismic activity. For example, the Railroad Commission of Texas has adopted regulations which place additional restrictions on the permitting of disposal well operations in areas of historical or future seismic activity. Any additional level of regulation could lead to operational delays or increased operating costs and could result in additional regulatory burdens that could make it more difficult to perform hydraulic fracturing and increase our costs of compliance and doing business.

Final rules regulating air emissions from natural gas production operations could cause us to incur increased capital expenditures and operating costs, which may be significant.

On April 17, 2012, the EPA approved final regulations under the Clean Air Act that, among other things, require additional emissions controls for natural gas and natural gas liquids production, including New Source Performance Standards to address emissions of sulfur dioxide and volatile organic compounds (VOCs) and a separate set of emission standards to address hazardous air pollutants frequently associated with such production activities. The final regulations require the reduction of VOC emissions from natural gas wells through the use of reduced emission completions or green completions on all hydraulically fractured wells constructed or refractured after January 1, 2015. For well completion operations occurring at such well sites before January 1, 2015, the final regulations allow operators to capture and direct flowback emissions to completion combustion devices, such as flares, in lieu of performing green completions. These regulations also establish specific new requirements regarding emissions from dehydrators, storage tanks and other production equipment. In addition, in May 2016, the EPA issued rules covering methane emissions from new oil and natural gas industry operations. In July 2017, the EPA proposed a two-year stay of certain requirements of this rule pending reconsideration of the rule. Compliance with these requirements could increase our costs of development and production, which costs may be significant.

We may not be able to maintain our listing on the Nasdaq Global Select Market or on any other national exchange.

NASDAQ has established certain standards for the continued listing of a security on NASDAQ. The standards for continued listing include, among other things, that the minimum bid price for the listed securities

41

[Table of Contents](#)

[Index to Financial Statements](#)

not fall below $1.00 per share for a period of 30 consecutive trading days. Although we are currently in compliance with the minimum bid price requirement, in the future we may not satisfy NASDAQ s continued listing standards. If we do not satisfy any of NASDAQ s continued listing standards, the units and Preferred Units could be delisted. Other national exchanges have similar listing standards, and if we do not satisfy such listing standards following the completion of the Corporate Reorganization, the common stock, could be delisted from such exchange. Any such delisting could adversely affect the market liquidity of the units and Preferred Units, and following the Corporate Reorganization, the common stock, and the market price of our units and Preferred Units, and following the Corporate Reorganization, the common stock, could decrease. A delisting could adversely affect our ability to obtain financing for our operations or result in a loss of confidence by investors, customers, suppliers or employees.

Restrictive covenants under the indentures governing our Senior Notes may adversely affect our operations.

The indentures governing the Senior Notes contains, and any future indebtedness we incur may contain, a number of restrictive covenants that impose significant operating and financial restrictions on us, including restrictions on our ability to, among other things:

- sell assets, including equity interests in our restricted subsidiaries;
- pay distributions on, redeem or purchase our equity or redeem or purchase our subordinated debt;
- make investments;
- incur or guarantee additional indebtedness or issue preferred units;
- create or incur certain liens;
- enter into agreements that restrict distributions or other payments from our restricted subsidiaries to us;
- consolidate, merge or transfer all or substantially all of our assets;
- engage in transactions with affiliates;
- create unrestricted subsidiaries; and
- engage in certain business activities.

As a result of these covenants, we are limited in the manner in which we conduct our business, and we may be unable to engage in favorable business activities or finance future operations or capital needs.

A failure to comply with the covenants in the indentures governing the Senior Notes or any future indebtedness could result in an event of default under the indentures governing the Senior Notes, our Revolving Credit Agreement, our Term Loan Credit Agreement, or any future indebtedness, which, if not cured or waived, could have a material adverse effect on our business, financial condition and results of operations. In addition, complying with these covenants may make it more difficult for us to successfully execute our business strategy and compete against companies that are not subject to such restrictions.

Our estimated reserves are based on many assumptions that may prove inaccurate. Any material inaccuracies in these reserve estimates or underlying assumptions will materially affect the quantities and present value of our reserves.

No one can measure underground accumulations of oil and natural gas in an exact way. Oil and natural gas reserve engineering requires subjective estimates of underground accumulations of oil and natural gas and assumptions concerning future oil and natural gas prices, production levels, and operating and development costs. As a result, estimated quantities of proved reserves and projections of future production rates and the timing of development expenditures may prove to be inaccurate. Any material inaccuracies in these reserve estimates or underlying assumptions will materially affect the quantities and present value of our reserves which could adversely affect our business, results of operations and financial condition.

Table of Contents

Index to Financial Statements

Further, the present value of future net cash flows from our proved reserves may not be the current market value of our estimated natural gas and oil reserves. In accordance with SEC requirements, we base the estimated discounted future net cash flows from our proved reserves on the 12-month average oil and gas index prices, calculated as the unweighted arithmetic average for the first-day-of-the-month price for each month and costs in effect on the date of the estimate, holding the prices and costs constant throughout the life of the properties. Actual future prices and costs may differ materially from those used in the net present value estimate, and future net present value estimates using then current prices and costs may be significantly less than the current estimate. To illustrate the price impact of commodity prices on our proved reserves subsequent to December 31, 2017, we recalculated the value of our proved reserves as of December 31, 2017 using the five-year average forward price as of March 31, 2018 for both WTI oil and NYMEX natural gas. While this 5-year NYMEX forward strip price is not necessarily indicative of our overall outlook on future commodity prices, this commonly used methodology may help provide investors with an understanding of the impact of a volatile commodity price environment. Under such assumptions, we estimate the cumulative projected production from our year-end proved reserves would increase by approximately 1.5% to 182.7 MMBoe from our previously reported 180.0 MMBoe, which is calculated as required by the SEC. In addition, the 10% discount factor we use when calculating discounted future net cash flows for reporting requirements in compliance with Financial Accounting Standards Board (FASB) Accounting Standards Codification 932 may not be the most appropriate discount factor based on interest rates in effect from time to time and risks associated with us or the natural gas and oil industry in general.

Our business depends on gathering and transportation facilities owned by others. Any limitation in the availability of those facilities would interfere with our ability to market the oil and natural gas we produce.

The marketability of our oil and natural gas production depends in part on the availability, proximity and capacity of gathering and pipeline systems owned by third parties. The amount of oil and natural gas that can be produced and sold is subject to curtailment in certain circumstances, such as pipeline interruptions due to scheduled and unscheduled maintenance, oversupply of oil due to nearby refinery outages, excessive pressure, physical damage to the gathering or transportation system, or lack of contracted capacity on such systems. The curtailments arising from these and similar circumstances may last from a few days to several months. In many cases, we are provided only with limited, if any, notice as to when these circumstances will arise and their duration. Any significant curtailment in gathering system or pipeline capacity, or significant delay in the construction of necessary gathering and transportation facilities, could adversely affect our business, results of operations and financial condition.

We do not control all of our operations and development projects and failure of an operator of wells in which we own partial interests to adequately perform could adversely affect our business, results of operations and financial condition.

Many of our business activities are conducted through joint operating agreements under which we own partial interests in oil and natural gas wells.

If we do not operate wells in which we own an interest, we do not have control over normal operating procedures, expenditures or future development of underlying properties. The success and timing of our development projects on properties operated by others is outside of our control.

The failure of an operator of wells in which we own partial interests to adequately perform operations, or an operator s breach of the applicable agreements, could reduce our production and revenues and could adversely affect our business, results of operations and financial condition.

Increases in interest rates could adversely affect our business, results of operations, cash flows from operations and financial condition.

Since all of the indebtedness outstanding under the Revolving Credit Agreement is at variable interest rates, we have significant exposure to increases in interest rates. As a result, our business, results of operations and cash flows may be adversely affected by significant increases in interest rates.

Table of Contents

Index to Financial Statements

The inability of one or more of our customers to meet their obligations may adversely affect our financial condition and results of operations.

Substantially all of our accounts receivable result from oil and natural gas sales or joint interest billings to third parties in the energy industry who are also subject to the effects of the current oil and natural gas commodity price environment. This concentration of customers and joint interest owners may impact our overall credit risk in that these entities may be similarly affected by changes in economic, industry and other conditions. In addition, our oil, natural gas and interest rate derivative transactions expose us to credit risk in the event of nonperformance by counterparties.

We depend on a limited number of key personnel who would be difficult to replace.

Our operations are dependent on the continued efforts of our executive officers, senior management and key employees. The loss of any executive officer, member of our senior management or other key employees could negatively impact our ability to execute our strategy.

Our business may be affected by shortages of skilled employees and labor cost inflation.

Competition for skilled employees in the oil and gas industry in Midland, Texas is strong, and labor costs have increased moderately since 2015. We expect that the demand and, hence, costs for skilled employees will increase as prices for oil and natural gas rise. Continual high demand for skilled employees and continued increases in labor costs could have a material adverse effect on our business, financial condition, results of operations and prospects.

We may be unable to compete effectively, which could have an adverse effect on our business, results of operations and financial condition.

The oil and natural gas industry is intensely competitive, and we compete with other companies that have greater resources than us. Our ability to acquire additional properties and to discover reserves in the future will be dependent upon our ability to evaluate and select suitable properties and to consummate transactions in a highly competitive environment. Many of our competitors not only explore for and produce oil and natural gas, but also carry on refining operations and market petroleum and other products on a regional, national or worldwide basis.

These companies may be able to pay more for productive oil and natural gas properties and exploratory prospects or define, evaluate, bid for and purchase a greater number of properties and prospects than our financial or human resources permit. In addition, these companies may have a greater ability to continue exploration and development activities during periods of low oil and natural gas market prices and to absorb the burden of present and future federal, state, local and other laws and regulations. Our inability to compete effectively with these companies could have an adverse effect on our business, results of operations and financial condition.

If we fail to maintain an effective system of internal controls, we may not be able to accurately report our financial results or prevent fraud. As a result, current and potential investors could lose confidence in our financial reporting, which would harm our business and the trading price of our securities.

Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to

the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. If we cannot provide reliable financial

Table of Contents

Index to Financial Statements

reports or prevent fraud, our reputation and operating results could be harmed. We cannot be certain that our efforts to maintain our internal controls will be successful, that we will be able to maintain adequate controls over our financial processes and reporting in the future or that we will be able to continue to comply with our obligations under Section 404 of the Sarbanes-Oxley Act of 2002. Any failure to maintain effective internal controls, or difficulties encountered in implementing or improving our internal controls, could harm our operating results or cause us to fail to meet certain reporting obligations. Ineffective internal controls could also cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our securities.

A failure in our operational systems or cyber security attacks on any of our facilities or those of third parties may have a material adverse effect on our business, results of operations and financial condition.

Our business is dependent upon our operational systems to process a large amount of data and complex transactions. If any of our financial, operational or other data processing systems fail or have other significant shortcomings, our financial results could be adversely affected. Our financial results could also be adversely affected if an employee causes our operational systems to fail, either as a result of inadvertent error or by deliberately tampering with or manipulating our operational systems. In addition, dependence upon automated systems may further increase the risk that operational system flaws, employee tampering or manipulation of those systems will result in losses that are difficult to detect.

Our operations are also subject to the risk of cyber security attacks. Any cyber security attacks that affect our facilities, our customers or our financial data could have a material adverse effect on our business. In addition, cyber security attacks on our customer and employee data may result in financial loss or potential liability and may negatively impact our reputation. Third-party systems on which we rely could also suffer system failures, which could negatively impact our business, results of operations and financial condition.

