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Ray Powell, M.S., D.V.M. COMMISSIONER

State of New Mexico Commissioner of Public Land

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December 5, 2014

SG Interests 100 Waugh Drive, suite 400 Houston, TX 77007

Attn:

Mr. Robert Guinn, II

Re:

Resignation/Designation of Successor Unit Operator

Southeast Cha Cha Unit San Juan County, New Mexico

Dear Mr. Robert Guinn, II:

We are in receipt of your resignation/designation of successor unit operator, wherein Hicks Oil, has resigned as unit operator of the Southeast Cha Unit and designated SG Interests as the successor unit operator.

The Commissioner of Public Lands has approved the resignation of Hicks Oil, and the designation of SG Interests as the successor unit operator of this unit.

In accordance with this approval SG Interests is now responsible for all operations and the reporting of all production from the unit effective October 25, 2012.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

RAY POWELL, M.S., D.V.M

COMMISSIONER OF PUBLIC LANDS

BY:

TERRY WARNELL, Director Oil/Gas and Minerals Division

RP/TW/sk xc: Reader File

OCD-Santa Fe, Attn: Mr. Daniel Sanchez

TRD-Attn: Ms. Joan Ishimoto