

LEGACY RESERVES LP  
Form DEF 14A  
March 31, 2014

**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 Section 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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**303 W. Wall, Suite 1800  
Midland, Texas 79701**

April 4, 2014

To Our Limited Partners:

You are cordially invited to attend the 2014 Annual Meeting of Unitholders of Legacy Reserves LP to be held on May 15, 2014 commencing at 10:30 a.m. local time at the Midland Petroleum Club located at 501 W. Wall, Midland, Texas 79701. Proxy materials, which include a Notice of the Meeting, proxy statement and proxy card, are enclosed with this letter. The attached proxy statement is first being mailed to unitholders of Legacy Reserves LP on or about April 4, 2014. We have also enclosed our 2013 Annual Report on Form 10-K for the fiscal year ended December 31, 2013.

The board of directors of our general partner has called this Annual Meeting for you to consider and act upon:

- (1) The election of seven directors nominated to our general partner's board of directors to serve until the next Annual Meeting of Unitholders;
- (2) An advisory vote on executive compensation; and
- (3) The ratification of the appointment of our selection of BDO USA, LLP as independent registered public accounting firm of the Partnership for the fiscal year ending December 31, 2014.

The current board of directors of our general partner unanimously recommends that you approve the election of the directors nominated to our general partner's board of directors, approve the compensation of our named executive officers and ratify the appointment of BDO USA, LLP as our independent registered public accounting firm.

**Your vote is important to us and our business.** Even if you plan to attend the meeting, you are requested to sign, date and return the proxy card in the enclosed envelope or vote on the internet or by telephone as instructed. If you attend the meeting after having returned the enclosed proxy card (or voted by internet or telephone), you may revoke your proxy, if you wish, and vote in person. A proxy may also be revoked at any time before it is exercised by giving written notice to, or filing a duly exercised proxy bearing a later date with, our Secretary. If you would like to attend and your units are not registered in your own name, please ask the broker, trust, bank or other nominee that holds the units to provide you with evidence of your unit ownership.

We look forward to seeing you at the meeting.

Sincerely,

Cary D. Brown  
Chairman of the Board, President and Chief Executive Officer  
Legacy Reserves GP, LLC, general partner of  
Legacy Reserves LP

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303 W. Wall, Suite 1800  
Midland, Texas 79701

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**NOTICE OF THE 2014  
ANNUAL MEETING OF UNITHOLDERS**

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The Annual Meeting of the Unitholders of Legacy Reserves LP, or the Partnership, will be held on Thursday, May 15, 2014, at 10:30 a.m. local time at the Midland Petroleum Club located at 501 W. Wall, Midland, Texas 79701 for the following purposes:

1. To elect seven (7) directors to the board of directors of our general partner, each to serve until the next Annual Meeting of Unitholders;
2. An advisory vote on executive compensation;
3. To ratify the appointment of BDO USA, LLP as independent registered public accountants of the Partnership for the fiscal year ending December 31, 2014; and
4. To transact any other business as may properly come before the Annual Meeting or any adjournment thereof, including, without limitation, the adjournment of the annual meeting in order to solicit additional votes from unitholders in favor of adopting the foregoing proposals.

Only unitholders of record at the close of business on March 27, 2014, are entitled to notice of and to vote at the Annual Meeting and at any adjournment or postponement thereof. A list of such unitholders will be open to examination, during regular business hours, by any unitholder for at least ten days prior to the Annual Meeting, at our offices at 303 W. Wall, Suite 1800, Midland, Texas 79701. Unitholders holding a majority of the outstanding units representing limited partner interests are required to be present or represented by proxy at the meeting to constitute a quorum.

**YOUR VOTE IS IMPORTANT**

Your broker cannot vote your units on your behalf until it receives your voting instructions. For your convenience, internet and telephone voting are available. The instructions for voting by internet or telephone are set forth on your proxy card. If you prefer, you may vote by mail by completing your proxy card and returning it in the enclosed postage-paid envelope. If you do attend the meeting and prefer to vote in person, you may do so.

Please note that space limitations make it necessary to limit attendance at the meeting to unitholders, though each unitholder may be accompanied by one guest. Admission to the meeting will be on a first-come, first-served basis. Registration will begin at 9:30 a.m. Each unitholder may be asked to present valid picture identification, such as a driver's license or passport. Unitholders holding units in brokerage accounts must bring a copy of a brokerage statement reflecting unit ownership as of the record date. Cameras, recording devices and other electronic devices will not be permitted at the meeting.

By Order of the Board of Directors,  
Cary D. Brown  
Chairman of the Board, President and Chief Executive Officer  
Legacy Reserves GP, LLC, general partner of  
Legacy Reserves LP

Midland, Texas  
April 4, 2014

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**Proxy Statement for the  
Annual Meeting of Unitholders of  
LEGACY RESERVES LP  
To Be Held on Thursday, May 15, 2014**

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**Legacy Reserves LP  
303 W. Wall, Suite 1800  
Midland, Texas 79701**

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**PROXY STATEMENT  
FOR THE 2014 ANNUAL MEETING OF UNITHOLDERS  
TO BE HELD ON MAY 15, 2014**

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**QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND VOTING**

**The Annual Meeting**

**Definitions:**

Unless otherwise indicated, the terms Partnership, Legacy, we, our, and us are used in this proxy statement to refer to Legacy Reserves LP together with our subsidiaries. The terms Board and Board of Directors refer to our general partner's board of directors.

**What is a proxy statement and why is it important?**

We hold a meeting of unitholders annually. This year's meeting will be held on May 15, 2014. Our Board of Directors is seeking your proxy to vote at the 2014 Annual Meeting of Unitholders (Annual Meeting). This proxy statement contains important information about the Partnership and each of the matters to be voted on at the meeting. We are mailing this proxy statement to unitholders on or about April 4, 2014. Please read these materials carefully so that you have the information you need to make informed decisions.

