



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



IN REPLY REFER TO
3180 (P0220)
NM-70970X

Reference:
Designation of Successor Unit Operator
Langlie Jal Unit
Unitization Agreement No. NM-70970X
Eddy County, New Mexico

HOBBS OCD

MAR 19 2012

RECEIVED

MAR 13 2012

CERTIFIED—RETURN RECEIPT REQUESTED
7008 3230 0002 0987 6377

Resaca Operating Company
1331 Lamar Suite 1450
Houston, TX 77010

Gentlemen:

This office has received and reviewed your designation of successor unit operator in which your company has agreed to assume all rights, duties, and obligations as the unit operator of the Langlie Jal Unit Eddy County, New Mexico.

As your company as Resaca Operating Company has obtained a Nationwide 25,000.00 BLM Bond (NMB000624), a recommendation has been sent to BLM New Mexico State Office to require that Linn Operating, Inc. to post an additional individual Unit bond in the amount of \$150,000.00. The Authorized Officer condition of approval is based upon Resaca Operating Company final bonding to be in place within 60 days of the date of this letter.

Therefore, Resaca Operating Company is hereby approved as the unit operator for the Langlie Jal Unit as of this date and is effective April 1, 2011. In accordance with this approval, Resaca Operating Company is responsible for all operations and the reporting of all production from the unit. Well signs should also reflect Resaca Operating Company as the unit operator. Please inform all interested principles of such approval. An approved copy of this designation is enclosed.

In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approvals that would entitle it to conduct operations under the Langlie Jal Unit Agreement.

In addition to becoming the successor unit operator, this office requests a revised Exhibit B for the subject unit, as per 43 CFR 3186.1-2 model form, be submitted within 60 days from the receipt of this letter.

If you have any questions regarding this letter, please contact Edward G. Fernandez, Petroleum Engineer at the Division of Lands and Minerals at (575) 234-2220.

Sincerely,

A handwritten signature in black ink, appearing to read "Don Peterson", with a long horizontal stroke extending to the right.

Don Peterson
Assistant Field Manager,
Lands and Minerals

1 Enclosure

cc:

ONRR, Denver
NMOCD-Hobbs
Hobbs I&E
NM (P0221)
NM (P0220), CFO

MAR 19 2012

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Under and pursuant to the provisions of Section 7 of the Unit Agreement for the Development and Operation of the Langlie Jal Unit Area, Lea County, New Mexico, Ranger 40 Petroleum, LLC the designated Unit Operator under said Unit Agreement, does hereby resign as Unit Operator, effective upon the selection and approval of a Successor Unit Operator.

Executed with effect as aforesaid the 17th day of August, 2011.

Name: Leslie A. Sherman

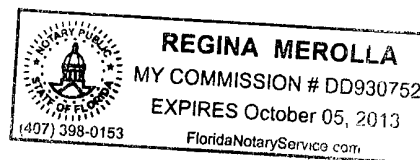
Title: Chief Operating Officer

ACKNOWLEDGEMENTS

STATE OF FLORIDA)
) SS.
COUNTY OF COLLIER)

The foregoing instrument was acknowledged before me this 17th day of August, 2011, by Leslie A. Sherman, Chief Operating Officer of Ranger 40 Petroleum, LLC, a Delaware limited liability company, on behalf of said company.


Notary Public – State of Florida



**DESIGNATION OF SUCCESSOR UNIT OPERATOR
LANGLIE JAL UNIT AREA
COUNTY OF LEA, STATE OF NEW MEXICO**

HOBBS OCD

MAR 19 2012

NO. 14-08-0001-11587

RECEIVED

THIS INDENTURE, dated as of the 1st of February, 2012, effective the 1st day of April, 2011, by and between Resaca Operating Company, whose address is 1331 Lamar, Suite 1450 Houston, Texas 77010, hereinafter designated as "First Party", the Owners of the Unitized Working Interests, Resaca Exploitation, Inc. whose address is 1331 Lamar Suite 1450 Houston, Texas 77010, hereinafter designated as "Second Party".

WITNESSETH:

WHEREAS, under the provision of the Act of February 25, 1920, 41 Stat. 437, 30 U.S.C. Secs. 181, et seq., as amended by the Act of August 8, 1946, 60 Stat. 950, the Secretary of the Interior, on the 4th day of January, 1971, approved a Unit Agreement for the Langlie Jal Unit Area, and

WHEREAS, Ranger 40 Petroleum has resigned as Unit Operator and the designation of another Unit Operator is now required pursuant to the terms thereof; and

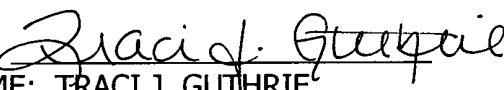
WHEREAS, the First Party has been and hereby is designated by the Second Party as Unit Operator, and said First Party desires to assume all the rights, duties and obligations of Unit Operator under the said unit agreement.

