

Aubrey Dunn COMMISSIONER

State of New Mexico Commissioner of Public Lands

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COMMISSIONER'S OFFICE

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Southland Royalty Company LLC ATTN: Mr. Jonathan Holmes 400 West 7th Street Fort Worth, TX 76102

ACOI - 359

June 21, 2017

Re:

Resignation/Designation of Successor Unit Operator

Effective April 1, 2015 San Juan 32-5 Unit Rio Arriba County, NM

Dear Mr. Holmes:

On June 7, 2017, we received information from the Bureau of Land Management concerning the Resignation of Unit Operator and Designation of Successor Unit Operator for the above referenced unit.

We hereby approve the resignation of Energen Resources Corporation as the unit operator for the San Juan 32-5 Unit and the designation of Southland Royalty Company LLC as the successor operator of this unit. In accordance with this approval, Southland Royalty Company LLC is now responsible for conducting all operations in compliance with the San Juan 32-5 Unit Agreement effective April 1, 2015.

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

Respectfully,

AUBREX DUNN

COMMISSIONER OF PUBLIC LANDS

AD/mg

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