You do not need to attend the Annual Meeting to vote. Instead, you may simply complete, sign and return the enclosed proxy card or vote on the internet or by telephone as provided on your proxy card.

**When and where is the Annual Meeting?**

The 2014 Annual Meeting of Unitholders of Legacy Reserves LP will be held on Thursday, May 15, 2014, at 10:30 a.m., local time, at the Midland Petroleum Club located at 501 W. Wall, Midland, Texas 79701.

The Petroleum Club of Midland is located on the southwest corner of Wall Street and Marienfeld in downtown Midland. From the Midland International Airport, exit the airport on the south side and cross over and merge onto Business 20 East, which turns into Wall Street. The Petroleum Club is 10 miles east of the airport and is a white, two story building. There is parking behind the building. For your convenience, the Petroleum Club phone number is (432) 682-2557.

**What am I being asked to vote upon?**

You are being asked to (1) approve the election of the directors nominated to our Board of Directors to serve until the next Annual Meeting of Unitholders; (2) approve, by a non-binding advisory vote, executive compensation; (3) ratify the appointment of the firm of BDO USA, LLP as independent registered public accountants of the Partnership for the fiscal year ending December 31, 2014; and (4) consider and vote upon such other business as may properly come before the Annual Meeting or any adjournments or postponements thereof.

## Voting and Proxy Procedures

### Who may vote at the Annual Meeting?

Only unitholders of record at the close of business on March 27, 2014, the record date for the Annual Meeting, are entitled to receive notice of and to participate in the Annual Meeting. If you were a unitholder of record on that date, you will be entitled to vote all of the units representing limited partner interests of Legacy Reserves LP, each referred to as a unit, that you held on that date at the Annual Meeting, or any postponements or adjournments of the Annual Meeting.

It is critical that you instruct your broker how you wish to vote your units on Proposal 1. Absent instructions from you, the bank or broker may not vote your units on this proposal and your units will be considered broker non-votes, which will have no effect on the outcome of the proposal for consideration at the annual meeting.

### What are the voting rights of the holders of units?

Each unit is entitled to one vote on all matters. Your proxy card indicates the number of units that you owned as of the record date.

### Who is soliciting my proxy?

Our Board of Directors on behalf of the Partnership is soliciting proxies to be voted at the Annual Meeting.

### What different methods can I use to vote?

*By Written Proxy.* Regardless of whether you plan to attend the Annual Meeting, we urge you to complete, sign and date the enclosed proxy card and return it promptly in the envelope provided. Returning the proxy card will not affect your right to attend the Annual Meeting and vote in person.

*By Internet.* Go to the website set forth on the proxy card and follow the on-screen instructions. You will need the control number contained on your proxy card. Voting by internet is the fastest and lowest cost medium of voting your proxy.

*By Telephone.* Please dial the toll-free telephone number set forth on the proxy card and follow the audio instructions. You will need the control number contained on your proxy card.

If you properly follow the instructions above in time to vote, your proxy (Micah C. Foster or James Daniel Westcott are the individuals named as proxies on your proxy card) will vote your units as you have directed. Unless otherwise directed by you, your proxy will vote your units:

- **For** the election of the seven (7) director nominees proposed by our Board of Directors;
- **For** the approval of the compensation of the named executive officers; and
- **For** the ratification of the appointment of BDO USA, LLP as our independent registered accounting firm.

If any other matter is presented, it is the intention of the persons named in the enclosed proxy card to vote proxies held by them in accordance with their best judgment. At the time this proxy statement was first mailed to unitholders, we knew of no matters that needed to be acted on at the Annual Meeting other than those discussed in this proxy statement.

*In Person.* All unitholders of record may vote in person at the Annual Meeting. If you plan to attend the Annual Meeting and vote in person, we will give you a ballot when you arrive. However, if your units are held in the



name of your broker, bank or other nominee, you must bring an account statement or letter from the nominee indicating that you were the beneficial owner of the units on the record date.

### **How may I revoke my signed proxy card?**

You may revoke your proxy card or change your vote at any time before your proxy is voted at the Annual Meeting. You can do this in one of three ways:

- You can send a written notice in advance of the meeting to our Secretary at 303 W. Wall, Suite 1800, Midland, Texas 79701, stating that you would like to revoke your proxy;
- You can complete and submit a later-dated proxy card; or
- You can attend the Annual Meeting and vote in person. Your attendance at the Annual Meeting will not alone revoke your proxy unless you vote at the meeting as described below.

If you have instructed a broker to vote your units, you must follow directions received from your broker to change those instructions.

You may change your internet vote as often as you wish by following the procedures for internet voting. The last known vote in the internet voting system as of 11:59 p.m., Eastern Time, on May 14, 2014 will be counted.

You may change your telephone vote as often as you wish by following the procedures for telephone voting. The last known vote in the telephone voting system as of 11:59 p.m., Eastern Time, on May 14, 2014 will be counted.

### **What does it mean if I get more than one proxy card?**

It indicates that your units are held in more than one account, such as two brokerage accounts registered in different names. You should complete each of the proxy cards to ensure that all of your units are voted. We encourage you to register all of your brokerage accounts in the same name and address for better service. You should contact your broker, bank or nominee for more information. Additionally, our transfer agent, Computershare Trust Company, N.A., can assist you if you want to consolidate multiple accounts registered in your name by contacting our transfer agent at P.O. Box 30170, College Station, TX 77842-3170, Telephone: (781) 575-4238.