Our sales of oil, natural gas, NGLs and other energy commodities, and related hedging activities, expose us to potential regulatory risks.

The Federal Trade Commission, the Federal Energy Regulatory Commission and the Commodity Futures Trading Commission (the CFTC) hold statutory authority to monitor certain segments of the physical and futures energy commodities markets. These agencies have imposed broad regulations prohibiting fraud and manipulation of such markets. With regard to our physical sales of oil, natural gas, NGLs or other energy commodities, and any related hedging activities that we undertake, we are required to observe the market-related regulations enforced by these agencies, which hold substantial enforcement authority. Our sales and trading may also be subject to certain reporting and other requirements. Failure to comply with such regulations, as interpreted and enforced, could have a material adverse effect on our business, results of operations and financial condition.

The swaps-related provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Act) and the rules the CFTC has adopted regulate the markets in certain derivative transactions, broadly referred to as swaps and which include hedging and non-hedging oil and gas and interest rate transactions, and market participants. Swaps falling within classes designated or to be designated by the CFTC are or will be subject to clearing on a derivatives clearing organization, and, if accepted for clearing, are subject to execution on an exchange or a swap execution facility if made available for trading on such facility. To date, the CFTC has designated only certain classes of interest rate and index credit default swaps for mandatory clearing. The Act provides an exception from application of the Act s clearing and trade execution requirements that qualifying commercial end-users may elect for swaps they use to hedge or mitigate commercial risks (End-User Exception). Although we believe we will be able to qualify for, and

have elected, the End-User Exception with respect to most, if not all, of the swaps we enter that otherwise would have to be cleared, if we cannot do so with respect to many of the swaps we enter into, our ability to execute our hedging program efficiently will be adversely affected. In addition, the CFTC and federal banking regulators have adopted rules (which are being

45

Table of Contents

Index to Financial Statements

phased in) requiring certain regulated persons to collect margin as to any uncleared swap from their counterparty to such swap if that counterparty is not a non-financial end user (as defined in such rules) Although we believe we qualify as a non-financial end user under such rules, if we do not do so and must provide margin regarding uncleared swaps to which we are a party, our results of operations and financial condition could be adversely affected.

The European Market Infrastructure Regulation (EMIR) includes regulations related to the trading, reporting and clearing of derivatives subject to EMIR. We have counterparties that are located in a jurisdiction subject to EMIR. Such counterparties are required to comply with EMIR and accordingly will require us to transact with them in a manner that will ensure their compliance with EMIR. In broad terms, EMIR s effect on the derivatives markets and their participants, creates similar risks and could have similar adverse impacts as those under the swap regulatory provisions of the Act and the CFTC s swap rules. Finally, the Act included provisions, including related to position limits and reporting, that reflect that volatility in oil and natural gas prices is attributed by some legislators and regulators to speculative trading in derivatives and commodity instruments related to oil and natural gas. The CFTC and Congress periodically focus on such concerns, particularly at times of price rises in the market. Our revenues could be adversely affected if a consequence of that focus is legislative or regulatory actions that lead to lower commodity prices.

Current and proposed derivatives legislation and rulemaking as well as restrictions on hedging activities in the Revolving Credit Agreement could have a material adverse effect on our business.

If we or our derivatives counterparties are subject to additional requirements imposed as a result of the Act or any new (or newly implemented) regulations or international legislation, such changes may increase our transaction costs or make it more difficult for us to enter into hedging transactions on favorable terms. Any such regulations could also subject our hedge counterparties to limits on commodity positions and thereby have an adverse effect on our ability to hedge risks associated with our business or on the cost of our hedging activity. Further, our revolving credit agreement restricts the types of counterparties that we can enter into hedging transactions with and the security that we are able to provide counterparties that are not lenders under our Revolving Credit Agreement. Our inability to enter into hedging transactions on favorable terms, or at all, could increase our operating expenses and put us at increased exposure to risks of adverse changes in oil and natural gas prices. Any of these consequences could have a material adverse effect on us, our financial condition, and our results of operations and cash flows.

Risks Related to the Common Stock

The price of the common stock may experience volatility.

Following the consummation of the Corporate Reorganization, the price of the common stock may be volatile. In addition to the risk factors described above, some of the factors that could affect the price of the common stock are quarterly increases or decreases in revenue or earnings, changes in revenue or earnings estimates by the investment community, sales of the common stock by significant stockholders, a turnover of the investor base as a result of the Corporate Reorganization, short-selling of the common stock by investors, issuance of a significant number of shares for equity-based compensation or to raise additional capital to fund New Legacy s operations, changes in market valuations of similar companies and speculation in the press or investment community about New Legacy s financial condition or results of operations, as well as any doubt about its ability to continue as a going concern. General market conditions and U.S. or international economic factors and political events unrelated to the performance of New Legacy may also affect its stock price. For these reasons, investors should not rely on recent trends in the price of the units to predict the future price of the common stock or New Legacy s future financial results.

Table of Contents

Index to Financial Statements

New Legacy s amended and restated certificate of incorporation and amended and restated bylaws that will be in effect upon consummation of the Corporate Reorganization contain provisions that may make it more difficult for a third party to acquire control of it, even if a change in control would result in the purchase of your shares of common stock at a premium to the market price or would otherwise be beneficial to you.

There are provisions in New Legacy s amended and restated certificate of incorporation and amended and restated bylaws that will be in effect upon consummation of the Corporate Reorganization that may make it more difficult for a third party to acquire control of Legacy, even if a change in control would result in the purchase of your shares of common stock at a premium to the market price or would otherwise be beneficial to you. For example, New Legacy s amended and restated certificate of incorporation authorizes the New Legacy Board to issue preferred stock without stockholder approval. If the New Legacy Board elects to issue preferred stock, it could be more difficult for a third party to acquire New Legacy.

In addition, provisions of New Legacy s amended and restated certificate of incorporation and amended and restated bylaws that will be in effect upon consummation of the Corporate Reorganization, including, if the Board Classification Proposal is approved by the unitholders, a classified board of directors, so that only approximately one-third of our directors are elected each year, and limitations on stockholder actions by written consent and on stockholder proposals and director nominations at meetings of stockholders, could make it more difficult for a third party to acquire control of New Legacy. Certain provisions of the DGCL may also discourage takeover attempts that have not been approved by the New Legacy Board.

New Legacy does not expect to pay dividends on its common stock for the foreseeable future.

New Legacy does not expect to pay dividends for the foreseeable future. In addition, New Legacy s Revolving Credit Agreement and Term Loan Credit Agreement may prohibit it from paying any dividends without the consent of the lenders under the Revolving Credit Agreement and Term Loan Credit Agreement, other than dividends payable solely in equity interests of New Legacy. Further, upon the consummation of the Corporate Reorganization, the Preferred Units will be converted into shares of common stock of New Legacy, and any rights to accumulated and unpaid distributions on such Preferred Units will be discharged. Accordingly, neither New Legacy nor the Partnership will make any distributions on account of any accrued but unpaid distributions on the Preferred Units that have accrued through the date of the Corporate Reorganization.

The value of the shares you receive in connection with the Corporate Reorganization may be diluted by future equity issuances, and shares eligible for future sale may have adverse effects on New Legacy s share price.

We cannot predict the effect of future sales of shares or the availability of shares for future sales, on the market price of or the liquidity of the market for the shares. Sales of substantial amounts of shares, or the perception that such sales could occur, could adversely affect the prevailing market price of the shares. Such sales, or the possibility of such sales, could also make it difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate.

New Legacy s authorized capital stock will consist of 945,000,000 shares of common stock and 105,000,000 shares of preferred stock, a significant portion of which will be unissued immediately following the Corporate Reorganization. New Legacy may need to raise a significant amount of capital to fund its drilling program and pay down outstanding indebtedness, including principal, interest and fees due under the Revolving Credit Agreement, the Term Loan Credit Agreement and the Senior Notes, and may raise such capital through the issuance of newly issued common stock or

preferred stock. Such issuance and sale of equity could be dilutive to the interests of existing stockholders.

Additionally, as of June 30, 2018, the Founding Investors and their affiliates, including members of the Partnership s management, currently own approximately 14.76% of the outstanding units and, following the Corporate Reorganization, will own 13.30% of the outstanding shares. The Partnership granted the Founding

Investors certain registration rights to have their units registered under the Securities Act (the Founders Registration Rights Agreement). Following the consummation of the Corporate Reorganization, the Founding Investors will have registration rights with respect to the shares they receive pursuant to the Corporate Reorganization. The Founders Registration Rights Agreement gives the Founding Investors and their permitted transferees certain demand registration rights pursuant to which they will be entitled to cause us to register under the Securities Act all or a portion of the stock they receive in exchange for their units. The Founding Investors and their permitted transferees are entitled to exercise up to three demand registration rights with respect to registrations on SEC Form S-1, provided that the number of shares of common stock that the Founding Investors and their permitted transferees propose to include in each such registration is at least ten percent of the total number of shares (on an as-converted basis) they held following the completion of the private equity offering in March 2006, in which we issued 5,000,000 limited partnership units, the proceeds of which were used in the funding of our related formation transactions whereby we acquired our initial oil and natural gas properties and business operations. The Founding Investors and their permitted transferees also have an unlimited number of demand registration rights with respect to registrations on SEC Form S-3, provided that the gross proceeds to the selling stockholders in each such registration is expected to be at least $1 million. In addition, the Founders Registration Rights Agreement provides that if we at any time intend to file on our behalf or on behalf of any of our other shareholders a registration statement in connection with a public offering of any of our securities on a form and in a manner that would permit the registration for offer and sale of our common stock held by any of the Founding Investors or their permitted transferees, such groups will be able to exercise piggyback registration rights pursuant to which they will be entitled to participate in public offerings of our common stock. Upon registration, these shares will be eligible for sale into the market without volume limitations. Because of the substantial size of the Founding Investors holdings, the sale of a significant portion of these shares, or a perception in the market that such a sale is likely, could have a significant impact on the market price of such shares.

Table of Contents

Index to Financial Statements

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This proxy statement/prospectus contains forward-looking statements that are subject to a number of risks and uncertainties, many of which are beyond the control of the Partnership and New Legacy, which may include statements about:

- the occurrence of any event, change or other circumstances that could give rise to the termination of the Merger Agreement;
- the outcome of any legal proceedings that have been or may be instituted against the Partnership or New Legacy and others relating to the Merger Agreement;
- the effect of the announcement of the Corporate Reorganization on the Partnership s customer relationships, operating results and business generally;
- the risks that the proposed Corporate Reorganization disrupts current plans and operations;
- the amount of the costs, fees, expenses and charges related to the Corporate Reorganization;
- the failure to obtain the unitholder approval and to satisfy the other conditions to the consummation of the Corporate Reorganization;
- the failure to realize a lower long-term cost of capital and other anticipated benefits of the proposed Corporate Reorganization;
- the Partnership and New Legacy s ability to access the debt and equity markets, which will depend on general market conditions and the credit ratings for debt obligations;
- the amount of oil and natural gas the Partnership produces;
- the price at which the Partnership is able to sell its oil and natural gas production;
- the Partnership s ability to identify, acquire, exploit and appropriately finance additional oil and natural gas properties at economically attractive prices;

- the Partnership s ability to replace reserves and increase reserve value;
- the Partnership s drilling locations and ability to continue its development activities at economically attractive costs;
- the level of the Partnership s lease operating expenses, general and administrative costs and finding and development costs, including payments to the Partnership GP;
- the level of the Partnership s capital expenditures;
- the Partnership s ability to comply with, renegotiate or receive waivers of debt covenants under its Revolving Credit Agreement and Term Loan Credit Agreement;
- the Partnership s ability to engage in lending and capital markets activity which may include debt refinancing or extensions, exchanges or repurchases or debt or equity issuances;
- the Partnership s ability to divest non-core assets at economically attractive prices;
- the Partnership s future operating results;
- the Partnership s plans, objectives, expectations and intentions; and
- other factors and uncertainties discussed in this proxy statement/prospectus and the Partnership s filings with the SEC, including the Partnership s Quarterly Report on Form 10-Q for the three months ended March 31, 2018 and Annual Report on Form 10-K for the year ended December 31, 2017.

