

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

State of New Mexico Commissioner of Public Lands

COMMISSIONER'S OFFICE

Phone (505) 827-5760 Fax (505) 827-5766 www.nmstatelands.org

December 23, 2014

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

Sahara Operating Company PO Box 4130 Midland, TX 79704 2; 4629 c; 5060

Attn:

Mr. Robert McAlpine

Re:

Resignation/Designation of Successor Unit Operator

North El-Mar Unit Lea County, New Mexico

Dear Mr. McAlpine:

We are in receipt of your resignation/designation of successor unit operator, wherein Quay Valley Inc., has resigned as unit operator of the North El-Mar Unit and designated Sahara Operating Co. as the successor unit operator.

The Commissioner of Public Lands has approved the resignation of Quay Valley Inc., and the designation of Sahara Operating Co. as the successor unit operator of this unit.

In accordance with this approval Sahara Operating Co. is now responsible for all operations and the reporting of all production from the unit effective December 5, 2014.

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