## **Quorum and Required Votes**

### **How many votes are needed to hold the meeting?**

A majority of the outstanding units as of the record date must be represented at the meeting in order to hold the meeting and conduct business. This is called a quorum. As of March 27, 2014, the record date, there were 57,567,126 units outstanding held by approximately 108 holders of record. Unitholders are entitled to one vote, exercisable in person or by proxy, for each unit held by such Unitholder on the record date. Our partnership agreement does not provide for cumulative voting.

Units are counted as present at the Annual Meeting if:

- the unitholder is present and votes in person at the meeting;
- the unitholder has properly submitted a proxy card; or
- under certain circumstances, the unitholder's broker votes the units.

### **Who will count the vote?**

Representatives of Computershare Trust Company, N.A., our transfer agent, will tabulate the votes.



**How many votes are required to approve the proposals?**

The affirmative vote of holders of a plurality of the votes cast with respect to the election of a director is required to elect that director. Abstentions and broker non-votes will not be taken into account in determining the outcome of the election of directors (Proposal 1).

The affirmative vote of holders of a majority of the units entitled to vote and present in person or by proxy at the meeting is required for approval of the non-binding resolution on executive compensation (Proposal 2) and for the ratification of our appointment of the independent registered public accounting firm for the fiscal year ending December 31, 2014 (Proposal 3) and any other matters that properly come before the meeting.

**How are abstentions and broker non-votes counted?**

Abstentions and broker non-votes are included in determining whether a quorum is present.

Abstentions and broker non-votes will not be taken into account in determining the outcome of the election of directors.

For the purpose of determining whether a proposal other than the election of directors has received a majority vote, abstentions are included in the vote totals with the result that an abstention will have the same effect as a vote against such proposal. Brokers do not have discretionary authority to vote on the advisory vote on executive compensation; consequently, broker non-votes will have the same effect as a vote against such proposal.

With respect to the ratification of the appointment of our auditors, brokers have the discretionary authority to vote on this proposal.

**How are proxies solicited?**

Proxies may be solicited by mail, telephone or other means by our general partner's officers and directors and our employees. No additional compensation will be paid to these individuals in connection with proxy solicitations. We will pay for distributing and soliciting proxies and will reimburse banks, brokers and other custodians their reasonable fees and expenses for forwarding proxy materials to unitholders.

**Additional Questions and Information**

If you would like additional copies of this proxy statement (which copies will be provided to you without charge) or if you have questions, including with respect to the procedures for voting your units, you should contact:

Legacy Reserves LP  
303 W. Wall, Suite 1800  
Midland, Texas 79701  
Attention: Dan G. LeRoy  
Vice President, General Counsel and Secretary

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR  
THE ANNUAL MEETING OF UNITHOLDERS TO BE HELD ON MAY 15, 2014.**

The Notice of the 2014 Annual Meeting of Unitholders and Proxy Statement are available at <http://ir.legacylp.com/proxy.cfm> and our Annual Report on Form 10-K for the year ended December 31, 2013 is available at <http://ir.legacylp.com/annuals.cfm>.

**PROPOSAL 1**

**ELECTION OF DIRECTORS**

**Board of Directors**

The Amended and Restated Limited Liability Company Agreement of our general partner provides that our Board of Directors will consist of a number of directors as determined from time to time by resolution adopted by a majority of directors then in office, but shall not be less than seven nor more than nine. Currently, our Board of Directors has seven directors. Each of the nominees for election to the Board of Directors is currently a director of Legacy Reserves GP, LLC. If elected at the annual meeting, each of the nominees will be elected to hold office for a one-year term and thereafter until his successor has been elected and qualified, or until his earlier death, resignation or removal.

**Voting**

Directors are elected by a plurality of the votes present in person or represented by proxy and entitled to vote at the annual meeting. Units represented by executed proxies will be voted, if authority to do so is not withheld, for the election of the nominees named below. In the event that any nominee should be unavailable for election as a result of an unexpected occurrence, such units will be voted for the election of such substitute nominee as may be nominated by our Board of Directors. Each person nominated for election has agreed to serve if elected, and we have no reason to believe that any nominee will be unable to serve.

**Recommendation and Proxies**

*The Board of Directors recommends a vote FOR each of the nominees named below.*

The persons named as proxies in the enclosed proxy card will vote all units over which they have discretionary authority FOR the election of the nominees named below. Although our Board of Directors does not anticipate that any of the nominees will be unable to serve, if such a situation should arise prior to the meeting, the appointed persons will use their discretionary authority pursuant to the proxy and vote in accordance with their best judgment.

Set forth below is biographical information regarding each director nominee and information regarding the specific experience, qualifications, attributes and skills that qualify the nominees to serve on the Board of Directors. Each of the director nominees is an existing director standing for re-election for a one-year term expiring at the 2015 Annual Meeting.

**Nominees for Election**

Name	Principal Occupation	Age	Director Since
Cary D. Brown	Mr. Brown is Chairman of our Board of Directors and President and Chief Executive Officer of our general partner and has served as Chairman and Chief Executive Officer since our founding in October 2005. Mr. Brown was appointed President effective March 16, 2012. Prior to October 2005, Mr. Brown co-founded two businesses, Moriah Resources, Inc. and Petroleum Strategies, Inc. Moriah Resources, Inc. was formed in 1992 to acquire oil and natural gas reserves. Petroleum Strategies, Inc. was formed in 1991 to serve as a qualified intermediary in connection with the execution of Section 1031 transactions for major oil companies, public independents and private oil and natural gas companies. Mr. Brown has served as Executive Vice President of Petroleum	47	October 2005