All of these types of statements, other than statements of historical fact included in this document, are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as may, could, should, expect, plan, project, intend, anticipate, believe, estimate, predict, potential, pursue, target, c such terms or other comparable terminology.

Table of Contents

Index to Financial Statements

The forward-looking statements contained in this document are largely based on the Partnership s expectations, which reflect estimates and assumptions made by the Partnership s management. These estimates and assumptions reflect the Partnership s best judgment based on currently known market conditions and other factors. Although we believe such estimates and assumptions to be reasonable, they are inherently uncertain and involve a number of risks and uncertainties that are beyond the Partnership s control. In addition, management s assumptions about future events may prove to be inaccurate. All readers are cautioned that the forward-looking statements contained in this document are not guarantees of future performance, and the Partnership s expectations may not be realized or the forward-looking events and circumstances may not occur. Actual results may differ materially from those anticipated or implied in the forward-looking statements due to factors described in Risk Factors. The forward-looking statements in this document speak only as of the date of this document; we disclaim any obligation to update these statements unless required by securities law, and we caution you not to unduly rely on them.

Table of Contents

Index to Financial Statements

INFORMATION ABOUT THE PARTIES

Legacy Reserves Inc.

Legacy Reserves Inc., or New Legacy, is a Delaware corporation incorporated on March 22, 2018 for the purpose of effecting the Corporate Reorganization. New Legacy has not conducted any business operations other than incidental to its formation and in connection with the transactions contemplated by the Corporate Reorganization. Following the Corporate Reorganization, New Legacy will own the Partnership and the Partnership GP as direct or indirect wholly owned subsidiaries and will have no significant assets other than the stock or other voting securities of its subsidiaries. Its principal executive offices are located at 303 W. Wall St., Suite 1800, Midland, Texas 79701, and its telephone number is (432) 689-5200.

Legacy Reserves LP

Legacy Reserves LP, or the Partnership, is a master limited partnership headquartered in Midland, Texas, focused on the development of oil and natural gas properties primarily located in the Permian Basin, East Texas, Rocky Mountain and Mid-Continent regions of the United States.

The Partnership s oil and natural gas production and reserve data as of December 31, 2017 were as follows:

- proved reserves of approximately 180.0 MMBoe, of which 66% were natural gas, 34% were NGLs and 94% were classified as proved developed producing; and

- proved reserves to production ratio of approximately 10.0 years based on the annualized production volumes for the three months ended December 31, 2017.

The Partnership has built a diverse portfolio of oil and natural gas reserves, primarily through the acquisition of producing oil and natural gas properties and the development of properties in established producing trends. These acquisitions, along with its ongoing development activities and operational improvements, have allowed the Partnership to achieve significant production and reserve growth over the last decade.

The Partnership s principal executive offices are located at 303 W. Wall St., Suite 1800, Midland, Texas 79701, and its telephone number is (432) 689-5200.

Table of Contents

Index to Financial Statements

THE SPECIAL MEETING

Time, Place and Date

The special meeting will be held on September 19, 2018 at 10:30 a.m., local time, at Midland Country Club located at 6101 N. Highway 349, Midland, Texas 79705.

Proposal 1

Approval of the Merger Agreement and New Legacy Merger

As discussed elsewhere in this proxy statement/prospectus, the unitholders are being asked at the special meeting to approve the Merger Agreement, pursuant to which the Merger will be completed, with the Partnership continuing as the surviving entity and a wholly owned subsidiary of New Legacy. Unitholders should carefully read this proxy statement/prospectus, including the annexes, in its entirety for more detailed information concerning the Merger Agreement and the Corporate Reorganization. A vote to approve the Merger Agreement is effectively a vote in favor of the Corporate Reorganization which will result in a reorganization from a master limited partnership to a corporation. In particular, unitholders are directed to the Merger Agreement, a copy of which is attached as Annex A to this proxy statement/prospectus.

The GP Board unanimously recommends that unitholders vote FOR approval of the Merger Agreement.

Proposal 2

Approval of the Classification of the New Legacy Board

As discussed elsewhere in this proxy statement/prospectus, the unitholders are being asked at the special meeting to approve the classification of the New Legacy Board in accordance with the Amended and Restated Certificate of Incorporation of New Legacy, a copy of which is attached as Exhibit A to Annex A to this proxy statement/prospectus, to be in effect following the consummation of the Corporate Reorganization (and giving effect to necessary revisions as described in Exhibit A to Annex A based on the outcome of this Proposal 2). For a more detailed discussion of the proposed classification of the New Legacy Board, see Management of New Legacy.

The GP Board recommends that unitholders vote FOR approval of the classification of the New Legacy Board.

Proposal 3

Approval of the New Legacy Incentive Plan

At the special meeting, the unitholders are being asked to approve the New Legacy LTIP, a copy of which is attached to this proxy statement/prospectus as Annex B to this proxy statement/prospectus, to be in effect following the consummation of the Corporate Reorganization. For a more detailed summary of the terms of the New Legacy LTIP, see Description of the New Legacy 2018 Omnibus Incentive Plan.

The GP Board recommends that unitholders vote FOR approval of the New Legacy LTIP.

Table of Contents

Index to Financial Statements

Proposal 4

Advisory Approval of the Compensation Payments to Named Executive Officers

In accordance with Section 14A of the Exchange Act, the Partnership is providing its unitholders with the opportunity to cast an advisory, non-binding vote at the special meeting on the compensation that may be paid or become payable to its named executive officers in connection with the Corporate Reorganization and the agreements and understandings pursuant to which such compensation may be paid or become payable. For a more detailed summary of the compensation payments, see The Corporate Reorganization Interests of Certain Persons in the Merger. As required by those rules, the Partnership is asking its unitholders to vote on the adoption of the following resolution:

RESOLVED, that the compensation that may be paid or become payable to the Partnership s named executive officers in connection with the Corporate Reorganization, as disclosed pursuant to Item 402(t) of Regulation S-K in the table in the section of the proxy statement/prospectus entitled The Corporate Reorganization Interests of Certain Persons in the Merger Quantification of Potential Payments to Named Executive Officers in Connection with the Corporate Reorganization, including the associated narrative discussion, are hereby APPROVED on an advisory (non-binding) basis.

The votes on each Proposal are separate and apart from the votes on the other Proposals. Accordingly, you may vote to approve certain of the Proposals and vote not to approve other Proposals. Because the vote on the Compensation Proposal is advisory in nature only, it will not be binding on the Partnership or New Legacy. Accordingly, if the Merger Proposal and LTIP Proposal are approved and the Corporate Reorganization is completed, the compensation may become payable, subject only to the conditions applicable thereto, regardless of the outcome of the non-binding, advisory vote of the unitholders.

The GP Board recommends that unitholders vote FOR approval of the compensation payments to named executive officers.

Proposal 5

Adjournment of the Special Meeting

Unitholders may be asked to consider and vote on a proposal to adjourn the special meeting to a later date to solicit additional proxies in the event there are insufficient votes in favor of any of the foregoing proposals. See Adjournments.

The GP Board recommends that the unitholders vote FOR approval of any adjournment proposal.

The unitholders may also be asked to consider other matters as may properly come before the special meeting. At this time, the Partnership, the Partnership GP and New Legacy know of no other matters that will be presented for the consideration of the unitholders at the special meeting.

Quorum

A majority of the voting power of the outstanding units entitled to vote at the meeting as of the record date represented in person or by proxy (by submitting a properly executed proxy card or properly submitting a proxy by telephone or

Internet) will constitute a quorum and will permit the Partnership to conduct the proposed business at the special meeting. Proxies received but marked as abstentions and broker non-votes (if any) will be counted as units that are present and entitled to vote for purposes of determining the presence of a quorum.

Table of Contents

Index to Financial Statements

Record Date

The unitholder record date for the special meeting is the close of business on July 26, 2018. Unitholders may vote at the Special Meeting if they owned units at the close of business on the record date. Unitholders may cast one vote for each unit owned on the record date.

Votes Required

Approval of the Merger Proposal requires the affirmative vote of holders of a majority of the votes cast (not including abstentions and broker non-votes) by unitholders who are present (in person or by proxy) and entitled to vote at the special meeting. Approval of the Board Classification Proposal requires the affirmative vote of holders of a majority of the votes cast (not including abstentions and broker non-votes) by unitholders who are present (in person or by proxy) and entitled to vote at the special meeting. Approval of the LTIP Proposal is being sought to satisfy the stockholder approval policy of NASDAQ. For these purposes, approval of the LTIP Proposal requires the affirmative vote of holders of a majority of the votes cast (not including abstentions and broker non-votes) by unitholders who are present (in person or by proxy) and entitled to vote at the special meeting. Approval, on an advisory, non-binding basis, of the Compensation Proposal, requires the affirmative vote of holders of a majority of the votes cast (not including abstentions and broker non-votes) by unitholders who are present (in person or by proxy) and entitled to vote at the special meeting. Approval of the Adjournment Proposal, if presented, requires the affirmative vote of holders of a majority of the votes cast (not including abstentions and broker non-votes) by unitholders who are present (in person or by proxy) and entitled to vote at the special meeting. Abstentions and broker non-votes (if any) will not be taken into account in determining the outcome of the Merger Proposal, Board Classification Proposal, LTIP Proposal, Compensation Proposal and Adjournment Proposal. **The votes on each Proposal are separate and apart from the votes on the other Proposals. Accordingly, you may vote to approve certain of the Proposals and vote not to approve other Proposals. Because the vote on the Compensation Proposal is advisory in nature only, it will not be binding on the Partnership or New Legacy.**

All of the directors and executive officers of the Partnership GP beneficially owned, in the aggregate, approximately 11.5% of the outstanding units as of the record date. The Partnership and New Legacy believe that the directors and executive officers of the Partnership GP will vote in favor of the Merger Proposal, in favor of the Board Classification Proposal, in favor of the LTIP Proposal, in favor of the Compensation Proposal and in favor of the Adjournment Proposal.

Each of the holders of limited liability company interests in the Partnership GP is party to the GP Purchase Agreement, which contains a voting covenant obligating such holder and its affiliates to vote any units it owns, directly or indirectly, in favor of the Merger Proposal. As of the record date, such holders beneficially owned 10,285,059 units or approximately 13.4% of the outstanding units. Certain of these holders are directors and/or executive officers of the Partnership GP and are included in the beneficial ownership amounts included in the previous paragraph.

Additionally, the Partnership and the Partnership GP have entered into a Standstill and Voting Agreement, pursuant to which, subject to certain limitations, the Fir Tree Parties are obligated to vote their units as recommended by the GP Board to the unitholders. As of the record date, the Fir Tree Parties own 3,633,533 units or approximately 4.7% of the outstanding units.

