

McGraw Kyle A
Form 4
September 24, 2018

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

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 Responses)

1. Name and Address of Reporting Person *
McGraw Kyle A

2. Issuer Name and Ticker or Trading Symbol
LEGACY RESERVES LP [LGCY]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
303 W. WALL STREET, SUITE 1800

3. Date of Earliest Transaction (Month/Day/Year)
09/20/2018

Director 10% Owner
 Officer (give title below) Other (specify below)
EVP and CDO

(Street)
MIDLAND, TX 79701

4. If Amendment, Date Original Filed (Month/Day/Year)

6. Individual or Joint/Group Filing (Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|--|--------------------------------------|--|--------------------------------|---|---|--|---|
| Units representing limited partner interests | 09/20/2018 | | M | 176,957 | A (2) (3) 229,501 | D | |
| Units representing limited partner interests | 09/20/2018 | | M | 467,535 | A (2) (5) 697,036 | D | |
| Units representing | 09/20/2018 | | D | 467,535 | D \$ 229,501 4.84 | D | |

limited
partner
interests

Units
representing
limited
partner
interests

09/20/2018 M 324,346 A (2) (6) 553,847 D

Units
representing
limited
partner
interests

09/20/2018 D 324,346 D \$ 4.84 229,501 D

Units
representing
limited
partner
interests

09/20/2018 D 229,501 D (1) (3)
(5) (6) 0 D

Units
representing
limited
partner
interests

09/20/2018 D 1,020,060 D (1) 0 I

By Kyle
A.
McGraw
Family
Holdings,
Ltd. (7)

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

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

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(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. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Price of Underlying Securities (Instr. 3 and 4) | | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|----------------------------|------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | |
| Phantom Units | <u>(2)</u> | 09/20/2018 | | M | | <u>(3)</u> | <u>(3)</u> | Units | 176,957 | <u>(2)</u> |
| Phantom Units | <u>(2)</u> | 09/20/2018 | | M | | <u>(4)</u> <u>(5)</u> | <u>(4)</u> <u>(5)</u> | Units | 467,535 | <u>(2)</u> |

Phantom Units (2) 09/20/2018 M 324,346 (6) (6) Units 324,346 (2)

Reporting Owners

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

Signatures

/s/ Dan G. LeRoy, as attorney-in-fact for Kyle M. McGraw
 09/24/2018
 __Signature of Reporting Person Date

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) In connection with the corporate reorganization of the Issuer from a master limited partnership to a corporation (the "Corporate Reorganization"), each outstanding unit representing a limited partner interest in the Issuer ("Unit") was converted into the right to receive one share of common stock, \$0.01 par value per share, of Legacy Reserves Inc. ("New Legacy Common Stock").
- (2) Each phantom unit represents the economic equivalent of a Unit.
 These phantom units were granted pursuant to an award agreement that provided for settlement in Units and were scheduled to vest as follows: (i) 54,783 phantom units subject to vesting on February 18, 2019; (ii) 55,507 phantom units subject to vesting on February 18, 2020; and (iii) 66,667 phantom units subject to vesting on February 18, 2021. In connection with the Corporate Reorganization, these phantom units automatically vested in full and were settled in Units.
- (3) These phantom units were granted pursuant to an award agreement that provided for settlement in cash and provided for cliff vesting in the third year after grant, subject to the achievement of certain performance-based criteria during the three fiscal years prior to the vesting date. The vesting schedule was as follows: (i) 313,044 phantom units on February 18, 2019; (ii) 222,026 phantom units on February 18, 2020; and (iii) 400,000 phantom units on February 18, 2021.
- (4) In connection with the Corporate Reorganization, 467,535 of these phantom units automatically vested in full and were settled in cash. Another 467,535 phantom units were forfeited.
 These phantom units were granted pursuant to an award agreement that provided for settlement in cash and were scheduled to vest as follows: (i) 180,000 phantom units on February 18, 2019; (ii) 111,013 phantom units on February 18, 2020; and (iii) 33,333 phantom units on February 18, 2021. In connection with the Corporate Reorganization, these phantom units automatically vested in full and were settled in cash.
- (5) The Reporting Person is partial owner of the Kyle A. McGraw Family Holdings, Ltd. and thus is deemed to indirectly beneficially own the Units held by Kyle A. McGraw Family Holdings, Ltd.

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.

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