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Name	Principal Occupation	Age	Director Since
	<p>Strategies, Inc. since its inception in 1991. Mr. Brown served as an auditor for Grant Thornton in Midland, Texas from January 1991 to June 1991 and for Touche Ross in Houston, Texas from June 1989 to December 1990. Mr. Brown has a Bachelor of Business Administration degree, with honors, from Abilene Christian University.</p> <p>The Board of Directors determined that Mr. Brown should be nominated to our Board of Directors due to his pertinent experience, qualifications, attributes and skills, which include: the knowledge and experience attained through 24 years of experience in the oil and natural gas industry and 22 years of experience in the Permian Basin.</p>		

Name	Principal Occupation	Age	Director Since
Kyle A. McGraw	<p>Mr. McGraw is a member of the Board of Directors and also serves as the Executive Vice President and Chief Development Officer of our general partner. Mr. McGraw was appointed as Executive Vice President and Chief Development Officer effective March 16, 2012, and has served as a director since our founding in October 2005. Previously, Mr. McGraw served as Executive Vice President of Business Development and Land of our general partner from our founding in October 2005 to March 2012. Mr. McGraw joined Brothers Production Company in 1983, and has served as its General Manager since 1991 and became President in 2003. During his 23-year tenure at Brothers Production Company, Mr. McGraw served in numerous capacities including reservoir and production engineering, acquisition evaluation and land management. Mr. McGraw has a Bachelor of Science degree in Petroleum Engineering from Texas Tech University. Mr. McGraw has 31 years of experience in the oil and natural gas industry in the Permian Basin.</p> <p>The Board of Directors determined that Mr. McGraw should be nominated to our Board of Directors due to his pertinent experience, qualifications, attributes and skills, which include: the knowledge and experience attained through 31 years of experience in the oil and natural gas industry in the Permian Basin, experience as a petroleum engineer and managerial and executive experience attained through his service with Brothers Production Company where he has served in numerous capacities, including reservoir and production engineering, acquisition evaluation and land management.</p>	54	October 2005

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Name	Principal Occupation	Age	Director Since
Dale A. Brown	<p>Mr. Brown is a member of our Board of Directors and has served in such capacity since our founding in October 2005. Mr. Brown has been President of Moriah Resources, Inc. since its inception in 1992 and President of Petroleum Strategies, Inc. since he co-founded it in 1991 with his son, Cary D. Brown. Since 2005, Mr. Brown has been a principal in the Moriah Group, including Managing General Partner of Moriah Investment Partners. The Moriah Group invests in real estate and non-oil and gas production business ventures. Mr. Brown is a retired certified public accountant. Mr. Brown has a Bachelor of Science degree in Accounting from Pepperdine University.</p> <p>The Board of Directors determined that Mr. Brown should be nominated to our Board of Directors due to his pertinent experience, qualifications, attributes and skills, which include: financial literacy and experience as a Certified Public Accountant (retired at age 65) since 1967; the knowledge and experience attained through his service in the petroleum industry since 1972 and managerial experience attained through his service with Moriah Resources, Inc. prior to the contribution of its assets as part of the formation transactions of Legacy in connection with its private equity offering in 2006.</p>	71	October 2005

Name	Principal Occupation	Age	Director Since
G. Larry Lawrence	<p>Mr. Lawrence has been a member of our Board of Directors since May 1, 2006. Mr. Lawrence is Chief Financial Officer and Vice President - Finance of Natural Gas Services Group (NGSG), a public company that provides small to medium horsepower compression equipment to the natural gas industry, and has served in this position since July 2011. Previously, Mr. Lawrence served as Controller of NGSG from September 2010 to January 2011 before being promoted to Treasurer, Manager of Accounting and Principal Accounting Officer of NGSG in January 2011. From June 2006 to September 2010, Mr. Lawrence was self-employed as a management consultant doing business as Crescent Consulting. From September 2006 to August 2009, Mr. Lawrence served as Chief Financial Officer on a contract basis for Lynx Operating Company, a private company engaged in oil and gas operations with a primary business focus on gas processing. From May 2004 through April 2006, Mr. Lawrence served as Controller of Pure Resources, an exploration and production company and a wholly owned subsidiary of Unocal Corporation which was acquired by Chevron Corporation. From June 2000 through May 2004, Mr. Lawrence was a practice manager of the Parson Group, LLC, a financial management consulting firm whose services included Sarbanes Oxley engagements with oil and natural gas industry clients. From 1973 through May 2000, Mr. Lawrence was employed by Atlantic Richfield Company, a public oil and gas company (ARCO) where he most recently (from 1993 through 2000) served as Controller of ARCO Permian. Mr. Lawrence has a Bachelor of Arts degree in Accounting, with honors, from Dillard University.</p> <p>The Board of Directors determined that Mr. Lawrence should be nominated to our Board of Directors due to his pertinent experience, qualifications, attributes and skills, which include: financial expertise and experience as a chief financial officer and controller, Sarbanes Oxley consulting expertise, and financial reporting expertise and the knowledge and experience attained through his years of service in the preparation of publicly audited financial statements.</p>	62	May 2006



