

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington District Office 6251 College Blvd. - Suite A Farmington, New Mexico 87402 www.blm.gov/nm



In Reply Refer To: NMNM75943 3105 (21110)

January 18, 2017

OIL CONS. DIV DIST. 3
MAR 0 9 201/

Reliable Production, LLC 407 Ouray Ave. Farmington, NM 87401

Dear Mr. Lozano:

Enclosed please find one copy of the Designation of Successor of Operator for the following Communitization Agreements:

Communitization Agreement No. NMNM75943 (SRM1161)

Well Name & No.: Sangre De Cristo No. 2 (Aztec Fruitland Sands) API: 30-045-20881, NWNW of Section 34, Township 30 N., Range 11 W., San Juan County, New Mexico

Well Name & No: Sangre De Cristo No. 2S (Aztec Fruitland Sands) API: 30-045-24044, NWNW of Section 34, Township 30 N., Range 11 W., San Juan County, New Mexico

Reliable Production, LLC agrees to fulfill the duties and obligations of operator of the communitized area; pursuant to the terms and conditions of the referenced communitization agreement. Reliable Production, LLC has demonstrated sufficient bonding including but not limited to BLM Statewide Bond Number NMB001421.

The instrument is hereby accepted for the record purposes effective January 18, 201. In accepting this designation, the Authorized Officer neither warrants no certifies that the designated party has obtained all required approvals that would entitle it to conduct operations.

Under provisions of 43 CFR 3165.3, you may request an Administrative Review of the orders described above. Such request, including all supporting documents, must be filed in writing within 20 business days of receipt of this notice and must be filed with the State Director, Bureau of Land Management (NM-93000), P.O. Box 27115, Santa Fe, New Mexico 87502-0015. Such requests shall not result in a suspension of the order(s) unless the reviewing official so determines. Procedures governing appeals from instructions, orders or decisions are contained in 43 CFR 3165.4 and 43 CFR 4.400 et seq.

If you have any questions, regarding this Designation of Successor Operator Change, please contact Cynthia Marquez at (505) 564-7741 or e-mail cmarquez@blm.gov.

Sincerely,

Cynthia Marquez Land Law Examiner Petroleum Management Branch

Distribution: NMOCD-1

CA File: NMNM75943-1

NMF0110: CMarquez: cm: 11/01/2016: X7741: U: DSO: Reliable



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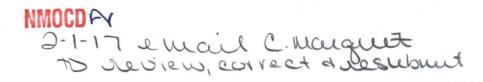
Well Name & No.: Sangre De Cristo No. 2 (Fruitland Sands) API: 30-045-20881, NWNW of Section 34, Township 30 N., Range 11 W., San Juan County, New Mexico

Well Name & No: Sangre De Cristo No. 2 (Fruitland Sands) API: 30-045-35673, NWNW of Section 34, Township 30 N., Range 11 W., San Juan County, New Mexico

Reliable Production, LLC agrees to fulfill the duties and obligations of operator of the communitized area; pursuant to the terms and conditions of the referenced communitization agreement. Reliable Production, LLC has demonstrated sufficient bonding including but not limited to BLM Statewide Bond Number NMB001421.

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Sincerely,

Cynthia Marquez
Land Law Examiner

Petroleum Management Branch