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

TAKE PRIDE® IN AMERICA

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

HOBBS OCD

MAR 19 2012

RECEIVED

MAR 13 2012

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

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 Lea 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 suibmitted 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,

Don Peterson
Assistant Field Manager,
Lands and Minerals

1 Enclosure

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

HOBBS OCD

MAR 19 2012

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RESIGNATION OF UNIT OPERATOR
Langlie Jal Unit Area
County of Lea
State of New Mexico
Unit Agreement No. 14-08-0001-11587

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.

By: _____
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

REGINA MEROLLA
MY COMMISSION # DD930752
EXPIRES October 05, 2013
(407) 398-0153 FlondaNotaryService.com

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

HOBBS OCD

MAR 19 2012

RECEIVED

NO. 14-08-0001-11587

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: Traci J. Guthrie
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 1st day of February, 2012 by Traci J. Guthrie, Vice President and Secretary of Resaca Operating Company, a Texas corporation on behalf of said company.

PATRICIA HERNANDEZ
MY COMMISSION EXPIRES
August 17, 2015

Notary Public-State of Texas

STATE OF TEXAS §

COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me on this 1st day of February, 2012 by Robert Porter, Vice President and Secretary of Resaca Exploitation, Inc., a Texas corporation on behalf of said company.

PATRICIA HERNANDEZ
MY COMMISSION EXPIRES
August 17, 2015

Notary Public-State of Texas

EXHIBIT A

Well No.	Location	API No.
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
109	T25S, R37E, Sec. 5: NE/4 SE/4	30-025-29448
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	30-025-30871
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
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

Working Interest Owner	Unit Participation
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

Working Interest Owner	Unit Participation
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%
Naü Holdings, LLC	5.00%
Total	**100.00%**