Name	Principal Occupation	Age	Director Since
William D. (Bill) Sullivan	<p>Mr. Sullivan was appointed to our Board of Directors upon completion of our private equity offering on March 15, 2006. Since May 2004, Mr. Sullivan has served as a director and since May 2009 as a non-executive Chairman of the board of directors of SM Energy Company, a publicly traded exploration and production company (formerly known as St. Mary Land &amp; Exploration Company). Mr. Sullivan has served as director of Targa Resources GP LLC (the general partner of Targa Resources Partners LP) since February 14, 2007. Targa is principally in the gas and gas liquids gathering, processing and logistics services business. Mr. Sullivan has served as a director of TETRA Technologies, Inc. since August 2007. TETRA is principally in the oilfield services business. Mr. Sullivan has served as a director of Compressco Partners GP Inc., the general partner of Compressco Partners, L.P., since Compressco Partners completed its initial public offering in June 2011. Compressco Partners is a provider of wellhead compression-based production enhancement services and is a majority owned subsidiary of TETRA. From 1981 through August 2003, Mr. Sullivan was employed in various capacities by Anadarko Petroleum Corporation, most recently as Executive Vice President, Exploration and Production. Mr. Sullivan has been retired for the past seven years. Mr. Sullivan has a Bachelor of Science degree in Mechanical Engineering, with high honors, from Texas A&amp;M University.</p> <p>The Board of Directors determined that Mr. Sullivan should be nominated to our Board of Directors due to his significant management experience in midstream oil and natural gas operations and in the exploration and production of oil and natural gas. Mr. Sullivan also has substantial experience in executive compensation matters and in serving on the boards of publicly held corporations and publicly traded limited partnerships operating in the oil and natural gas industry.</p>	57	March 2006

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Name	Principal Occupation	Age	Director Since
William R. Granberry	<p>Mr. Granberry was appointed to our Board of Directors on January 23, 2008. Mr. Granberry has been a member of the board of directors of The Williams Companies, Inc. (an integrated gas company with exploration and production, midstream, and gas pipeline operations) from November 2005 to December 2011. In January 2012, Mr. Granberry began serving an initial three-year term as a member of the board of directors of WPX Energy, Inc., which was spun off (the exploration and production operations) from The Williams Companies Inc. Mr. Granberry was a member of Compass Operating Company, LLC, a small, private oil and gas exploration, development and producing company with properties in West Texas and Southeast New Mexico from October 2004 through December 2013. From 1999 through September 2004, Mr. Granberry managed investments and consulted with oil and gas companies. Mr. Granberry invested in and became a board member of Just4Biz.com, a start-up internet company engaged in online office supply, in 1999 and served as Interim CEO for brief periods in 2000 and 2001. Just4Biz.com filed for bankruptcy in May 2001. From January 1996 to May 1999, Mr. Granberry was President and Chief Operating Officer of Tom Brown, Inc., a public oil and gas company with exploration, development, acquisition and production activities throughout the central United States. Mr. Granberry earned Bachelor of Science and Master of Science degrees in Petroleum Engineering from the University of Texas and upon graduation, worked for Amoco Production Company for 16 years.</p> <p>The Board of Directors determined that Mr. Granberry should be nominated to our Board of Directors due to his pertinent experience, qualifications, attributes and skills, which include: expertise in the oil and gas industry that was attained through his 48 years of service in engineering and service in executive positions with companies ranging from a large global energy company to small independents.</p>	71	January 2008

Name	Principal Occupation	Age	Director Since
<p>Kyle D. Vann</p>	<p>Mr. Vann was appointed to the Board of Directors upon completion of our private equity offering on March 15, 2006. From 1970 through 1979, Mr. Vann was employed in the refining division of Exxon Company USA, and from 1979 through January 2001, Mr. Vann was employed by Koch Industries. From February 2001 through December 2004, Mr. Vann served as Chief Executive Officer of Entergy Koch, LP, an energy trading and transportation company. Mr. Vann continues to serve Entergy as a consultant and serves on the board and consults with Texon, LP, a private petroleum transportation company. On May 8, 2006, Mr. Vann was appointed to the board of directors of Crosstex Energy, L.P., a publicly traded midstream master limited partnership. From January 2009 through June 2010, Mr. Vann served as an advisory board member for Enexus, LLC, which is a subsidiary of Entergy Corporation. In October 2012, Mr. Vann joined CCMP Capital Advisors, LLC, a private equity firm, as an Executive Advisor. In November 2012, Mr. Vann joined the board of Chaparral Energy, Inc., a privately held company that is partially owned by CCMP Capital Advisors, LLC. Mr. Vann has a Bachelor of Science degree in Chemical Engineering, with honors, from the University of Kansas. Mr. Vann serves on the Board of Advisors for the School of Engineering at the University of Kansas, which selected him to receive its Distinguished Engineering Service Award in 2012.</p> <p>The Board of Directors determined that Mr. Vann should be nominated to our Board of Directors due to his pertinent experience, qualifications, attributes and skills, which include: the knowledge and experience attained through 43 years of service in the commodity trading business and his background and expertise in risk assessment and leadership in the energy sector.</p>	<p>66</p>	<p>March 2006</p>

**PROPOSAL 2**

**ADVISORY (NON-BINDING) VOTE ON EXECUTIVE COMPENSATION**

In accordance with the requirements of Section 14A of the Securities Exchange Act of 1934, as amended ( Exchange Act ), and the related rules of the U.S. Securities and Exchange Commission (the SEC ), we are including in these proxy materials a non-binding resolution seeking unitholder approval of the compensation of our named executive officers as described in this proxy statement.

Our executive officer compensation strategy is designed to align the compensation of the executive officers with unitholder return. We provide financial incentives to our executive officers for performance, achievement of goals and enhancement of unitholder value. Our compensation philosophy is to drive and support the long-term goal of sustainable growth in unit distributions and total unitholder return by paying for performance and not rewarding underperformance. In meeting the goal of sustainable growth, we intend to invest in our long-term opportunities while meeting our short-term commitments.

As all our executive officers hold units in the Partnership, we focus on the growth of our business and distributions. Through this approach, our executives receive salaries and incentive pay opportunities consistent with the market value of their services, and their performance is further rewarded through the distributions they receive on their holdings of our units, which creates alignment of interests with our unitholders.

