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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



NMNM 70968X

JUN 1 4 2019

Reference:

Designation of Successor Unit Operator Lancaster Spring Unit Unitization Agreement No. NM70955X Eddy County, New Mexico

JUN 24 2019 PHO2:13

CERTIFIED—RETURN RECEIPT REQUESTED 7013 1710 0001 6575 9768

Chisholm Energy Holdings, LLC 801 Cherry St., Suite 1200-Unit 20 Fort Worth, TX 76102

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 Lancaster Spring Unit, Eddy County, New Mexico.

As your company has obtained a \$390,000.00 BLM Bond (NMB001468), Surety Bond (106574713), and all the conditions for becoming a successor unit operator have been met to the Authorized Officer's satisfaction, Chisholm Energy Agent, Inc., is hereby approved as the unit operator for the Lancaster Spring Unit as of this date and is effective May 6, 2019.

In accordance with this approval, Chisholm Energy Agent, Inc., is responsible for all operations and the reporting of all production from the unit. Well signs should also reflect Chisholm Energy Agent 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 Lancaster Spring 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.

James Glover,

Supervisory Geologist,

Reservoir Management Group

Division of Minerals

1 Enclosure

cc:
ONRR, Denver
NMOCD
CFO I&E