



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)
NM71048X

Your Reference:
Designation of Successor Unit Operator
Taylor Queen Unit
Unitization Agreement No. NM71048X
Eddy County, New Mexico

JUL 22 2014

Westall Oil & Gas, LLC
P.O. Box 4
Loco Hills, New Mexico 88255

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 Taylor Queen Unit Eddy County, New Mexico.

As your company has obtained a \$25,000.00 Statewide BLM Bond (NM0322) and all the conditions for becoming a successor unit operator have been met to the Authorized Officer's satisfaction, Westall oil & Gas, LLC is hereby approved as the unit operator for the Taylor Queen Unit as of this date and is effective April 1, 2014. In accordance with this approval, Westall oil & Gas, LLC is responsible for all operations and the reporting of all production from the unit. Well signs should also reflect Westall oil & Gas, LLC as the unit operator. Please inform all interested principles of such approval. An approved copy of this designation is enclosed.

In addition to becoming the successor unit operator, this office requests an updated Plan of Development and a revised Exhibit B for the subject unit within 60 days from receipt of this letter.

In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approvals that would entitled it to conduct operations under the Taylor Queen Unit Agreement.

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,

A handwritten signature in black ink, appearing to read "Caffey S. Caffey".

for

Stephen Caffey
Assistant Field Manager,
Lands and Minerals

1 Enclosure

cc:

ONRR, Denver

NMOCD- Artesia

CFO I&E

NM (P0221)

NM (P0220), CFO