The text of the advisory (non-binding) resolution with respect to this Proposal 2 is as follows:

**RESOLVED, that the unitholders of Legacy Reserves LP approve, on an advisory basis, the compensation of the individuals identified in the Summary Compensation Table, as disclosed in the Legacy Reserves LP proxy statement with respect to Legacy Reserves LP s 2014 Annual Meeting pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the compensation discussion and analysis, the compensation tables and any related material disclosed in this proxy statement.**

In considering their vote, unitholders may wish to review with care the information on the Partnership s compensation policies and decisions regarding executive compensation as presented in the Compensation Discussion and Analysis on pages 20 to 42 in this proxy statement and the compensation tables and related narrative disclosure on pages 43 to 52 in this proxy statement.

Although the unitholder vote on this advisory resolution is non-binding, the Compensation Committee and the Board of Directors value unitholder opinions and will consider the outcome of the vote when making future decisions regarding our executive compensation program.

**THE BOARD RECOMMENDS THAT YOU VOTE FOR  
THE APPROVAL OF THE ADVISORY (NON-BINDING) RESOLUTION ON  
EXECUTIVE COMPENSATION.**

## CORPORATE GOVERNANCE

### Management of Legacy Reserves LP

The directors and officers of Legacy Reserves GP, LLC, as our general partner, manage our operations and activities. Our general partner is not elected by our unitholders and will not be subject to re-election on a regular basis in the future. Other than through their ability to elect directors of our general partner as described below, unitholders will not be entitled to directly or indirectly participate in our management or operation.

Our general partner owes a fiduciary duty to our unitholders. Our general partner will be liable, as general partner, for all of our debts (to the extent not paid from our assets), except for indebtedness or other obligations that are made specifically nonrecourse to it. Our general partner therefore may cause us to incur indebtedness or other obligations that are nonrecourse to it.

The limited liability company agreement of our general partner provides for a board of directors of not less than seven and not more than nine members.

Our unitholders, including affiliates of our general partner, are entitled to elect all of the directors of our general partner annually. Directors of our general partner hold office until the earlier of their death, resignation, removal or disqualification or until their successors have been elected and qualified.

### Board of Directors

During the fiscal year ended December 31, 2013, our Board of Directors held ten meetings. It is the policy of our Board of Directors to encourage directors to attend each meeting of unitholders. All of our seven directors attended the Annual Meeting held in 2013.

### Director Independence

The Board of Directors includes four individuals who meet the independence and experience standards established by the NASDAQ Global Select Market, or NASDAQ, and the Exchange Act: Messrs. Granberry, Lawrence, Sullivan and Vann.

The Board annually reviews all relevant business relationships any director may have with Legacy and the independence standards established by the NASDAQ. Although not required under NASDAQ listing standards, we currently have a majority of independent directors on our Board of Directors.

The audit committee met five times, the compensation committee met three times, and the nominating, governance and conflicts committee met three times during 2013.

### Leadership Structure of the Board

As prescribed by the Amended and Restated Limited Liability Company Agreement of our general partner, the Chairman of the Board of Directors has the power to preside at all meetings of the Board. Mr. C. Brown serves as Chairman of our Board and as our Chief Executive Officer. The Board believes that the combination of the Chairman and Chief Executive Officer roles is appropriate in the current circumstances; however, such approach is not established as a policy and the nominating, governance and conflicts committee will re-evaluate this approach periodically.

The nominating, governance and conflicts committee believes that Mr. C. Brown's history as one of the Partnership's founders and his strategic experience make him the appropriate leader of the Board. The committee has discussed and considered the appointment of an independent lead director and determined not to appoint one. It is the nominating, governance and conflicts committee's view that Mr. C. Brown in his dual capacity as Chairman of the Board and Chief Executive Officer will serve as an effective communication link between the Board and

management and there is no need for an independent lead director at this time. The nominating, governance and conflicts committee will re-evaluate its view on the Board's leadership structure periodically.

### **Risk Oversight**

While it is the job of management to assess and manage our risk, the Board and its audit committee (each where applicable) discuss the guidelines and policies that govern the process by which risk assessment and management is undertaken and evaluate reports from various functions with the management team on risk assessment and management. The Board interfaces regularly with management and receives periodic reports that include updates on operational, financial, legal and risk management matters. The audit committee assists the Board in oversight of the integrity of our financial statements and our compliance with legal and regulatory requirements, including those related to the health, safety and environmental performance of Legacy. The audit committee also reviews and assesses the performance of our internal audit function and our independent auditors. The Board receives regular reports from the audit committee. We do not believe that the Board's role in risk oversight has an effect on the Board's leadership structure.

#### *Evaluation of Compensation Risk*

Our compensation committee has reviewed our employee compensation programs and overall compensation structure and internal controls. There are several design features of our compensation policy that reduce the likelihood of excessive risk-taking:

- Annual cash incentive opportunities are contingent upon several carefully designed objective operational and financial measures (50% at target levels), as well as the compensation committee's discretion as to whether and in what amount to award additional cash incentive compensation (also 50% at target levels);
- Our compensation policy is designed to provide a balanced mix of cash and equity and short- and long-term incentives;
- The potential payouts pursuant to our annual cash incentives are subject to reasonable maximum limits; and
- Internal controls are in place to assure that payments and awards are consistent with actions approved by the compensation committee.

Taking into consideration the factors above, the compensation committee does not believe that there is a reasonable likelihood that Legacy's compensation policy could have a material adverse effect on Legacy.

#### *Audit Committee*

##### *Membership*

The audit committee has been established in accordance with Rule 10A-3 promulgated under the Exchange Act. The Board of Directors has appointed Messrs. Lawrence, Sullivan, and Granberry as members of the audit committee. Mr. Lawrence serves as the chairman of the committee. Each of the members of the audit committee has been determined by the Board of Directors to be independent under NASDAQ's standards for audit committee members to serve on its audit committee. In addition, the Board of Directors has determined that at least one member of the audit committee (Mr. Lawrence) has such accounting or related financial management expertise sufficient to qualify such person as the audit committee financial expert in accordance with Item 407 of Regulation S-K and NASDAQ requirements.