NOW THEREFORE, in consideration of the premises hereinbefore set forth and the promises hereinafter stated, the First Party hereby covenants and agrees to fulfill the duties and assume the obligations of Unit Operator under and pursuant to all the terms of the unit agreement, and the Second Party covenants and agrees that, effective upon approval of this indenture by the Authorized Office of the State of New Mexico, First Party shall be granted the exclusive right and privilege of exercising any and all rights and privileges as Unit Operator, pursuant to the terms and conditions of said unit agreement; said unit agreement being hereby incorporated herein by reference and made a part hereof as fully and effectively as though said unit agreement were expressly set forth in this instrument.

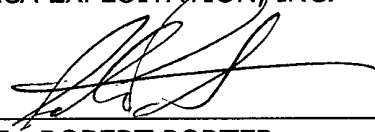
This instrument may be executed in multiple counterparts, none of which need to be executed by all parties hereto, but this instrument shall be binding on all parties who execute same.

IN WITNESS WHEREOF, the parties hereto have executed this instrument as of the date hereinabove set forth, effective the 1st day of April, 2011.

FIRST PARTY:
RESACA OPERATING COMPANY

BY: 
NAME: TRACI J. GUTHRIE
TITLE: VICE PRESIDENT AND SECRETARY

SECOND PARTY:
RESACA EXPLOITATION, INC.

BY: 
NAME: ROBERT PORTER
TITLE: VICE PRESIDENT OF ENGINEERING

I hereby approve the foregoing indenture, designating RESACA OPERATING COMPANY as Unit Operator under the Unit Agreement for the Langlie Jal Unit Area, this _____ day of _____, 2011.

AUTHORIZATION:

BY: _____
NAME: _____
TITLE: _____

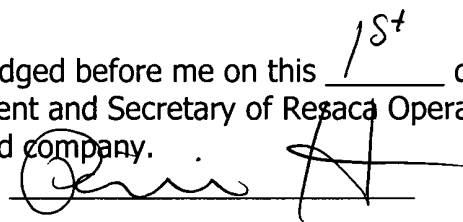
ACKNOWLEDGEMENTS

STATE OF TEXAS §

COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me on this 18th day of February, 2012 by Traci J. Guthrie, Vice President and Secretary of Resaca Operating Company, a Texas corporation on behalf of said company.



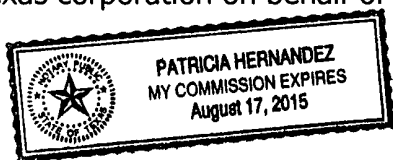


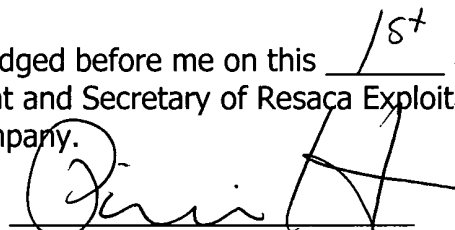
Notary Public-State of Texas

STATE OF TEXAS §

COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me on this 18th day of February, 2012 by Robert Porter, Vice President and Secretary of Resaca Exploitation, Inc., a Texas corporation on behalf of said company.





