



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Pecos District

Carlsbad Field Office

620 E. Greene St. P.O. Box 18
Carlsbad, New Mexico 88220-6292
www.blm.gov/nm



3180 (P0220)
NM103147

Reference:

Designation of Communitization Agreement Co-Operator
Lucky Lobo ASX Federal Com #1 (30-015-30667)
Communitization Agreement No. NM103147
Eddy County, New Mexico

NOV 20 2014

CERTIFIED—RETURN RECEIPT REQUESTED
7008 3230 0002 0987 6759

Yates Petroleum Corporation
105 S. Fourth Street
Artesia, NM 88210

Gentlemen:

This office has received and reviewed your Designation of Communitization Agreement Co-Operator in which Yates Petroleum Corporation hereby designates LLE Operating LLC as its Co-Operator to conduct all operations for the following Communitization Agreement well: Lucky Lobo ASX Federal Com #1 (30-015-30667) in the SWNW of sec. 33, T. 16 S., R. 27 E., Eddy County, New Mexico. Operations on this communitized well will be covered under BLM Bond No. NMB000817.

LLE Operating LLC acknowledges and agrees to assume all obligations and responsibilities as Co-Operator for the above-referenced Communitization Agreement well and agrees to comply with said Communitization Agreement, the Operating Agreement thereto, the underlying leases and all applicable laws and regulations.

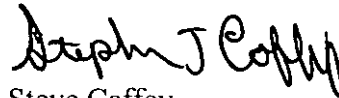
The designation of Communitization Agreement Co-Operator between Yates Petroleum Corporation and LLE Operating LLC effective September 1, 2012 is hereby approved.

In accordance with this approval, LLE Operating LLC is responsible for all operations and the reporting of all production from the above-referenced Communitization Agreement well communitized well area. Well signs should also reflect LLE Operating LLC as operator. Please inform all interested principles of such approval.

In approving this designation of Communitization Agreement Co-Operator, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approvals that would entitle it to conduct operations under Communitization Agreement No. NM103147.

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 black ink, appearing to read "Steve J. Caffey".

Steve Caffey
Assistant Field Manager,
Lands and Minerals

1 Enclosure

cc:
LBE Operating LLC.
ONRR, Denver
NMOCD-Santa Fe
NM (P0221),
CFO I&E
NM (P0220), CFO