

P.O. Box 50820 Midland, Texas 79710 Phone (432) 684-9696 4000 N Big Spring, Suite 310 Midland, Texas 79705 Fax (432) 686-0600

8/22/2016

Re:

Amendment and Ratification of Pooling Language - Red Light 27-34 State Com #1H

E/2, Sec. 27 - T23S - R26E & NE/4, Sec. 34 - T23S - R26E

SHL: 190' FNL & 1650' FEL, or a legal location in Section 27 (Unit B) BHL: 2400' FNL & 1650 FEL, or a legal location in Section 34 (Unit G)

Eddy County, New Mexico

Dear Royalty Owner:

BC Operating, LLC ("BC"), as Operator, proposes to drill the Red Light 27-34 State Com #1H well as a horizontal well at the above-captioned location to a TVD of approximately 9,500° and a MD of 16,500° to test the Wolfcamp formation ("Operation"). BC hereby requests to pool your royalty interest with other lands situated in the Red Light 27-34 State Com #1H proration unit. Please execute the enclosed Amendment and Ratification enclosed and return it to me at the P.O. Box listed above. Please call if you have any questions.

Sincerely,

BC Operating, Inc.

riaimon Munphy

Senior Landman

(432) 684-9696

hmurphy@bcoperating.com Enclosures: Amendment P.O. Box 50820 Midland, Texas 79710 Phone (432) 684-9696 4000 N Big Spring, Suite 310 Midland, Texas 79705 Fax (432) 686-0600

8/22/2016

Re:

Amendment of Overriding Royalty - Red Light 27-34 State Com #1H

E/2, Sec. 27 - T23S - R26E & NE/4, Sec. 34 - T23S - R26E

SHL: 190' FNL & 1650' FEL, or a legal location in Section 27 (Unit B) BHL: 2400' FNL & 1650 FEL, or a legal location in Section 34 (Unit G)

Eddy County, New Mexico

Dear Overriding Royalty Owner:

BC Operating, LLC ("BC"), as Operator, proposes to drill the Red Light 27-34 State Com #1H well as a horizontal well at the above-captioned location to a TVD of approximately 9,500' and a MD of 16,500' to test the Wolfcamp formation ("Operation"). BC hereby requests to pool your overriding royalty interest with other lands situated in the Red Light 27-34 State Com #1H proration unit. Please execute the enclosed Amendment of Overriding Royalty and return it to me at the P.O. Box listed above. Please call if you have any questions.

Sincerely,

BC Operating, Inc.

Senior Landman

(432) 684-9696

hmurphy@bcoperating.com Enclosures: Amendment