Notary Public-State of Texas

EXHIBIT A

<u>Well No.</u>	<u>Location</u>	<u>API No.</u>
001	T24S, R37E, Sec, 31	30-025-11304 ✓
002	T24S, R37E, Sec. 31: NE/4 NE/4	30-025-24837 ✓
003	T24S, R37E, Sec. 32	30-025-11311 ✓
004	T24S, R37E, Sec. 32: NE/4 NW/4	30-025-24838 ✓
005	T24S, R37E, Sec. 32: NW/4 NE/4	30-025-11320 ✓
006	T24S, R37E, Sec. 32: NE/4 NE/4	30-025-11317 ✓
007	T24S, R37E, Sec. 32	30-025-11314 ✓
008	T24S, R37E, Sec. 32: SW/4 NE/4	30-025-24839 ✓
009	T24S, R37E, Sec. 32: SE/4 NW/4	30-025-11310 ✓
011	T24S, R37E, Sec, 31	30-025-11293 ✓
012	T24S, R37E, Sec, 31	30-025-11303 ✓
013	T24S, R37E, Sec. 31: SE/4 NW/4	30-025-23865 ✓
014	T24S, R37E, Sec. 31: SW/4 NW/4	30-025-11296 ✓
016	T24S, R37E, Sec. 31: NE/4 SW/4	30-025-11299 ✓
017	T24S, R37E, Sec. 31: NW/4 SE/4	30-025-11301 ✓
018	T24S, R37E, Sec, 31	30-025-11298 ✓
019	T24S, R37E, Sec. 32: NW/4 SW/4	30-025-11323 ✓
020	T24S, R37E, Sec. 32: NE/4 SW/4	30-025-11313 ✓
021	T24S, R37E, Sec. 32: NW/4 SE/4	30-025-11315 ✓
022	T24S, R37E, Sec. 32: NE/4 SE/4	30-025-24478 ✓
023	T24S, R37E, Sec. 32: SE/4 SE/4	30-025-23866 ✓
024	T24S, R37E, Sec. 32: SW/4 SE/4	30-025-24479 ✓
025	T24S, R37E, Sec. 32: SE/4 SW/4	30-025-11307 ✓
026	T24S, R37E, Sec. 32: SW/4 SW/4	30-025-11322 ✓
027	T24S, R37E, Sec. 31: SE/4 SE/4	30-025-11297 ✓
028	T24S, R37E, Sec. 31: SW/4 SE/4	30-025-11302 ✓
029	T24S, R37E, Sec. 31: SE/4 SW/4	30-025-23867 ✓
031	T25S, R37E, Sec. 6: NW/4 NW/4	30-025-11475 ✓
032	T25S, R37E, Sec. 6: NE/4 NW/4	30-025-11481 ✓
033	T25S, R37E, Sec. 6: NW/4 NE/4	30-025-11480 ✓
034	T25S, R37E, Sec. 6: NE/4 NE/4	30-025-24889 ✓

035	T25S, R37E, Sec. 5: NW/4 NW/4	30-025-11455 ✓
036	T25S, R37E, Sec. 5: NE/4 NW/4	30-025-11452 ✓
037	T25S, R37E, Sec. 5: NW/4 NE/4	30-025-11456 /
038	T25S, R37E, Sec. 5: NE/4 NE/4	30-025-24484 /
039	T25S, R37E, Sec. 4: NW/4 NW/4	30-025-11442✓
040	T25S, R37E, Sec. 4: NE/4 NW/4	30-025-11436 /
041	T25S, R37E, Sec. 4: NW/4 NE/4	30-025-11437 ,
042	T25S, R37E, Sec. 4: SW/4 NE/4	30-025-11438 ✓
043	T25S, R37E, Sec. 4: SE/4 NW/4	30-025-23882 /
044	T25S, R37E, Sec. 4: SW/4 NW/4	30-025-11443 ✓
045	T25S, R37E, Sec. 5: SE/4 NE/4	30-025-11461 ✓
046	T25S, R37E, Sec. 5: SW/4 NE/4	30-025-11453 /
047	T25S, R37E, Sec. 5: SE/4 NW/4	30-025-23883 ✓
048	T25S, R37E, Sec. 5: SW/4 NW/4	30-025-11457 ✓
049	T25S, R37E, Sec. 6: SE/4 NE/4	30-025-23868 /
050	T25S, R37E, Sec. 6: SW/4 NE/4	30-025-24890 /
053	T25S, R37E, Sec. 6	30-025-11469 /
055	T25S, R37E, Sec. 6: NW/4 SE/4	30-025-11476 /
056	T25S, R37E, Sec. 6: NE/4 SE/4	30-025-11479 /
057	T25S, R37E, Sec. 5: NW/4 SW/4	30-025-23884 /
058	T25S, R37E, Sec. 5: NE/4 SW/4	30-025-11464 /
059	T25S, R37E, Sec. 5: NW/4 SE/4	30-025-11454 /
060	T25S, R37E, Sec. 5: NE/4 SE/4	30-025-24879 /
061	T25S, R37E, Sec. 4: NW/4 SW/4	30-025-11435 /
063	T25S, R37E, Sec. 5: SE/4 SE/4	30-025-11451 /
064	T25S, R37E, Sec. 5: SW/4 SE/4	30-025-11450 /
065	T25S, R37E, Sec. 5: SE/4 SW/4	30-025-23885 /
066	T25S, R37E, Sec. 5: SW/4 SW/4	30-025-11463 /
067	T25S, R37E, Sec. 6	30-025-11472 /
068	T25S, R37E, Sec. 6	30-025-11471 /
069	T25S, R37E, Sec. 6	30-025-11470 /
070	T25S, R37E, Sec. 6	30-025-24480 /
071	T25S, R37E, Sec. 8: NW/4 NW/4	30-025-23869 /