##### *Responsibilities*

The audit committee assists the Board of Directors in overseeing:

- our accounting and financial reporting processes;
- the integrity of our financial statements;
- our compliance with legal and regulatory requirements;
- the qualifications and independence of our independent auditors; and
- the performance of our internal audit function and our independent auditors.

The audit committee is also charged with making regular reports to the Board of Directors and preparing any reports that may be required under NASDAQ-listing standards or SEC rules.

#### *Charter*

The Board of Directors has adopted a charter for the audit committee, a copy of which is available on our website at [www.legacylp.com](http://www.legacylp.com). Please note that the preceding Internet address is for information purposes only and is not intended to be a hyperlink. Accordingly, no information found or provided at that Internet address or at our website in general is intended or deemed to be incorporated by reference herein.

#### *Compensation Committee*

##### *Membership*

The compensation committee consists of three members of the Board of Directors, Messrs. Vann, Granberry and Sullivan, all of whom have been determined by the Board of Directors to be independent under NASDAQ-listing standards. In addition, each member of the compensation committee qualifies as a non employee director within the meaning of Rule 16b-3 promulgated under the Exchange Act, and as an outside director within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended (the Internal Revenue Code ). Mr. Vann is the chairman of the compensation committee.

##### *Responsibilities*

The committee's responsibilities under its charter are to:

- evaluate and/or develop the compensation policies applicable to the executive officers of our general partner, which are required to include guidance regarding the specific relationship of performance to executive compensation;
- review and approve, on an annual basis, the corporate goals and objectives with respect to compensation for the Chief Executive Officer;
- evaluate at least once a year the Chief Executive Officer's performance in light of established goals and objectives;
- determine and approve the Chief Executive Officer's compensation;
- make recommendations to the Board with respect to the compensation to be paid to the general partner's other executive officers based on the committee's review and analysis of the Chief Executive Officer's report and recommendation;
- periodically review the compensation paid to non-employee directors (including Board and committee chairpersons) and make recommendations to the Board regarding any adjustments;





- review and make recommendations to the Board with respect to our incentive compensation and other unit-based plans;
- assist the full Board with respect to the administration of the incentive compensation and other unit-based plans; and
- prepare and publish an annual executive compensation report.

#### *Charter*

The Board of Directors has adopted a charter for the compensation committee, a copy of which is available on our website at [www.legacylp.com](http://www.legacylp.com). Please note that the preceding Internet address is for information purposes only and is not intended to be a hyperlink. Accordingly, no information found or provided at that Internet address or at our website in general is intended or deemed to be incorporated by reference herein.

#### *Nominating, Governance and Conflicts Committee*

##### *Membership*

The nominating, governance and conflicts committee consists of Messrs. Granberry, Lawrence, Sullivan and Vann. Mr. Granberry serves as the chairman of the committee. The Board of Directors has determined that all members of the nominating and governance committee are independent under NASDAQ-listing standards. The purpose of the committee is to:

- identify, recruit, evaluate and recommend individuals for election to the Board and the committees thereof as well as to fill any vacancies, consistent with criteria approved by the Board;
- develop and oversee the general partner's policies and procedures regarding compliance with applicable laws and regulations relating to the honest and ethical conduct of the general partner's directors, officers and employees, and senior financial officers (as well as the sole responsibility for granting any waivers thereunder); and
- oversee the evaluations of the Board and the committees of the Board.

##### *Responsibilities*

In addition to the purposes of the committee listed above, the duties of the nominating, governance and conflicts committee are to:

- develop a process to be used by the committee in identifying and evaluating candidates for membership on the Board and its committees;
- annually present to the Board a list of nominees recommended for election to the Board at the annual meeting of unitholders;
- evaluate any director candidates recommended by unitholders of the Partnership pursuant to the procedures set forth in the amended and restated agreement of limited partnership of the Partnership to be followed by unitholders in making such recommendations;
- adopt a process for unitholders of the Partnership to send communications to the Board; and
- recommend general matters for consideration by the Board, including but not limited to: (i) the structure of Board meetings; (ii) director retirement policies; (iii) director and officer insurance policy requirements; (iv) policies regarding the number of boards on which a director may serve; (v) director

orientation and training; and (vi) the role of the general partner's executive officers and the outside directorships of such directors.

Further, the nominating, governance and conflicts committee, at the request of the Board of Directors, will review specific matters that the Board of Directors believes may involve a conflict of interest. The committee will determine if the resolution of the conflict of interest is fair and reasonable to the unitholders. Any matters approved by the committee will be conclusively deemed to be fair and reasonable to us, approved by all of our partners and not a breach by our general partner of any duties it may owe us or our unitholders.

#### *Director Nominations*

Under our amended and restated agreement of limited partnership, unitholders desiring to suggest a Board nominee must give prior written notice to our Secretary regarding the persons to be nominated. The notice must be received at our principal executive offices at the address shown on the cover page within the specified period and must be accompanied by the information and documents specified in the amended and restated agreement of limited partnership. A copy of the amended and restated agreement of limited partnership may be obtained by writing to our Secretary at the address shown on the cover page of this proxy statement.

Recommendations by unitholders for directors to be nominated at the 2015 annual meeting of unitholders must be in writing and include sufficient biographical and other relevant information such that an informed judgment as to the proposed nominee's qualifications can be made and the name, address and the class and number of units owned by such unitholder. Recommendations must be accompanied by a notarized statement executed by the proposed nominee consenting to be named in the proxy statement, if nominated, and to serve as a director, if elected. Notice and the accompanying information must be received at our principal executive office at the address shown on the cover page of this proxy statement no later than January 14, 2015 and no earlier than December 30, 2014.

