

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Tony Delfin
Deputy Cabinet Secretary

David R. Catanach
Division Director
Oil Conservation Division



July 8, 2016

Frost Bank
Attn: Rosalinda M. Soriano
100 West Houston Street
San Antonio, TX 78205

Re: \$16,990 Letter of Credit No. 27756-SA
Chi Operating, Inc., Customer
Frost Bank, Issuer
API 30-015-33962
Kodiak #002
885' FSL and 2460' FEL
Section 17, Township 22 South, Range 27 East
Eddy County, NM

NM OIL CONSERVATION
ARTESIA DISTRICT

JUL 11 2016

RECEIVED

Dear Ms. Soriano:

The New Mexico Oil Conservation Division hereby approves the above-captioned Letter of Credit No. 27756-SA which will expire on **July 6, 2021**.

Sincerely,

A handwritten signature in black ink, appearing to read "Denise Gallegos", is written over a circular stamp.

DENISE GALLEGOS
Bond Administrator

cc: Oil Conservation Division -- Artesia District

Chi Operating, Inc.
Attn: William R. Bergman
212 N. Main
Midland, TX 79701