072	T25S, R37E, Sec. 8	30-025-11506 ✓
073	T25S, R37E, Sec. 8: NW/4 NE/4	30-025-11497 ✓
074	T25S, R37E, Sec. 8: NE/4 NE/4	30-025-11496 ✓
075	T25S, R37E, Sec. 9: NW/4 NW/4	30-025-11510 ✓
076	T25S, R37E, Sec. 9: SW/4 NW/4	30-025-24881 ✓
077	T25S, R37E, Sec. 8: SE/4 NE/4	30-025-11498 ✓
078	T25S, R37E, Sec. 8: SW/4 NE/4	30-025-11499 ✓
079	T25S, R37E, Sec. 8: SE/4 NW/4	30-025-23870
080	T25S, R37E, Sec. 8: SW/4 NW/4	30-025-24849
081	T25S, R37E, Sec. 8: NW/4 SE/4	30-025-11501
082	T25S, R37E, Sec. 8: NE/4 SE/4	30-025-11495
083	T25S, R37E, Sec. 9: NW/4 SW/4	30-025-11513
084	T25S, R37E, Sec. 9: SW/4 SW/4	30-025-11512
085	T25S, R37E, Sec. 8: SE/4 SE/4	30-025-11493
086	T25S, R37E, Sec. 8: SW/4 SE/4	30-025-11500
087	T25S, R37E, Sec. 17: NW/4 NE/4	30-025-11634
088	T25S, R37E, Sec. 17: NE/4 NE/4	30-025-11644
089	T25S, R37E, Sec. 17: SE/4 NE/4	30-025-11630
090	T25S, R37E, Sec. 17: SW/4 NE/4	30-025-11643
091	T25S, R37E, Sec. 17: NW/4 SE/4	30-025-24891
092	T25S, R37E, Sec. 17: NE/4 SE/4	30-025-11636
093	T25S, R37E, Sec. 17: SE/4 SE/4	30-025-11633
095	T24S, R37E, Sec. 32: SW/4 SW/4	30-025-27840
096	T24S, R37E, Sec. 32	30-025-27841
097	T24S, R37E, Sec. 32: SE/4 SE/4	30-025-27842
098	T24S, R37E, Sec. 32: NE/4 SE/4	30-025-27843
099	T24S, R37E, Sec. 32: NE/4 SW/4	30-025-27844
100	T24S, R37E, Sec. 32: NW/4 SW/4	30-025-27845
101	T24S, R37E, Sec. 32: NW/4 SW/4	30-025-28404
102	T24S, R37E, Sec. 32: NE/4 SW/4	30-025-28405
103	T24S, R37E, Sec. 31: SE/4 SE/4	30-025-28406
104	T24S, R37E, Sec. 32	30-025-28407
105	T25S, R37E, Sec. 4: NW/4 NW/4	30-025-28454

106	T24S, R37E, Sec. 32: NE/4 NE/4	30-025-28963
107	T25S, R37E, Sec. 4: NE/4 NW/4	30-025-29044
108	T25S, R37E, Sec. 5: NE/4 SE/4	30-025- 29447 2
109	T25S, R37E, Sec. 5: NE/4 SE/4	30-025- 29448 2
110	T25S, R37E, Sec. 5: NW/4 SE/4	30-025-29449
111	T25S, R37E, Sec. 5: SW/4 SE/4	30-025-29450
112	T25S, R37E, Sec. 8	30-025-29408
113	T25S, R37E, Sec. 5: SW/4 NE/4	30-025-30 671 8
114	T25S, R37E, Sec. 5: NW/4 NE/4	30-025-30883
120	T24S, R37E, Sec. 31	30-025-35577
122	T25S, R37E, Sec. 17	30-025-35642
124	T25S, R37E, Sec. 17	30-025-35626
125	T25S, R37E, Sec. 8	30-025-35681 35649
126	T25S, R37E, Sec. 5	30-025-35681
127	T25S, R37E, Sec. 5	30-025-35749

EXHIBIT B

EFFECTIVE APRIL 1, 2011

**TO UNIT OPERATING AGREEMENT
LANGLIE-JAL UNIT
LEA COUNTY, NEW MEXICO**

Schedule of Unit Participation of Working Interest Owners

<u>Working Interest Owner</u>	<u>Unit Participation</u>
Resaca Exploitation, Inc.	100.00%
Total	100.00%

EXHIBIT B

EFFECTIVE APRIL 2, 2011

TO UNIT OPERATING AGREEMENT LANGLIE-JAL UNIT LEA COUNTY, NEW MEXICO

Schedule of Unit Participation of Working Interest Owners

<u>Working Interest Owner</u>	<u>Unit Participation</u>
Resaca Exploitation, Inc.	73.00%
Success Real Estate Company, Ltd.	6.00%
IV Holdings, LLC	2.00%
South Plains Capital, LLC	3.00%
Rockport Resources Capital Corporation	1.00%
HRB Oil & Gas, Ltd.	10.00%
Nau Holdings, LLC	5.00%
Total	100.00%