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APR 09 2019



# United States Department of the Interior



BUREAU OF LAND MANAGEMENT  
 New Mexico State Office  
 301 Dinosaur Trail  
 Santa Fe, New Mexico 87508  
[www.blm.gov/new-mexico](http://www.blm.gov/new-mexico)

IN REPLY REFER TO:  
 3180 (NM922)  
 NMNM70972X

APR 04 2019

Reference:  
 Designation of Successor Unit Operator  
 Langlie Mattix B4 Penrose Queen Unit  
 Unitization Agreement No. NM70972X  
 Lea County, New Mexico

CERTIFIED—RETURN RECEIPT REQUESTED  
 7013 1710 0001 6575 9638

K. P. Kauffman Company, Inc.  
 1675 Broadway, Suite 2800  
 Denver, CO 80202

Gentlemen:

This office has received and reviewed your designation of successor unit operator in which your company has agreed to assume all rights, duties, and obligations as the unit operator of the Langlie Mattix B4 Penrose Queen Unit, Lea County, New Mexico.

As your company has obtained a \$160,000.00 BLM Bond (NMB000202), Surety Bond (LPM8756551), and all the conditions for becoming a successor unit operator have been met to the Authorized Officer's satisfaction, K. P. Kauffman Company, LLC, is hereby approved as the unit operator for the Langlie Mattix B4 Penrose Queen Unit as of this date and is effective November 1, 2018.

In accordance with this approval, K. P. Kauffman, LLC, is responsible for all operations and the reporting of all production from the unit. Well signs should also reflect K. P. Kauffman, LLC as the unit operator. Please inform all interested principles of such approval. An approved copy of this designation is enclosed.

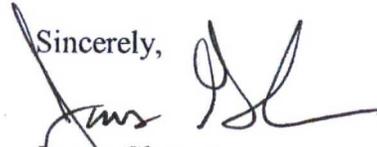
In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approvals that would entitle it to conduct operations

under the Langlie Matrix B4 Penrose Queen Unit Agreement.

In addition to becoming the successor unit operator, this office requests a current fiscal year plan of development and a revised Exhibit B for the subject unit within 60 days of receipt of this letter.

If you have any questions regarding this letter, please contact Margie Dupre, Land Law Examiner, Division of Minerals at (505) 954-2142.

Sincerely,

A handwritten signature in black ink, appearing to read 'James Glover', written over the printed name.

James Glover,  
Supervisory Geologist,  
Branch of Reservoir Management  
Division of Minerals

1 Enclosure

cc:  
ONRR, Denver  
NMOCD  
CFO I&E