Units Outstanding

As of the close of business on the record date, there were 76,929,029 units outstanding held by 124 holders of record. Each outstanding unit entitles its holder of record to one vote on each matter considered at the special meeting. The units are the only class of securities entitled to vote at the special meeting, and holders of the units are entitled to vote on the Merger Proposal, the Board Classification Proposal, the LTIP Proposal, the Compensation Proposal and the Adjournment Proposal.

Table of Contents

Index to Financial Statements

A complete list of registered unitholders entitled to vote at the special meeting will be available for inspection during ordinary business hours at the principal place of business of Legacy Reserves LP, 303 W. Wall St., Suite 1800, Midland, Texas 79701 for a period of at least 10 days before the special meeting and at the place of the special meeting for the duration of the meeting.

Adjournments

If, at the special meeting, the number of units present or represented and voting in favor of the Merger Proposal is insufficient to approve the Merger Proposal, the Partnership intends to move to adjourn the special meeting in order to enable the GP Board to solicit additional proxies for approval of the Merger Proposal. In that event, the Partnership will ask its unitholders to vote upon the Adjournment Proposal, but not the Merger Proposal. If it is deemed necessary to adjourn the special meeting, no notice of the adjourned meeting is required to be given to unitholders, other than an announcement at the special meeting of the time and place to which the meeting is adjourned, unless a new record date is fixed for the adjourned meeting, in which case notice of the place, date and time of adjourned meeting shall be given to persons who are unitholders as of the new record date.

The Partnership is asking its unitholders to authorize the holder of any proxy solicited by the GP Board on a discretionary basis to vote in favor of adjourning the special meeting to another time and place for the purpose of soliciting additional proxies, including the solicitation of proxies from unitholders who have previously voted.

Pursuant to the Partnership Agreement, in the absence of a quorum, the special meeting may be adjourned by the affirmative vote of unitholders of at least a majority of the units present and entitled to vote at the special meeting.

Upon an adjournment to a date within 45 days of the special meeting, notice need not be given of the adjourned meeting and a new record date need not be fixed, if the time and place thereof are announced at the special meeting. At the adjourned special meeting, the Partnership may transact any business that might have been transacted at the original special meeting. If the adjournment is for more than 45 days or if a new record date is fixed for the adjourned special meeting, a notice of the adjourned special meeting shall be given to all unitholders as of the new record date. References to the special meeting in this proxy statement/prospectus are to such special meeting as adjourned or postponed.

Voting Procedure

Voting by Unitholders. If you are a unitholder who holds units in your own name, you may submit your proxy using any of the following methods:

- call the toll-free telephone number listed on your proxy card and follow the recorded instructions;
- go to the Internet website listed on your proxy card and follow the instructions provided;
- complete, sign and mail your proxy card in the postage-paid envelope; or

attend the special meeting and vote in person.

If you have timely and properly submitted your proxy, clearly indicated your vote and have not revoked your proxy, your units will be voted as indicated. If you have timely and properly submitted your proxy but have not clearly indicated your vote, your units will be voted FOR the Merger Proposal, FOR the Board Classification Proposal, FOR the LTIP Proposal, FOR the Compensation Proposal and FOR the Adjournment Proposal.

Revocation. If you hold your units in your own name, you may revoke your proxy at any time prior to its exercise by:

giving written notice of revocation to the Secretary of the Partnership at or before the special meeting;

Table of Contents

Index to Financial Statements

- appearing and voting in person at the special meeting; or

- properly completing and executing a later dated proxy and delivering it to the Secretary of the Partnership at or before the special meeting.

Your presence without voting at the special meeting will not automatically revoke your proxy, and any revocation during the special meeting will not affect votes previously taken.

Validity. The inspectors of election will determine all questions as to the validity, form, eligibility (including time of receipt) and acceptance of proxies. Their determination will be final and binding. The GP Board has the right to waive any irregularities or conditions as to the manner of voting. The Partnership may accept your proxy by any form of communication permitted by applicable law so long as the Partnership is reasonably assured that the communication is authorized by you.

Solicitation of Proxies. The accompanying proxy is being solicited by the Partnership on behalf of the GP Board. The expenses of preparing, printing and mailing the proxy and materials used in the solicitation will be borne by the Partnership.

Morrow Sodali Global, LLC has been retained by the Partnership to aid in the solicitation of proxies for an initial fee of $10,000 and the reimbursement of out-of-pocket expenses. In addition to the mailing of this proxy statement/prospectus, proxies may also be solicited from unitholders by personal interview, telephone, fax or other electronic means by directors and officers of the Partnership GP and employees of affiliates of the Partnership who provide services to the Partnership, who will not receive additional compensation for performing that service. Arrangements also will be made with brokerage houses and other custodians, nominees and fiduciaries for the forwarding of proxy materials to the beneficial owners of units held by those persons, and the Partnership will reimburse them for any reasonable expenses that they incur.

Units Held in Street Name. If you hold units in the name of a bank, broker or other nominee, you should follow the instructions provided by your bank, broker or other nominee when voting your units or when granting or revoking a proxy.

As a general rule, absent specific instructions from you, your bank, broker or other nominee is not allowed to vote your units on any proposal on which your bank, broker or other nominee does not have discretionary authority. The only proposals for consideration at the special meeting are the Merger Proposal, the Board Classification Proposal, the LTIP Proposal, the Compensation Proposal and the Adjournment Proposal, which are non-discretionary matters for which banks, brokers and other nominees do not have discretionary authority to vote. To instruct your bank, broker or other nominee how to vote, you should follow the directions that your bank, broker or other nominee provides to you.

Please note that you may not vote your units held in street name by returning a proxy card directly to the Partnership or by voting in person at the special meeting unless you provide a legal proxy, which you must obtain from your bank, broker or other nominee. If you do not instruct your bank, broker or other nominee on how to vote your units, your bank, broker or other nominee may not vote your units, which will be deemed to not be a vote cast with respect to the Merger Proposal, Board Classification Proposal, LTIP Proposal and Adjournment Proposal and will have the same effect as a vote against the Compensation Proposal. You should therefore provide your bank, broker or other nominee with instructions as to how to vote your units.

Householding of Proxy Statement/Prospectus

The SEC has adopted rules that permit companies and intermediaries such as brokers to satisfy delivery requirements for proxy statements and annual reports with respect to two or more stockholders sharing the same address by delivering a single proxy statement or annual report, as applicable, addressed to those stockholders.

Table of Contents

Index to Financial Statements

As permitted by the Exchange Act, only one copy of this proxy statement/prospectus is being delivered to stockholders residing at the same address, unless the stockholders have notified the company whose shares they hold of their desire to receive multiple copies of this proxy statement/prospectus. This process, which is commonly referred to in this proxy statement/prospectus as householding, potentially provides extra convenience for stockholders and cost savings for companies.

If, at any time, you no longer wish to participate in householding and would prefer to receive a separate copy of this proxy statement/prospectus, or if you are receiving multiple copies of this proxy statement/prospectus and wish to receive only one, please contact the Partnership at its address identified below. The Partnership will promptly deliver, upon oral or written request, a separate copy of this proxy statement/prospectus to any unitholder residing at an address to which only one copy was mailed. Requests for additional copies should be directed to:

Legacy Reserves LP

303 W. Wall Street, Suite 1800

Midland, Texas 79701

Attention: Investor Relations

Phone: (432) 698-5200

Email: IR@legacylp.com

57

Table of Contents

Index to Financial Statements

THE CORPORATE REORGANIZATION

Overview

On March 23, 2018, New Legacy, Merger Sub, the Partnership and the Partnership GP entered into the Agreement and Plan of Merger (the Initial Merger Agreement), pursuant to which Merger Sub, a subsidiary of New Legacy, will merge with and into the Partnership, with the Partnership continuing as the surviving entity and a wholly owned subsidiary of New Legacy. Additionally, and concurrently with its entry into the Merger Agreement, New Legacy, the Partnership and the Partnership GP entered into a GP Purchase Agreement with the GP Seller and all of the current GP Members, pursuant to which New Legacy will purchase all of the GP Interests for an aggregate purchase price of $3.0 million in cash, following which New Legacy will be the sole member of the Partnership GP. On July 9, 2018, pursuant to the Settlement Agreement and certain comments received from the staff of the SEC, New Legacy, Merger Sub, the Partnership and the Partnership GP entered into the Merger Agreement, revising the Exchange Ratios and making additional changes as discussed below in Background of the Corporate Reorganization.

Background of the Corporate Reorganization

The GP Board has, from time to time, reviewed and evaluated potential strategic alternatives with management of the Partnership (Legacy management or management), including possible acquisitions, business combinations and capital or debt offerings. In this context, the GP Board has discussed various strategic alternatives that could potentially complement, enhance or improve both the competitive strengths and strategic position of the Partnership. The GP Board has considered these alternatives in connection with its evaluation of the strategic goals and initiatives of the Partnership. From time to time, Legacy management also had informal discussions with advisors regarding potential strategic transactions and engaged in exploratory discussions and evaluations of the potential benefits of, and other considerations regarding, these transactions.

Since the fourth quarter of 2014, these evaluations and discussions have occurred in an environment of significant volatility with respect to the price of crude oil, natural gas, NGLs and condensate. In light of the prevailing commodity price volatility and significant commodity price declines, Legacy management believed it was important to focus on capital investment efficiency, increased cost management and preserving and improving the Partnership s balance sheet which could better position the Partnership for the potential of an extended period of uncertain commodity prices.

Throughout 2015 and 2016, many upstream oil and gas companies filed for bankruptcy in order to reduce their debt burden and improve their capital structure. In connection with its evaluation of strategic alternatives, the Partnership considered whether an in-court restructuring process would maximize the value of the Partnership and engaged Kirkland & Ellis LLP (Kirkland). After careful examination of the Partnership s projected liquidity, covenant compliance under its Revolving Credit Agreement, and the likelihood of obtaining future credit agreement amendments as compared to the cost to the Partnership of potential asset degradation, loss of key personnel and advisor expenses from a prolonged in-court proceeding, the Partnership and the GP Board concluded, with the advice of advisors, that an in-court restructuring was not the best course of action for the Partnership. The Partnership instead focused on improving its capital structure through debt repurchases and other liability management initiatives.

In February 2016, the Partnership pursued and received relief from certain of the covenants under the Revolving Credit Agreement, and also instituted a covenant further limiting the Partnership s ability to pay cash distributions to limited partners unless more stringent leverage and liquidity tests were met. Following amendments to the Revolving

Credit Agreement, the Partnership sold certain undeveloped Permian Basin assets in order to fund the repurchase of its Senior Notes at then-market prices, which were at significant discounts to par, and repaid a portion of the amount outstanding under its Revolving Credit Agreement.

On June 30, 2016, management engaged Jefferies LLC (Jefferies) to assist the Partnership in restructuring its balance sheet or otherwise raising capital to further reduce debt outstanding and continued working with Kirkland on these efforts. Through confidential meetings and numerous diligence sessions, certain potential investors provided feedback to management that they were not interested in investing in securities ranking pari

58

passu or junior to the existing Senior Notes. Based on such feedback, management determined that the best course of action was to pursue a second lien term loan. Several bids were received and the Partnership determined that an offer from certain funds managed, advised or sub-advised by GSO Capital Partners LP and/or its affiliates (collectively, GSO) was the option that was most in the best interests of the Partnership. On October 25, 2016, the Partnership entered into the Term Loan Credit Agreement among the Partnership, Cortland Capital Market Services LLC, as administrative agent and second lien collateral agent, and GSO, providing for term loans up to an aggregate principal amount of $300.0 million, secured on a second lien priority basis by the same collateral securing the Partnership s Credit Agreement. In connection with the Term Loan Credit Agreement, the Partnership GP expanded the size of its Board by one director and entered into a Director Nomination Agreement, allowing GSO to nominate one board member to the GP Board.

