



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)
NM70946X

Reference:

Designation of Successor Unit Operator

Empire South Deep Unit

Unitization Agreement No. NM70946X

Eddy County, New Mexico

MAR 3 2014

CERTIFIED—RETURN RECEIPT REQUESTED

7012 2210 0001 2089 3882

MCA Business Unit
Larry Angle
Chevron U.S.A. Inc.
P.O. Box 2100
Houston, TX 77252

RECEIVED OGD
2014 MAR 29 A 2:05

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 Empire South Deep 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 Empire South Deep 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 Empire South Deep 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,



for Steve Caffey
Assistant Field Manager,
Lands and Minerals

1 Enclosure

cc:

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