



IN REPLY REFER TO:

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

New Mexico State Office

P.O. Box 27115

Santa Fe, New Mexico 87502-0115

www.blm.gov/nm



IN REPLY REFER TO:

3180 (P0220)

NM101360X

Reference:

Designation of Successor Unit Operator

North Square Lake Unit

Unitization Agreement No. NM101360X

Eddy County, New Mexico

APR 15 2013

CERTIFIED—RETURN RECEIPT REQUESTED

7012 2210 0001 2089 3264

Boaz Energy, LLC
2608 Loma Dr.
Midland, TX 79705

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 North Square Lake Unit Eddy County, New Mexico.

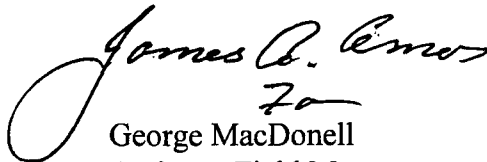
As your company has obtained a \$250,000.00 BLM Bond (NMB001038), and all the conditions for becoming a successor unit operator have been met to the Authorized Officer's satisfaction, Boaz Energy, LLC, is hereby approved as the unit operator for the North Square Lake Unit as of this date and is effective October 1, 2012.

In accordance with this approval, Boaz Energy, LLC, is responsible for all operations and the reporting of all production from the unit. Well signs should also reflect Boaz Energy, 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 North Square Lake Unit Agreement.

If you have any questions regarding this letter, please contact Edward G. Fernandez, Petroleum Engineer at the Division of Lands and Minerals at (575) 234-2220.

Sincerely,

A handwritten signature in cursive script, appearing to read "George MacDonell".

George MacDonell
Assistant Field Manager,
Lands and Minerals

1 Enclosure

cc:

ONRR, Denver
NMOCD-Artesia
CFO I&E
NM (P0221)
NM (P0220), CFO

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2013 MAY -6 P 2:51