

## Aubrey Dunn COMMISSIONER

## State of New Mexico Commissioner of Public Lands

310 OLD SANTA FE TRAIL P.O. BOX 1148 SANTA FE, NEW MEXICO 87504-1148 COMMISSIONER'S OFFICE

Phone (505) 827-5760 Fax (505) 827-5766 www.nmstatelands.org

March 23, 2017

Remnant Oil Operating, LP PO Box 5375 Midland, TX 79704

Re:

Resignation/Designation of Successor Unit Operator

Effective June 1, 2016 South Red Lake II Unit Eddy County, NM

Dear Corporate Representatives:

We have received the Resignation of Unit Operator dated October 26, 2016 in which Legacy Reserves Operating LP resigned as operator of the South Red Lake II Unit. We have also received the Designation of Successor Unit Operator dated October 26, 2016 in which Remnant Oil Operating, LLC was designated as the successor unit operator.

The Commissioner of Public Lands has approved the resignation of Legacy Reserves Operating LP and the designation of Remnant Oil Operating, LLC as the successor operator of this unit. In accordance with this approval, Remnant Oil Operating, LLC is now responsible for all operations at South Red Lake II Unit and the reporting of all production from the unit effective June 1, 2016, as specified in the Bureau of Land Management's Designation of Successor Operator.

Please provide a 2017 Plan of Development to the State Land Office within 60 days from receipt of this letter. Attached is a two-page template as an example of the information that should be included in the Plan of Development.

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

Respectfully

AURREY/DUNN

COMMISSIONER OF PUBLIC LANDS

AD/mg

cc: OCD - Attn: Daniel Sanchez TRD - Attn: Ms. Billie Luther

BLM - Attn: Mr. Cody R. Layton, Carlsbad Field Office

OGMD and Units Reader Files