



Aubrey Dunn
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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Pogo Oil & Gas Operating, Inc.
ATTN: Mr. Kurt Pogoloff
1515 Calle Sur, Suite 174
Hobbs, NM 88240

LRP - 3032

June 21, 2017

Re: Resignation/Designation of Successor Unit Operator
Effective April 1, 2017
Langlie Jal Unit
Lea County, NM

Dear Mr. Pogoloff:

We have received the Resignation of Unit Operator and Designation of Successor Unit Operator dated April 28, 2017 for the above referenced unit.

We hereby approve the resignation of Penroc Oil Corporation as the unit operator for the Langlie Jal Unit and the designation of Pogo Oil & Gas Operating, Inc. as the successor operator of this unit. In accordance with this approval, Pogo Oil & Gas Operating, Inc. is now responsible for all operations at Langlie Jal Unit and the reporting of all production from the unit effective April 1, 2017.

As Unit Operator,

Submit an updated Plan of Operation to the State Land Office within 60 days of the date of this letter. Section 11 of the Unit Agreement requires updated Plans of Operation, specifying that "the Unit Operator shall also furnish the Working Interest Owners, Commission, Land Commissioner, and the Supervisor with periodic reports on the progress of the plan of operation and any revisions or changes thereto." Please ensure that the Plan of Operation includes a map that illustrates both current and planned infrastructure for the unit: well locations, tank batteries, gathering systems, and any other facilities that may impact the surface of New Mexico State Trust lands.

If you have any questions or if we may be of further assistance, please contact Units Manager Marilyn Gruebel at 505.827.5791.

Respectfully,

A handwritten signature in dark ink, appearing to read "A. Dunn", is written over the printed name.

AUBREY DUNN
COMMISSIONER OF PUBLIC LANDS

AD/mg

cc: OCD - Attn: Daniel Sanchez
RMD - Attn: Roddy Martinez
OGMD and Units Reader Files