The amended and restated agreement of limited partnership does not affect any unitholder's right to request inclusion of proposals in our proxy statement pursuant to Rule 14a-8 promulgated under the Exchange Act. Rule 14a-8 specifies what constitutes timely submission for a unitholder proposal to be included in our proxy statement. Under the SEC's proxy solicitation rules, in order to be considered for inclusion in the proxy materials for the 2015 annual meeting of unitholders, proposals must be received by our Secretary at our principal offices in Midland, Texas by December 6, 2014. Unitholders are urged to review all applicable rules and consult legal counsel before submitting a nomination or proposal to us.

#### *Nomination Criteria*

The nominating, governance and conflicts committee is responsible for assessing the skills and characteristics that candidates for election to our Board of Directors should possess, as well as the composition of our Board of Directors as a whole. The assessments include qualifications under applicable independence standards and other standards applicable to our Board of Directors and its committees as well as consideration of skills and experience in the context of the needs of our Board of Directors. Each candidate must meet certain minimum qualifications including:

- the ability to dedicate sufficient time, energy and attention to the performance of her or his duties, taking into consideration the nominee's service on other public company boards; and
- skills and expertise complementary to the skills and expertise of the existing members of our Board of Directors (in this regard, the Board of Directors will consider its need for individuals with skills and expertise in operational, managerial, financial or governmental affairs or other relevant expertise).

The nominating, governance and conflicts committee may also consider the ability of a prospective candidate to work with the then-existing interpersonal dynamics of our Board of Directors and the candidate's ability to contribute to the collaborative culture among the members of the Board of Directors.

The nominating, governance and conflicts committee will also evaluate each nominee based upon a consideration of diversity, age, skills and experience in the context of the needs of the Board of Directors. The committee does not have a policy with regard to the consideration of diversity in identifying director nominees. Diversity, including diversity of experience, professional expertise, gender, race and age, is one factor considered in evaluating a nominee.

Based on this initial evaluation, the nominating, governance and conflicts committee will determine whether to interview the candidate and, if warranted, will recommend that one or more of its members, other members of our Board of Directors or senior management, as appropriate, interview the candidate in person or by telephone. After completing this evaluation and interview process, the committee ultimately determines its list of nominees and submits it to the full Board of Directors for consideration and approval.

#### *Charter*

Our Board of Directors has adopted a charter for the nominating, governance and conflicts committee, a copy of which is available on our website at [www.legacylp.com](http://www.legacylp.com). Please note that the preceding Internet address is for information purposes only and is not intended to be a hyperlink. Accordingly, no information found or provided at that Internet address or at our website in general is intended or deemed to be incorporated by reference herein.

#### **Code of Ethics**

The Board of Directors has adopted a Code of Ethics and Business Conduct applicable to officers and directors of our general partner and our employees, including the principal executive officer, principal financial officer, principal accounting officer and controller, or those persons performing similar functions, of our general partner. The Code of Ethics and Business Conduct is available on our website at [www.legacylp.com](http://www.legacylp.com) and in print to any unitholder who requests it. Amendments to or waivers from the Code of Ethics and Business Conduct will also be available on our website and reported as may be required under SEC rules; however, any technical, administrative or other non-substantive amendments to the Code of Ethics and Business Conduct may not be posted. Please note that the preceding Internet address is for information purposes only and is not intended to be a hyperlink. Accordingly, no information found or provided at that Internet address or at our website in general is intended or deemed to be incorporated by reference herein.

## COMPENSATION DISCUSSION AND ANALYSIS

*The following discussion and analysis of compensation arrangements of the named executive officers of our general partner, Legacy Reserves GP, LLC, should be read together with the compensation tables and related disclosures set forth below.*

### Introduction

Our general partner manages our operations and activities through its Board of Directors. Under our amended and restated agreement of limited partnership, we reimburse our general partner for direct and indirect general and administrative expenses incurred on our behalf, including the compensation of our general partner's executive officers. Our general partner has not incurred any reimbursable expenses related to the compensation of our general partner's executive officers for their management of us. Currently, our general partner's executive officers are employed by our wholly owned subsidiary, Legacy Reserves Services, Inc., and are directly compensated for their management of us pursuant to their employment agreements. The compensation amounts disclosed in this section and under Executive Compensation reflect the total compensation paid to the executive officers of our general partner. Please read Executive Compensation Employment Agreements.

### Executive Summary

We are a master limited partnership headquartered in Midland, Texas, focused on the acquisition and development of oil and natural gas properties primarily located in the Permian Basin, Mid-Continent and Rocky Mountain regions of the United States. Our compensation policy, as adopted by the compensation committee and approved by the Board of Directors in March 2013 (the Compensation Policy), is designed to make our executive officers' total compensation comparable to that of similarly-sized publicly traded limited partnerships and exploration and production companies. The goals of our Compensation Policy are to:

- align the compensation of the executive officers with unitholder return;
- provide financial incentives to our executive officers for performance, achievement of goals and enhancement of unitholder value;
- drive and support the long-term goal of sustainable growth in unit distributions and total unitholder return by paying for performance; and
- enable the Partnership to attract and retain highly qualified executive officers.

In meeting the goal of sustainable growth, we intend to invest in our long-term opportunities while meeting our short-term commitments.

To achieve these goals, our total compensation to our executive officers is comprised of base salary, cash incentive compensation (cash bonus) and equity-based incentive compensation, as shown in the charts below that illustrate the allocation of compensation opportunities between salary, annual cash bonuses and annual grants of equity to our Chief Executive Officer and