



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



IN REPLY REFER TO:
3180 (NM922)
NMNM70955X

30-015-04288

NOV 16 2018

Reference:

Designation of Successor Unit Operator
Grayburg Jackson Unit
Unitization Agreement No. NM70955X
Eddy County, New Mexico

CERTIFIED—RETURN RECEIPT REQUESTED
7013 1710 0001 6575 9621

Saguaro Petroleum
1509 W. Wall Street, Suite 100
Midland, TX 79701-6576

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 Grayburg Jackson Unit, Eddy County, New Mexico.

As your company has obtained a \$25,000.00 BLM Bond (NMB001624), Letter of Credit (06-505), and all the conditions for becoming a successor unit operator have been met to the Authorized Officer's satisfaction, Saguaro Petroleum, LLC., is hereby approved as the unit operator for the Grayburg Jackson Unit as of this date and is effective November 1, 2018.


In accordance with this approval, Saguaro Petroleum, LLC, is responsible for all operations and the reporting of all production from the unit. Well signs should also reflect Saguaro Petroleum, 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 Grayburg Jackson 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,


Sheila Mallory,
Deputy State Director,
Division of Minerals

1 Enclosure

cc:

ONRR, Denver

NMOCD

CFO I&E