During the first half of 2017, the Partnership continued to meet with other various financial advisors and stakeholders and Kirkland regarding a potential out-of-court restructuring and other liability management options. In connection with these discussions, the Partnership also considered a potential comprehensive restructuring of the Partnership s capital structure, including a transition from a partnership to a corporate entity. In March 2017, the Partnership discontinued working with Jefferies. On May 16, 2017, the GP Board determined that a conflict of interest may exist between the Partnership, its subsidiaries and the Partnership s unaffiliated unitholders, on the one hand, and the Partnership GP and its members, on the other hand, in connection with any consideration payable to the members of the Partnership GP in connection with a comprehensive restructuring of the Partnership s capital structure. The GP Board delegated authority to the Conflicts Committee of the GP Board (the Conflicts Committee) to review, evaluate, negotiate and make a recommendation to the GP Board with respect to any consideration that may be payable to the members of the Partnership GP in connection with a comprehensive restructuring of the Partnership s capital structure. The GP Board also authorized the Conflicts Committee to select and engage its own financial and legal advisors, and the Conflicts Committee subsequently engaged Evercore Group L.L.C. (Evercore) as its financial advisor and Richards Layton & Finger, P.A. (RLF) as its legal counsel. In May and June of 2017, the Conflicts Committee had multiple meetings and, with the assistance of its advisors, began its evaluation of the amount that may be payable to the members of the Partnership GP in connection with a comprehensive restructuring of the Partnership s capital structure in order to obtain their consent to a reorganization and remove their negative control rights.

In the summer of 2017, the Partnership met with lenders under the Revolving Credit Agreement to discuss an extension of maturity under the Revolving Credit Agreement. The lenders were unreceptive to any extension, indicating that such extension would require 100% consent from all lenders, as none of the lenders would be willing to increase their lending under the Revolving Credit Agreement so long as the Partnership was organized as a limited partnership.

In September 2017, the Partnership held meetings with an ad hoc group of noteholders, including Fir Tree Partners (Fir Tree). On October 3, 2017, the Partnership met with this group and their financial and legal advisors in New York City to discuss valuation of the Partnership and potential strategic alternatives related to the Partnership, including debt equitizations. An agreement could not be reached on the valuation and pro forma ownership that the equitizing noteholders would receive based on the noteholders valuation, and after consulting with Kirkland, a financial advisor and with the GP Board at the October 19, 2017 meeting of the GP Board, the Partnership shortly thereafter terminated discussions with the ad hoc group of noteholders.

Simultaneously with the discussions with the ad hoc committee of noteholders, the Partnership worked with Kirkland and the Partnership s financial advisors to pursue an equity raise contingent on restructuring the Partnership into a corporate entity and the equitization of the Senior Notes held by such noteholders. A financial advisor, with input

from the Partnership s management, evaluated potential financing sources and approximately 15 financial institutions were contacted. The Partnership entered into confidentiality agreements with six of the financial institutions that were interested in additional information concerning a potential equity raise. The Partnership had meetings with five of these institutions and gave a presentation concerning the Partnership s potential restructuring plans and provided access to a data room. Follow-up meetings with certain of these

Table of Contents

Index to Financial Statements

potential investors were held in October 2017, but the Partnership was unable to reach agreement on the valuation, pro forma ownership of the new investors and offering terms with any of these potential investors. Some of these potential investors specifically indicated that they had no interest in investing in the Partnership given the Partnership s current capital structure and the market s overall negative views on the upstream MLP space.

After these attempts to raise additional third-party capital did not succeed, the Partnership and Kirkland evaluated structures and alternatives to reorganize the Partnership that did not involve additional investments of capital into the Partnership. With the impending maturity of the Revolving Credit Facility on April 1, 2019 and a scheduled borrowing base redetermination on April 1, 2018, the Partnership s management believed they had to present to the lenders under the Revolving Credit Facility a definitive plan to reorganize the Partnership in advance of this scheduled borrowing base redetermination.

In October and November 2017, as a result of these developments, the Partnership, with the advice of Kirkland, explored alternatives to reorganize the Partnership that ultimately would become the Corporate Reorganization. For example, the Partnership evaluated an Up-C reorganization, whereby certain limited partners would remain direct owners of the Partnership with a non-economic voting interest in New Legacy, exchangeable into a share of New Legacy common stock at a future date. The Up-C was determined to be too costly to maintain and resulted in an unnecessarily complicated organizational structure and share class. During this time, the Conflicts Committee held multiple meetings and, with the assistance of Evercore and RLF, re-started its evaluation of the amount that may be payable to the members of the Partnership GP in connection with a comprehensive restructuring of the Partnership s capital structure in order to obtain their consent to a reorganization and remove their negative control rights.

On November 30, 2017, following discussions with Kirkland and management regarding potential structuring options to reorganize the Partnership into a corporation, the GP Board refined and re-affirmed the delegation of authority to the Conflicts Committee to review, evaluate, negotiate and to make a recommendation to the GP Board with respect to any consideration payable to the members of the Partnership GP in connection with a comprehensive restructuring of the Partnership s capital structure.

Also on November 30, 2017, the Conflicts Committee held a meeting with Mr. Cary D. Brown, a representative of Moriah Properties, Ltd. (Moriah Properties), a member of the Partnership GP, who also serves as a Director of the Partnership GP. The Conflicts Committee presented Mr. Brown with an analysis of selected precedent general partner transactions and the value of the consideration paid in such transactions. At that time, no decisions were made or agreements reached as a result of the Conflicts Committee s meetings with Mr. Brown.

On December 12, 2017, Fir Tree approached the Partnership to discuss a transaction involving Fir Tree selling to the Partnership its entire position in the Partnership s Senior Notes. The parties then negotiated the terms of the transaction, with GSO participating in certain of the negotiations in order to purchase a portion of Fir Tree s position in the Partnership s Senior Notes directly from Fir Tree. On December 29, 2017, the GP Board held a meeting and approved the purchase of the Partnership s Senior Notes held by Fir Tree and discussed potential next steps regarding the possibility of transitioning from a limited partnership to a corporation, equitization of the Preferred Units and other potential capital structure items. It was determined at that meeting to begin discussions with the lenders under the Revolving Credit Agreement relating to the potential reorganization of the Partnership to a corporation.

On December 31, 2017, the Partnership purchased approximately $187.1 million in principal amount of the Partnership s 2021 Senior Notes from Fir Tree for an aggregate purchase price of approximately $132.1 million, which brought the Partnership s total holdings of its 2021 Senior Notes above 50% of the total amount outstanding, and GSO

completed its purchase of the Partnership s 2020 Senior Notes from Fir Tree, collectively representing the entirety of Fir Tree s holdings in the Partnership s Senior Notes. Concurrently with this

Table of Contents

Index to Financial Statements

purchase, the Partnership entered into the Third Amendment to the Term Loan Credit Agreement, which, among other things, increased the maximum principal amount of the term loans to $400.0 million, which the Partnership utilized to fund the purchase of the 2021 Senior Notes bought from Fir Tree. In addition, the Partnership, the Partnership GP and GSO entered into a voting agreement with respect to their positions in the Partnership s 2020 Senior Notes whereby the Partnership generally agreed to vote its position of such notes consistent with that of GSO. As noted below, GSO later waived the obligation of the Partnership to vote its position of such notes consistent with that of GSO in connection with the Consent Solicitation (as defined below). The Partnership also entered into a voting and standstill agreement with Fir Tree, restricting Fir Tree from acquiring additional securities of the Partnership and obligating Fir Tree to vote its units as recommended by the GP Board, subject to certain limitations.

On January 4, 2018, members of management met with the lenders under the Revolving Credit Agreement to provide an overview of the to-be-announced transactions with Fir Tree and GSO and to discuss, among other things, the Partnership s plan to reorganize into a corporation and the effects such a reorganization would have on its capital structure and management s belief that such a reorganization would positively impact the Partnership s ability to pursue other strategic transactions, including equity raises and debt issuances. Because such a reorganization would be deemed a Change of Control under the Partnership Agreement and documentation governing the Partnership s outstanding indebtedness, Legacy management discussed the need for a waiver under the Revolving Credit Agreement and the Term Loan Agreement and supplemental indentures to amend the terms of the Senior Notes. The lenders and a sufficient number of holders of Senior Notes expressed their support for such a transaction.

On February 14, 2018, members of management presented at a meeting of the GP Board what management considered to be definitive transaction steps that would be required in order to effectuate the Corporate Reorganization. Representatives of Kirkland were present at the meeting in order to discuss the potential transaction. The GP Board approved management beginning negotiations with the lenders under the Revolving Credit Agreement, GSO, the trustee under the Senior Notes, and the members of the Partnership GP in order to prepare definitive documentation required to complete the reorganization into a corporation.

On March 3, 2018, Moriah Properties entered into a membership interest purchase agreement (the MIPA) with the other members of the Partnership GP pursuant to which the other members of the Partnership GP agreed to sell all of their limited liability company interests in the Partnership GP to Moriah Properties immediately prior to the closing of the GP Purchase. Additionally, on March 23, 2018, Moriah Properties entered into an assignment agreement with the GP Seller, by which Moriah Properties has agreed to transfer to the GP Seller all of its limited liability company interests in the Partnership GP and its right to purchase the limited liability company interests in the Partnership GP under the MIPA.

Between March 3, 2018 and March 23, 2018, the Conflicts Committee (with assistance from its legal and financial advisors and, at the request of the Conflicts Committee, Legacy management) and Moriah Properties (with assistance from its legal and financial advisors) negotiated the consideration payable to the GP Seller, a subsidiary of Moriah Properties, and the other terms of the GP Purchase Agreement, including the indemnity and release provisions. As part of those negotiations, it was agreed that the aggregate consideration to be received by the GP Seller in exchange for all the outstanding limited liability company interests in Partnership GP would be $3.0 million in cash, plus payment of certain of GP Seller s legal fees and $100,000 in advisor fees.

On March 5, 2018, RLF distributed to Baker Botts L.L.P. (Baker Botts), counsel to Moriah Properties and the GP Seller, an initial draft of the GP Purchase Agreement.

On March 7, 2018, a meeting of the GP Board was held, at which representatives of Kirkland were present. The GP Board met to consider the proposed Corporate Reorganization and gave interim approval to proceed, subject to (i) Special Approval by the Conflicts Committee of the payment to be made for the limited liability company interests of the Partnership GP, (ii) approval of the Corporate Reorganization by the members of the

61

Partnership GP and (iii) the waivers or amendments, as applicable, to the Revolving Credit Agreement, Term Loan Credit Agreement and indentures governing the Senior Notes.

On March 8, 2018, the Partnership approached the lenders under the Revolving Credit Agreement and GSO to negotiate the terms of any necessary waivers under the Revolving Credit Agreement and Term Loan Agreement, respectively. Over the next two weeks, the Partnership and the lenders under the Revolving Credit Agreement negotiated an amendment and waiver to the Revolving Credit Agreement, which permits (subject to certain conditions) the Merger and Corporate Reorganization and waives any impacts that could occur as a result of the Corporate Reorganization constituting a Change of Control thereunder. During the same period, the Partnership and GSO negotiated an amendment and waiver to the Term Loan Agreement which, in addition to permitting the Merger and Corporate Reorganizations (subject to certain conditions), waives any requirement to prepay the loans outstanding under the Term Loan Agreement using the Partnership s Free Cash Flow (as defined in the Term Loan Agreement) or limit Capital Expenditures (as defined in the Term Loan Agreement) prior to March 31, 2019 and waives any impacts that could occur as a result of the Corporate Reorganization constituting a Change of Control thereunder. Both the amendment to the Revolving Credit Agreement and the amendment to the Term Loan Agreement were entered into on March 23, 2018.

