



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Pecos District

Carlsbad Field Office

620 E. Greene

Carlsbad, New Mexico 88220-6292

www.blm.gov/nm



IN REPLY REFER TO:

3180 (P0220)

NM103145X

JUL - 5 2013

Reference:

Designation of Successor Unit Operator

West Teas (Yates-Seven Rivers) Unit

Unitization Agreement No. NM103145X

Lea County, New Mexico

CERTIFIED—RETURN RECEIPT REQUESTED

7012 3460 0001 7403 9106

MCA Business Unit

Larry Angle

Chevron U.S.A. Inc.

P.O. Box 2100

Houston, TX 77252

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 West Teas (Yates-Seven Rivers) Unit Eddy County, New Mexico.

As your company has obtained a nationwide \$200,000.00 BLM Bond (CA0329) and all the conditions for becoming a successor unit operator have been met to the Authorized Officer's satisfaction, Chevron U.S.A. Inc., is hereby approved as the unit operator for the West Teas (Yates-Seven Rivers) Unit as of this date and is effective October 3, 2012.

In accordance with this approval, Chevron U.S.A. Inc. is responsible for all operations and the reporting of all production from the unit. Well signs should also reflect Chevron U.S.A. Inc. 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 West Teas (Yates-Seven Rivers) Unit Agreement.

In addition to becoming the successor unit operator, this office requests a revised Exhibit B for the subject unit within 90 days from the receipt of this letter.

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
Associate Field Manager,
Lands and Minerals

1 Enclosure

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