



JUL 24 2018 4:09:45

Aubrey Dunn
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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Petrolia Energy Corporation
ATTN: Mr. Zel C. Khan
710 N. Post Oak #512
Houston, TX 77024

July 18, 2018

Re: Resignation/Designation of Successor Unit Operator
Twin Lakes San Andres Unit
Chaves County, NM
Effective Date: November 1, 2017

Dear Mr. Khan:

We have received notification concerning the Resignation of Unit Operator and Designation of Successor Unit Operator for the above referenced unit.

We hereby approve the resignation of Blue Sky NM, Inc. as the unit operator for the Twin Lakes San Andres Unit and the designation of Petrolia Energy Corporation as the successor operator of this unit. In accordance with this approval, Petrolia is now responsible for conducting all operations in compliance with the Twin Lakes San Andres Unit Agreement effective November 1, 2017.

Please submit your 2018 Plan of Development for this unit. The submission should include

1. A section that outlines ongoing development and/or maintenance in 2018 (address new drilling, recompletions, workovers, P&As, and any other activities that may impact production);
2. An aerial photo (preferred) or map that illustrates both current and planned infrastructure for the unit: well locations, tank batteries, gathering systems, and any other facilities that may impact the surface of New Mexico State Trust lands;
3. A list of active wells in the unit with their API numbers; and
4. Any additional information that may have relevance to our approval of the Plan.

If you have any questions or if we may be of further assistance, please contact Units Manager Marilyn Gruebel at 505.827.5791 or mgruebel@slo.state.nm.us.

Respectfully,

A handwritten signature of Aubrey Dunn in black ink, located below the word "Respectfully,".

AUBREY DUNN
COMMISSIONER OF PUBLIC LANDS

AD/mg

cc: OCD - Attn: Daniel Sanchez
RMD - Attn: Roddy Martinez
Units Reader Files