The Partnership took steps to prepare for a consent solicitation to amend the indenture governing the 2020 Senior Notes (the 2020 Supplemental Indenture) and the indenture governing the 2021 Senior Notes (the 2021 Supplemental Indenture), in order to, among other things, amend the definition of Change of Control in each of the indentures governing the Senior Notes (the Consent Solicitation) so that the Corporate Reorganization will not trigger an event of default in respect of a Change of Control under each of those indentures. In connection with the amendment to the Term Loan Agreement, the Partnership and GSO discussed amending the voting agreement between the Partnership and GSO entered into in connection with the December 2017 purchase of Fir Tree s position in Legacy s Senior Notes, and on March 23, 2018, GSO waived the obligation of the Partnership to vote its position of such notes consistent with that of GSO in connection with the Consent Solicitation and GSO agreed to vote its position in the 2020 Notes in favor of the proposed 2020 Supplemental Indenture.

On March 9, 2018, RLF distributed to Baker Botts an initial draft of the Third Amendment to the Amended and Restated Limited Liability Company Agreement of the Partnership GP (the Third Amendment). Over the following two weeks, the parties to the GP Purchase Agreement (each with assistance from its respective legal counsel, Kirkland, RLF and Baker Botts) completed negotiations of the definitive documentation necessary to effect the GP Purchase.

On March 23, 2018, (i) the Conflicts Committee unanimously approved the terms of the GP Purchase Agreement and the Third Amendment by written consent, and determined that they were fair and reasonable to, and in the best interests of, the Partnership, its subsidiaries and the unitholders (other than the Partnership GP and its affiliates); (ii) the GP Board unanimously approved, among other things, the GP Purchase Agreement and the Agreement and Plan of Merger, by and among the Partnership, New Legacy, Merger Sub and Partnership GP (the Initial Merger Agreement) and determined that they were fair and reasonable to, and in the best interests of, the Partnership, its subsidiaries and the unitholders (other than the Partnership GP and its affiliates); (iii) the members of the Partnership GP provided their consent to the entry by the Partnership into the Initial Merger Agreement and executed the Third Amendment; and (iv) the GP Purchase Agreement and the Initial Merger Agreement were each executed by the parties thereto.

On the morning of March 26, 2018, the Partnership issued a press release announcing the commencement of the Consent Solicitation, the Merger and the Corporate Reorganization.

On April 2, 2018, the Partnership issued a press release announcing the results of the Consent Solicitation and the execution of the 2020 Supplemental Indenture and 2021 Supplemental Indenture.

Table of Contents

Index to Financial Statements

Following a conversation with the staff of the SEC on May 31, 2018, the Partnership determined that certain provisions of New Legacy s amended and restated certificate of incorporation and bylaws attached as exhibits to the Initial Merger Agreement were the types of provisions on which the Partnership s unitholders could reasonably be expected to wish to express a view separate from their views on the approval of the Merger Agreement.

In addition, on June 22, 2018, the Partnership, New Legacy, the Partnership GP and the plaintiff in the Doppelt Action reached an agreement to settle the Doppelt Action. On June 22, 2018, the majority lenders under the Term Loan Credit Agreement consented to the terms of the Settlement Agreement, and on June 24, 2018, the administrative agent for the Revolving Credit Agreement consented to the terms of the Settlement Agreement.

On July 6, 2018, the parties submitted the Settlement Agreement to the court. The Settlement Agreement, if approved by the court, will grant holders of Series A Preferred Units and Series B Preferred Units approximately 10,730,000 shares of common stock in New Legacy in addition to the approximately 16,913,592 shares those holders would collectively receive pursuant to the exchange ratios that were included in the Initial Merger Agreement. See The Corporate Reorganization Pending Litigation.

As a result of the Settlement Agreement and the comments received from the SEC, between May 31, 2018 and July 9, 2018, the Partnership revised the Initial Merger Agreement for the purpose of making the following changes:

Section 3.01(d) of the Initial Merger Agreement to revise the conversion ratio for the Series A Preferred Units in accordance with the Settlement Agreement;

Section 3.01(e) of the Initial Merger Agreement to revise the conversion ratio for the Series B Preferred Units in accordance with the Settlement Agreement;

Section 3.03 of the Initial Merger Agreement to clarify that phantom units that settle in Units are included in the definition of Restricted Unit ;

Exhibit A (the Form of Amended and Restated Certificate of Incorporation of New Legacy) to note where modifications will need to be made based on the outcome of the Board Classification Proposal and to remove Section 10.3 (the exclusive forum provision);

Exhibit B (the Form of Amended and Restated Bylaws of New Legacy) to note where modifications will need to be made based on the outcome of the Board Classification Proposal;

Exhibit C (New Legacy s Board of Directors following the consummation of the Corporate Reorganization) to note that if the Board Classification Proposal is not approved, the six members noted on Exhibit C will serve as the New Legacy Board in a single class that is elected annually; and

Exhibit D (New Legacy s officers following the consummation of the Corporate Reorganization) to include additional officer appointments that have occurred since the execution of the Initial Merger Agreement.

On July 5, 2018 the GP Board unanimously approved, among other things, the Merger Agreement and determined that it was fair and reasonable to, and in the best interests of, the Partnership, its subsidiaries and the unitholders. On July 9, 2018 the Merger Agreement was executed by the parties thereto.

Recommendation of the GP Board and Reasons for the Corporate Reorganization

The Conflicts Committee has unanimously determined that the GP Purchase Agreement is fair and reasonable to, and in the best interests of, the Partnership, its subsidiaries and the unitholders (other than the Partnership GP and its affiliates); provided Special Approval (as defined in both the GP LLC Agreement and the Partnership Agreement); and recommended that the GP Board approve the GP Purchase Agreement. The GP Board (acting based upon the Special Approval of the Conflicts Committee) has unanimously determined that the

Table of Contents

Index to Financial Statements

GP Purchase Agreement is advisable, fair to and in the best interests of the Partnership, its subsidiaries and the unitholders (other than the Partnership GP and its affiliates). The GP Board has also determined that the Merger is advisable, fair to and in the best interests of the Partnership and the unitholders; approved the Merger Agreement and the execution, delivery and performance of the Merger Agreement and the transactions contemplated thereby; and resolved to submit the Merger Agreement to a vote of the unitholders and recommend approval of the Merger Agreement by the unitholders. **Accordingly, the GP Board unanimously recommends that the unitholders vote FOR the approval of the Merger Agreement and the Merger.**

In reaching its determinations and recommendations described above, the GP Board consulted with the Partnership s senior management and outside legal counsel. These consultations included discussions regarding the Partnership s strategic business plan, the Partnership s past and current business operations and financial condition and performance, the Partnership s future prospects, other potential strategic alternatives that may be available to the Partnership and the potential Corporate Reorganization. The GP Board considered a number of substantive factors, both positive and negative, and potential benefits and detriments of the Corporate Reorganization to the Partnership and the unitholders. Certain material factors considered by the GP Board, in addition to the matters described above under Background of the Corporate Reorganization, are summarized below (which are not listed in any relative order of importance).

Expected Benefits of the Corporate Reorganization

In determining that the Merger and the Merger Agreement are advisable, fair to and in the best interests of the Partnership, its subsidiaries and the unitholders, and in reaching its decision to approve the Merger Agreement and the Merger, the GP Board considered a variety of factors that it believed weighed favorably toward the Corporate Reorganization, including the following material factors:

Allows entrance into the more supportive corporate sector. Following widespread bankruptcy filings and the destruction of nearly all of the collective equity value of the Partnership s upstream MLP peers, the GP Board believes that investor confidence in the upstream MLP sector has eroded. The GP Board believes that the Partnership s assets and growth development plan are no longer best suited for the yield-based MLP sector.

Simplifies governance structure and enhances fiduciary duties benefiting equityholders. In connection with the Corporate Reorganization, the members of the Partnership GP will relinquish their negative control rights, resulting in New Legacy having a customary corporate governance model, with New Legacy s directors and officers subject to corporate fiduciary duties. The GP Board believes that this simplified governance structure and enhanced fiduciary duties will benefit the unitholders of the Partnership and, following the consummation of the Corporate Reorganization, the stockholders of New Legacy.

Better aligns the Partnership s corporate structure with its business model. Through the Partnership s horizontal Permian development efforts, the Partnership has been transitioning its business model to reinvest its cash flow into the business in order to grow its asset base. The GP Board believes that the transition away from a yield-based structure will give New Legacy more options and better align it with its Permian-focused corporate peers.

Allows for access to lower cost of capital to fund future growth and an improved credit profile. The GP Board believes that the transition to a corporate entity should increase New Legacy s access to, and lower the cost of, capital through an expanded field of investors, as many investors are unwilling or unable to invest in pass-through entities. The GP Board believes that such improvements will enhance New Legacy s ability to fund greater growth efforts and address its credit profile, including its liquidity.

Table of Contents

Index to Financial Statements

Other Material Factors Considered

During the course of its deliberations relating to the Corporate Reorganization, the GP Board considered the following factors in addition to the benefits described above:

- Because of the Partnership s current credit profile and status as a master limited partnership, the lenders under the Revolving Credit Agreement and Term Loan Credit Agreement have expressed an unwillingness to provide additional liquidity or restructure the Revolving Credit Agreement or Term Loan Credit Agreement unless the Corporate Reorganization occurred. A number of alternatives were discussed with the administrative agent for the Revolving Credit Agreement and lenders under the Term Loan Credit Agreement and all parties indicated support of the Corporate Reorganization over potential alternatives.

- The terms and conditions of the Merger Agreement, including:

  - provisions allowing the GP Board to withdraw or change its recommendation of the Merger Agreement and the Merger if it makes a good faith determination that a change or withdrawal is necessary in order to comply with its fiduciary duties, subject to providing the other parties with advance notice; and

  - the fact that the representations and warranties of the Partnership do not survive the consummation of the Corporate Reorganization.

- The Merger Agreement and the Merger are subject to the approval of the unitholders such that the unitholders are free to reject the Corporate Reorganization if a superior proposal is made or for any other reason.

- The ability under the Partnership Agreement and GP LLC Agreement to reorganize the Partnership and Partnership GP in such a way as to remove the negative control rights of the members of the Partnership GP.

- The Standstill and Voting Agreement entered into prior to the execution of the Merger Agreement, pursuant to which the Fir Tree Parties, representing approximately 4.7% of the outstanding units, agreed, subject to certain limitations, to vote in favor of the approval and adoption of the Merger Agreement and the Merger.

- The GP Purchase Agreement entered into concurrently with the execution of the Initial Merger Agreement, which contains a voting covenant obligating each of the holders of limited liability company interests in the Partnership GP and its affiliates, representing approximately 13.4% of the outstanding units, to vote in favor of the approval and adoption of the Merger Agreement and the Merger.

The ability of the Partnership to vote its holdings of its Senior Notes in favor of amendments to allow for the Corporate Reorganization and amendments such that the Corporate Reorganization will not constitute a Change in Control thereunder.

