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LEGACY RESERVES LP

Form 4

Units

limited

partner interests

Units

representing

representing

02/18/2014

February 20, 2014

| February 20, 2 | 2014 | | | | | | | |
|---|---------------------------------|--|---|---|---|---|--|--|
| FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION | | | | | | OMB APPROVAL | | |
| | UNITED STATE | S SECURITIES AN Washington, I | | OMMISSION | OMB Number: | 3235-0287 | | |
| Check this if no longer | r | | | | Expires: | January 31, | | |
| subject to Section 16. Form 4 or Form 5 | STATEMENT (| OF CHANGES IN B SECURI | ΓIES | | Estimated a burden hour response | | | |
| Form 5 obligations may continue. See Instruction 1(b). Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940 | | | | | | | | |
| (Print or Type Re | esponses) | | | | | | | |
| 1. Name and Ad McGraw Kylo | dress of Reporting Person *_e A | 2. Issuer Name and T Symbol LEGACY RESER | | 5. Relationship of I Issuer | Reporting Pers | on(s) to | | |
| (Last) | (First) (Middle) | | | (Check | all applicable |) | | |
| (Last) | (Pilst) (Middle) | 3. Date of Earliest Tran (Month/Day/Year) | isaction | X Director | 10% | Owner | | |
| 303 W. WAL 1800 | L STREET, SUITE | 02/18/2014 | | X_ Officer (give the below) | | r (specify | | |
| | (Street) | 4. If Amendment, Date Filed(Month/Day/Year) | | 6. Individual or Joi Applicable Line) _X_ Form filed by O | | | | |
| MIDLAND, TX 79701 —— Form filed by More than One Reporting Person | | | | | | | | |
| (City) | (State) (Zip) | Table I - Non-De | rivative Securities Acqu | ired, Disposed of, | or Beneficiall | y Owned | | |
| 1.Title of Security (Instr. 3) | any | | 4. Securities Acquired on(A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported | 6. Ownership Form: Direct (D) or Indirect (I) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) | | |
| Units representing | | Code V | (A) or Amount (D) Price | Transaction(s) (Instr. 3 and 4) | (Instr. 4) | | | |
| limited partner interests | 02/18/2014 | M | 13,231 A \$ 0 <u>(1</u> |) 13,231 | D | | | |

F

3,734

D

(2)

27.24 9,497

1,020,060

D

I

See

footnotes

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| limited | <u>(3) (4) (5) (6</u> | |
|-----------|-----------------------|--|
| partner | <u>(7) (8)</u> | |
| interests | | |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of SEC 1474 information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transactic Code (Instr. 8) | 5. Number of orDerivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | | civative Expiration Date (Month/Day/Year) quired (A) Disposed of Str. 3, 4, | | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | | 8. Price of Derivative Security (Instr. 5) |
|---|---|--------------------------------------|---|--|---|--------|---|--------------------|---|-------------------------------------|--|
| | | | | Code V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | |
| Phantom Units | <u>(1)</u> | 02/18/2014 | | M | 1 | 13,231 | (9)(10) | (9)(10) | Units | 13,231 | \$ 0 (1) |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | | | |
|-----------------------------------|---------------|-----------|-------------|-------|--|--|
| reporting o mile remine, reminess | Director | 10% Owner | Officer | Other | | |
| McGraw Kyle A | | | | | | |
| 303 W. WALL STREET, SUITE 1800 | X | | EVP and CDO | | | |
| MIDLAND, TX 79701 | | | | | | |

Signatures

/s/ Kyle A. 02/20/2014 McGraw **Signature of Date Reporting Person

Explanation of Responses:

- If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Each phantom unit represents the economic equivalent of a unit representing a limited partner interest in Legacy Reserves LP.
- Reflects the closing price of the units on February 18, 2014. **(2)**

(3)

Reporting Owners 2

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The reporting person disclaims beneficial ownership of these securities except to the extent of his pecuniary interest therein, and the inclusion of these units in this report shall not be deemed an admission of beneficial ownership of all of the reported units for purposes of Section 16 or for any other purpose.

- (4) Includes 374,386 units owned by Kyle A. McGraw Family Holdings, Ltd., an entity partially owned by Mr. McGraw.
 - Mr. McGraw currently has a pecuniary interest in 645,674 units through his indirect interest in Brothers Production Properties, Ltd.
- (5) ("Brothers Properties"), Brothers Production Company, Inc. ("Brothers Production") and Brothers Operating Company, Inc. ("Brothers Operating").
- (6) Brothers Properties directly owns 2,356,199 units.
- (7) Brothers Production directly owns 190,521 units.
- (8) Brothers Operating directly owns 35,976 units.
- (9) Phantom units vest annually in one-third increments on February 18th of each applicable year and are payable in units.
 - Pursuant to the achievement of certain objective, performance-based criteria, 1,962 phantom units, 2,030 phantom units and 3,917 phantom units, or 87.72% each of the phantom units eligible to vest for the year ended December 31, 2013, granted on February 18, 2011, February 2, 2012 and March 7, 2013, respectively, vested. Accordingly, the remaining aggregate 1,107 phantom units eligible to
- (10) vest during 2014 with respect to the February 18, 2011, February 2, 2012 and March 7, 2013 phantom unit grants did not vest and were forfeited. With respect to the subjective phantom unit grants, 1,372 phantom units (the third tranche of the 2011 subjective phantom unit grant), 1,248 phantom units (the second tranche of the 2012 subjective phantom unit grant) and 2,702 (the first tranche of the 2013 subjective phantom unit grant), vested.
- (11) Includes the remaining 3,562 phantom units and 14,331 phantom units from the phantom units granted on February 2, 2012 and March 7, 2013, respectively.

Remarks:

Director, Executive Vice President and Chief Development Officer of Legacy Reserves GP, LLC, the general partner of Legacy Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.