



Legacy Reserves LP Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you. (Operator Instructions). We will take our first question from John Kang with RBC Capital Markets.

John Kang – RBC Capital Markets

Hi. Good afternoon everybody.

Steven H. Pruett

Hi, John how are you.

John Kang – RBC Capital Markets

Good. Thanks for asking. While I guess as well as it can be with the new administration kind of encouraging or lack of encouragement for new drilling out there, but I guess we will see what happens with the Energy Bill. I had a quick question on when you were doing your extension agreement or that initial meeting just without naming names just wondering any surprises with the banks that showed up any new banks, any banks that you had before that did not show up kind of just overall kind of get a sense?

Steven H. Pruett

No surprises, I would say that we are recently invited new banks, we actually don't need them from a calculation standpoint if all the banks would continue to shoulder the burden they have, we would be in great shape, but given that we expect a modest or rate decrease in our borrowing base. However, we've had some mergers and we anticipate a possibility of one bank possibly falling out of the credit facilities so to speak due to their parent problems and that's why we invited extra banks we are encouraged by the interest of these other banks, but we don't anticipate all of them to join, we have a couple of relatively new banks to our facility that actually want to increase their commitment. So, at this point no surprises, but we have built enough cushion to allow or some surprises to come in this environment, everyday you open up the Wall street Journal or Financial Times there is a big surprise and we don't want our unitholders to be surprised by having a bank show up without the money so to speak at the end of the month and we are accommodating that with the mixture of shoulders to bear the load.

Cary D. Brown

And we are not in a, we've got another year on our credit facility, we are not in a crunch where if somebody at the last minute didn't show up, we expect to be have a successful process and think its good to do at a head of time, but we are not, no concern on that part from company's part.

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