



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



3180 (P0220)

NM101338

06/20/2016

Reference:

Designation of Communitization Agreement Co-Operator

Logan ASO Federal Com #2 (30-015-31531)

Communitization Agreement NM101338

Eddy County, New Mexico

CERTIFIED—RETURN RECEIPT REQUESTED

7015 1660 0000 3006 2683

Yates Petroleum Corporation

105 S. Fourth Street

Artesia, NM 88210

Gentlemen:

This office has received and reviewed your Designation of Communitization Agreement Co-Operator in which Yates Petroleum Corporation hereby designates Vanguard Operating, LLC as its Co-Operator to conduct all operations for the following Communitization Agreement well: Logan ASO Federal Com #2 (30-015-31531) in the SENE of sec. 15, T. 17 S., R. 27 E., Eddy County, New Mexico. Operations on this communitized well will be covered under BLM Bond No. NMB000797.

Vanguard Operating, LLC acknowledges and agrees to assume all obligations and responsibilities as Co-Operator for the above-referenced Communitization Agreement well and agrees to comply with said Communitization Agreement, the Operating Agreement thereto, the underlying leases and all applicable laws and regulations.

The designation of Communitization Agreement Co-Operator between Yates Petroleum Corporation and Vanguard Operating, LLC effective October 5, 2015 is hereby approved.

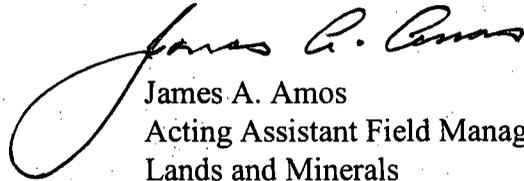
In accordance with this approval, Vanguard Operating, LLC is responsible for all operations and the reporting of all production from the above-referenced Communitization Agreement well communitized well area. Well signs should also reflect Vanguard Operating, LLC as operator. Please inform all interested principles of such approval.

2016 JUN 24 P 2:17
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In approving this designation of Communitization Agreement Co-Operator, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approvals that would entitle it to conduct operations under Communitization Agreement No. NM101338.

If you have any questions regarding this letter, please contact Edward G. Fernandez, Petroleum Engineer at (575) 234-2220 or Deborah Ham at (575) 234-5965.

Sincerely,



James A. Amos
Acting Assistant Field Manager,
Lands and Minerals

1 Enclosure

cc:

Vanguard Operating, LLC.
ONRR, Denver
NMOCD-Santa Fe
NM (P0221),
CFO I&E
NM (P0220), CFO