The ability to obtain waivers under the Revolving Credit Agreement and Term Loan Credit Agreement to allow for the Corporate Reorganization and waive any impacts that could occur as a result of the Corporate Reorganization constituting a Change of Control thereunder.

The terms of New Legacy s amended and restated certificate of incorporation and bylaws that will be in effect upon consummation of the Corporate Reorganization.

The Settlement Agreement and the avoidance of the costs, disruption, delay and distraction of continued litigation.

Table of Contents

Index to Financial Statements

The GP Board weighed these advantages and opportunities against a number of other factors identified in its deliberations weighing negatively against the Corporate Reorganization, including:

- the possible disruption to the Partnership s business that may result from the Corporate Reorganization and the resulting distraction of the attention of the Partnership s management, as well as the costs and expenses associated with completing the Corporate Reorganization;

- the possibility that the Corporate Reorganization might not be consummated despite the parties efforts or that the closing of the Corporate Reorganization might be unduly delayed; and

- the risks of the type and nature described under Risk Factors and the matters described under Cautionary Statement Regarding Forward-Looking Statements.

After consideration of these material factors, the GP Board determined that these risks could be mitigated or managed by the Partnership or, following the Corporate Reorganization, by New Legacy, were reasonably acceptable under the circumstances or, in light of the anticipated benefits overall, were significantly outweighed by the potential benefits of the Corporate Reorganization.

The Partnership GP and the GP Board have not, including, without limitation, in making the determinations set forth above, assumed any obligations to the Partnership or its limited partners (whether fiduciary, contractual, implied, or otherwise) other than obligations that may exist in the Partnership Agreement. Under the Partnership Agreement, whenever the Partnership GP makes a determination or takes any other action, in its capacity as the general partner of the Partnership, the Partnership GP must make such determination or take such other action in good faith and is not subject to any other or different standard under applicable law (other than the implied contractual covenant of good faith and fair dealing). In order for a determination or other action to be in good faith for purposes of the Partnership Agreement, the Partnership GP must believe that the determination or other action is in the best interests of the Partnership. Nothing in this proxy statement/prospectus or the actions or determinations of the Partnership GP or the GP Board described in this proxy statement/prospectus should be read to mean that the Partnership GP or the GP Board assumed any obligations to the Partnership or its limited partners (whether fiduciary, contractual, implied, or otherwise) other than obligations that may exist in the Partnership Agreement. See Where You Can Find More Information on page 197.

This discussion of the information and factors considered by the GP Board in making its decision is not intended to be exhaustive but rather reflects certain material factors considered by the GP Board. In view of the wide variety of factors considered in connection with its respective evaluation of the Corporate Reorganization and the complexity of these matters, the Conflicts Committee and the GP Board did not find it useful to, and did not attempt to, quantify, rank or otherwise assign relative weights to these factors. In addition, individual members of the GP Board may have given different weight to different factors.

The GP Board realized that there can be no assurance about future results, including results considered or expected as described in the factors listed above. It should be noted that this explanation of the reasoning of the GP Board and all other information presented in this section are forward-looking in nature and, therefore, should be read in light of the factors discussed under the heading Cautionary Statement Regarding Forward-Looking Statements.

The GP Board has unanimously recommended that the unitholders vote FOR the Merger Proposal.

No Appraisal Rights

The limited partners are not entitled to appraisal rights in connection with the Merger under applicable law or contractual appraisal rights under the Partnership Agreement or the Merger Agreement.

Antitrust and Regulatory Matters

The Partnership and New Legacy have determined that the Corporate Reorganization is not subject to the requirements of the HSR Act, and no other governmental consents are required.

Table of Contents

Index to Financial Statements

Listing of New Legacy Common Stock

It is a condition to the consummation of the Merger that the common stock issuable in the Merger be approved for listing on a national securities exchange, subject to official notice of issuance. The common stock is expected to trade on NASDAQ under the symbol LGCY.

Deregistration and Delisting of the Units

Upon consummation of the Merger, the units currently listed on NASDAQ will cease to be listed on NASDAQ and will be subsequently deregistered under the Exchange Act. The former unitholders and Preferred Unitholders will become stockholders of New Legacy, and their rights as stockholders will be governed by Delaware law and by New Legacy s amended and restated certificate of incorporation and bylaws that will be in effect upon consummation of the Corporate Reorganization. The Partnership intends to cease filing periodic reports pursuant to the Exchange Act with the SEC following deregistration of its limited partner interests, pursuant to securities laws requirements, with New Legacy becoming the successor registrant.

Accounting Treatment of the Merger

The Merger will be accounted for as an equity transaction among the owners of New Legacy using historical cost accounting with no gain or loss being recognized.

Pending Litigation

On March 28, 2018, a holder of the Preferred Units (Doppelt) filed a putative class action challenging the Merger against the Partnership, the Partnership GP and New Legacy. This lawsuit is styled *Doppelt v. Legacy Reserves LP, and Legacy Reserves GP, LLC, and Legacy Reserves Inc.*, Case No. 2018-0225, in the Court of Chancery of the State of Delaware (the Court) (the Doppelt Action). On April 4, 2018, a motion to expedite was filed in connection with the Doppelt Action, by which Doppelt sought a hearing on a motion for a preliminary injunction prior to the close of the Merger and requested that the Court set an expedited discovery schedule prior to any such hearing. Doppelt also filed a lawsuit against the Partnership and the Partnership GP in 2017 for breach of the Partnership Agreement based on the treatment of the accrued but unpaid preferred distributions as guaranteed payments for tax purposes. The initial complaint in the Doppelt Action contained two causes of action challenging the Merger, including breach of the Partnership Agreement and breach of the implied covenant of good faith and fair dealing. Based on these allegations, Doppelt sought injunctive relief prohibiting consummation of the Merger or, in the event the Merger is consummated, rescission or rescissory damages, as well as reasonable attorneys and experts fees and expenses.

A second, similar lawsuit was filed on April 3, 2018. This lawsuit was filed by a holder of the Partnership s Preferred Units (Chammah Ventures) and is styled *Chammah Ventures, LLC, v. Legacy Reserves LP, Legacy Reserves GP, LLC, and Legacy Reserves Inc.*, Case No. 2018-0242, in the Court (the Chammah Ventures Action). The Chammah Ventures Action contained the same causes of action and sought substantially the same relief as the Doppelt Action.

On April 13, 2018, the Court issued an order consolidating the Doppelt Action and Chammah Ventures Action and appointing the plaintiff in the Doppelt Action as lead plaintiff and his counsel as lead counsel for the putative class action styled *In re Legacy Reserves LP Preferred Unitholder Litigation*, Case No. 2018-0225-JTL (the Consolidated Action). On April 13, 2018, the Court also granted the motion to expedite the Consolidated Action. On April 23, 2018, Doppelt filed an amended complaint, adding an additional count for breach of the Partnership Agreement. A hearing

on Doppelt s motion for a preliminary injunction and the Partnership s motion to dismiss occurred on June 4, 2018.

Table of Contents

Index to Financial Statements

On June 22, 2018, the Partnership, New Legacy, the Partnership GP and Doppelt reached an agreement in principle to settle the Consolidated Action. The parties submitted a stipulation and agreement of settlement to the Court on July 6, 2018 (the Settlement Agreement) and, on July 11, 2018, the Court entered a scheduling order for consideration of the Settlement Agreement (the Scheduling Order). The Scheduling Order sets September 12, 2018 as the date for the hearing at which the Court will consider (i) the fairness of the Settlement Agreement; (ii) whether a judgment should be entered dismissing the Consolidated Action with prejudice; (iii) the plaintiff s counsel s application for fees and expenses; and (iv) any objections to the Settlement Agreement. The Settlement Agreement, if approved by the Court, will grant holders of Series A Preferred Units and Series B Preferred Units approximately 10,730,000 shares of common stock in New Legacy in addition to the approximately 16,913,592 shares those holders would collectively receive pursuant to the exchange ratios that were included in the Initial Merger Agreement. In exchange, the class of Preferred Unitholders (dating back to January 21, 2016 through the consummation of the Merger) have agreed to release the Partnership, the Partnership GP and New Legacy, and the other Released Parties, from liability for any claims related to or arising out of the rights inhering to the Preferred Units (subject to limited exceptions related to tax liabilities), including all claims brought in the Consolidated Action. As part of the Settlement Agreement, the Doppelt Tax Action will be dismissed. Each of the administrative agent for the Revolving Credit Agreement and the majority lenders under the Term Loan Credit Agreement have consented to the terms of the Settlement Agreement, as required pursuant to the terms of the Revolving Credit Agreement and the Term Loan Credit Agreement, respectively.

A third putative class action lawsuit challenging the Merger was filed against the Partnership, the Partnership GP, New Legacy and Merger Sub on April 27, 2018 by Patrick Irish in the District Court in Midland County, Texas (the Irish Action). The Irish Action contains the same general causes of action as the initial complaint filed in the Doppelt Action and the Chammah Ventures Action and seeks the same relief. The Partnership, the Partnership GP, New Legacy and the plaintiff s counsel in the Consolidated Action have agreed to coordinate efforts to obtain a dismissal of the Irish Action following the consummation of the Merger.

The Partnership and New Legacy cannot predict the outcome of these or any other lawsuits that might be filed subsequent to the date of the filing of this proxy statement/prospectus, nor can the Partnership or New Legacy predict the amount of time and expense that will be required to resolve such litigation.

Interests of Certain Persons in the Merger

In considering the recommendations of the GP Board, unitholders should be aware that some of the executive officers and directors of the Partnership GP have interests in the Corporate Reorganization that may differ from, or may be in addition to, the interests of unitholders generally. These interests include:

- Certain indemnification arrangements and insurance policies for directors and officers of the Partnership GP and New Legacy will be continued for six years if the Corporate Reorganization is completed.

- Pursuant to the Merger Agreement and the approval of the GP Board, and as more fully described under The Merger Agreement Treatment of the Partnership Equity Awards, the outstanding incentive equity awards of each executive officer of the Partnership GP (as well as any such awards held by employees of the Partnership) will fully vest or become exercisable in full, as the case may be.

Nearly all of the directors and executive officers of the Partnership GP beneficially own units and will receive the applicable Merger Consideration upon consummation of the Corporate Reorganization.

All of the officers of Legacy GP have been offered continued employment with New Legacy after the effective time of the Corporate Reorganization and new employment agreements have been approved by the GP Board and are anticipated to be entered into upon the closing of the Corporate Reorganization.

Certain of the officers of the Partnership GP are expected to receive grants under the New Legacy LTIP (subject to its approval) in connection with the Corporate Reorganization.

Table of Contents

Index to Financial Statements

Continuing Board and Management Positions

If the Board Classification Proposal is approved by the unitholders, upon consummation of the Corporate Reorganization, the New Legacy Board will consist of six directors, one of whom will be designated by GSO (D. Dwight Scott), divided into three classes. The members of each class will serve staggered, three-year terms (other than with respect to the initial terms of the Class I and Class II directors, which will be one and two years, respectively). Upon the expiration of the term of a class of directors, directors in that class will be elected for three-year terms at the annual meeting of stockholders in the year in which their term expires. Following the completion of this offering:

- Paul T. Horne and Cary D. Brown will be Class I directors, whose initial terms will expire at the 2019 annual meeting of stockholders;
- D. Dwight Scott and William R. Granberry will be Class II directors, whose initial terms will expire at the 2020 annual meeting of stockholders; and
- G. Larry Lawrence and Kyle D. Vann will be a Class III directors, whose initial terms will expire at the 2021 annual meeting of stockholders.

Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors of New Legacy. This classification of the New Legacy Board may have the effect of delaying or preventing changes in control. Mr. Horne will be the chairman of the New Legacy Board unless he is not able or willing to serve as a director at the time of the consummation of the Corporate Reorganization, in which case the New Legacy Board will elect a chairman.

If any of the designees to the New Legacy Board identified above are not able or willing to serve as a director at the time of the consummation of the Corporate Reorganization, the party that designated such designee will determine a replacement. After the consummation of the Corporate Reorganization, each director of New Legacy will serve as a director until such person s successor is elected or, if earlier, until such director dies, resigns or is removed in accordance with New Legacy s organizational documents and applicable law.

The designees to the New Legacy Board identified above have indicated that they intend to vote all units held by them or over which they have control in favor of approval and adoption of the Merger Agreement and the transactions contemplated by the Merger Agreement.

If the Board Classification Proposal is not approved by the unitholders, the New Legacy Board will consist of a single class of six directors of the individuals identified above, each of whom will serve until the next annual meeting of stockholders and until his or her successor has been duly elected and qualified.

The Partnership and New Legacy expect that that the existing management team will stay in place after the Corporate Reorganization. For information regarding the people expected to be officers of New Legacy upon the consummation of the Corporate Reorganization, see Management of the Partnership.

Indemnification; Directors and Officers Insurance

The Merger Agreement generally provides that, for a period of six years following the Merger, New Legacy will indemnify, defend, and hold harmless all current and former directors, officers, and employees of the Partnership against costs and expenses, judgments, fines, losses, claims, damages, and liabilities incurred in connection with any claim, action, suit, proceeding, or investigation arising out of matters existing or occurring prior to the effective time of the Merger and based on the fact that such individuals were directors, officers, or employees of the Partnership (or were serving at the request of the Partnership as a director, officer, employee, agent, trustee, or partner of another corporation, partnership, trust, joint venture, employee benefit plan, or other entity), to the fullest extent these individuals would have been entitled to be indemnified, defended, and held harmless under applicable law and the charters and bylaws of the Partnership GP and the agreement of limited partnership of the Partnership as in effect as of the effective time of the Merger.

Table of Contents

Index to Financial Statements

The Merger Agreement requires New Legacy to maintain in effect for six years following the effective time of the Merger, directors and officers liability insurance policies covering acts or omissions occurring at or prior to the effective time of the Merger providing at least the same coverage and amounts and containing terms and conditions that are not less advantageous than currently provided for by the Partnership s existing directors and officers liability insurance with respect to claims against those individuals covered by such existing policies arising from facts or events that occurred at or prior to the consummation of the Merger.

No Severance Payments

No executive officer of the Partnership or New Legacy is entitled to or will receive any severance payments in connection with the Corporate Reorganization.

Treatment of the Partnership Equity Awards

Pursuant to the Merger Agreement and the approval of the GP Board, for each named executive officer of the Partnership GP and for all of the employees of the Partnership, each award previously granted pursuant to the Partnership LTIP, held by such person that is outstanding and unvested immediately prior to the effective time of the Corporate Reorganization will, automatically and without any action on the part of the holder, fully vest or become exercisable in full, as the case may be and shall be settled in accordance with each award s applicable award agreement provided that to the extent the aggregate amount of the aggregate award merger cashout exceeds $30 million, it is anticipated that certain executives including our named executive officers will, in lieu of cash, receive a proportionate amount of such excess in the form of vested shares of Legacy Reserve Inc. s common stock, pursuant to the terms of the New Legacy LTIP. In addition, certain or all such executives may elect, subject to approval by the compensation committee of the Partnership GP, to take a greater portion of his or her vesting award under the Partnership LTIP in the form of shares of New Legacy as opposed to cash. Lastly, all amounts previously credited to the named executive officers as distribution equivalent rights under awards granted pursuant to the Partnership LTIP shall continue to remain so credited and payable on the same payment date set forth in the respective award agreements, subject to the same time-based vesting schedule previously included in the award, but without application of any performance factor.

The Partnership Awards. Each outstanding award granted pursuant to the Partnership LTIP (the Partnership Awards) will fully vest or become exercisable in full, as the case may be. As of the date of this proxy statement/prospectus, the Partnership s named executive officers held the following numbers of outstanding Partnership Awards (expressed in number of units underlying such awards):

Title	Phantom Units Settled in Units	Phantom Units Settled in Cash	Total Outstanding Phantom Units
Paul T. Horne	563,551	2,461,963	3,025,514
James Daniel Westcott	301,648	1,315,940	1,617,588
Kyle M. Hammond	360,866	1,121,174	1,482,040
Kyle A. McGraw	176,957	791,881	968,838
Dan G. LeRoy	66,488	289,674	356,162
Micah C. Foster	54,605	237,330	291,935

70

Table of Contents

Index to Financial Statements

New Legacy LTIP Awards

In connection with the Corporate Reorganization, the GP Board approved, pursuant to resolutions adopted by the Compensation Committee of the GP Board, the following initial grants of restricted stock units (the 2018 RSUs) to the named officers below under the New Legacy LTIP, denoted in common stock, in connection with, and upon consummation of, the Corporate Reorganization.

Name	Position with New Legacy	2018 RSUs
Paul T. Horne	Chairman of the Board of Directors and Chief Executive Officer	760,563
James Daniel Westcott	President and Chief Financial Officer	2,112,676
Kyle M. Hammond	Executive Vice President and Chief Operating Officer	1,267,606
Kyle A. McGraw	Executive Vice President and Chief Development Officer	187,324
Dan G. LeRoy	Vice President, General Counsel and Secretary	135,211
Micah C. Foster	Chief Accounting Officer and Controller	223,944

The 2018 RSUs vest 25% on March 1, 2020, 25% on March 1, 2021 and 50% on March 1, 2022 subject to continued employment on each vesting date. In the event a 2018 RSU holder s employment by New Legacy is terminated by New Legacy without cause or such RSU holder resigns for good reason, in each case, within twelve (12) months after a change in control (as such terms are defined in the New Legacy LTIP), 100% of the total 2018 RSUs will vest immediately.

Quantification of Potential Payments to Named Executive Officers in Connection with the Corporate Reorganization

The information set forth below is required by Item 402(t) of Regulation S-K regarding compensation that is based on or otherwise relates to the Corporate Reorganization that the Partnership s current named executive officers could receive in connection with the Corporate Reorganization. Information being reported with respect to the Partnership s current named executive officers describes the payments provided for under the outstanding performance units that will fully vest or become exercisable in full, as the case may be. The amounts in the table below were calculated using the following assumptions: (i) the consummation of the Corporate Reorganization occurred on September 1, 2018, (ii) the price per share is $4.66, which was the average closing market price of units over the five business days following the first public announcement of the Corporate Reorganization (the Average Closing Price), (iii) the employment of each of the Partnership s named executive officers will continue until the vesting date under each converted award, and (iv) certain other assumptions as specified in the footnotes to the table below have been made. Some of the assumptions used in the table below are based upon information not currently available and, as a result, the actual amounts to be received by any of the individuals below may differ from the amounts set forth below.

Name	Cash ($)[(1)]	Stock ($)[(2)]	Total ($)

Paul T. Horne	11,097,748	2,626,147	13,723,895
James Daniel Westcott	5,832,280	1,405,680	7,237,960
Kyle M. Hammond	4,924,671	1,681,635	6,606,306
Kyle A. McGraw	3,540,165	824,620	4,364,785
Dan G. LeRoy	1,274,881	309,834	1,584,715
Micah C. Foster	1,030,958	254,459	1,285,417

(1) The amounts shown in this column represent the number of phantom units which are held by such person that will be outstanding and unvested immediately prior to the effective time of the Corporate Reorganization and will, automatically and without any action on the part of the holder, fully vest or become exercisable in full, as the case may be and shall be settled in cash. These amounts were calculated by

Table of Contents

Index to Financial Statements

multiplying the number of phantom units which will settle in cash by the Average Closing Price. These amounts were reduced by the 2016 quarterly cash retention bonuses paid to the Partnership s executive officers as stipulated in the 2016 equity-based incentive compensation agreements. Such amounts were as follows: $375,000 for Mr. Horne, $300,000 for Messrs. Hammond and Westcott, $150,000 for Mr. McGraw and $75,000 for Messrs. LeRoy and Foster. The actual amount of cash to be paid on account of the phantom units to be settled in cash will be determined based on the closing market price of units on the date the Corporate Reorganization is consummated.

(2) The amounts shown in this column represent the number of phantom units which are held by such person that will be outstanding and unvested immediately prior to the effective time of the Corporate Reorganization and will, automatically and without any action on the part of the holder, fully vest or become exercisable in full, as the case may be and shall be settled in units and converted to stock of New Legacy pursuant to the terms of the Merger Agreement. These amounts were calculated by multiplying the number of phantom units which will settle in units by the Average Closing Price.

In addition, Mr. Horne is the president of H2K Holdings, Ltd., and Mr. McGraw is the president of Brothers Production Company, Inc., which is the general partner of Brothers Production Properties, Ltd., Brothers Operating Company, Inc., and Wanda J. McGraw Management, LLC, which is the general partner of J&W McGraw Properties, Ltd. J&W McGraw Properties, Ltd., Brothers Production Properties, Ltd., Brothers Production Company, Inc., Brothers Operating Company, Inc. (collectively, the Brothers Company Members) and H2K Holdings, Ltd. are currently members of the Partnership GP. Each of the Brothers Company Members and H2K Holdings, Ltd. are party to the MIPA with DAB Resources, Ltd. and Moriah Properties, whereby the other members of the Partnership GP have agreed to sell all of their GP Interests to Moriah Properties immediately prior to the consummation of the GP Purchase. Upon the consummation of the Corporate Reorganization, the Brothers Company Members will receive an aggregate of $364,100 for their GP Interests and H2K Holdings, Ltd. will receive $5,200 for its GP Interests.

Table of Contents

Index to Financial Statements

Security Ownership of Directors and Executive Officers

Nearly all of the directors and executive officers of the Partnership GP beneficially own units and will receive the applicable Merger Consideration upon consummation of the Corporate Reorganization. The following table sets forth the beneficial ownership of the directors and executive officers of the Partnership GP in (i) units prior to the Corporate Reorganization and (ii) common stock after giving effect to the Corporate Reorganization, in each case as of June 30, 2018.

Name of Beneficial Owner	Common Units[(a)(g)]	Percentage of Common Units Outstanding	Shares after the Corporate Reorganization	Percentage of Shares Outstanding after the Corporate Reorganization
Cary D. Brown[(b)]	3,915,131	5.1%	3,915,131	3.6%
Dale A. Brown[(c)]	3,098,302	4.0%	3,098,302	2.9%
Kyle A. McGraw[(d)]	1,072,604	1.4%	1,439,378	1.3%
Kyle M. Hammond[(e)]	189,530	*	815,623	*
Paul T. Horne[(f)]	192,000	*	1,349,368	1.3%
Kyle D. Vann	204,726	*	204,726	*
James Daniel Westcott	102,440	*	717,484	*
William R. Granberry	144,309	*	144,309	*
William D. Sullivan	138,217	*	138,217	*
G. Larry Lawrence	126,226	*	126,226	*
Micah C. Foster	23,832	*	134,118	*
Dan G. LeRoy	24,639	*	159,754	*
D. Dwight Scott		*		*