

**BEFORE THE OIL CONSERVATION DIVISION  
EXAMINER HEARING JANUARY 6, 2022**

**CASE No. 22399**

*THE LINDRITH EAST (DEEP) UNIT*

**RIO ARRIBA COUNTY, NEW MEXICO**



**STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES  
OIL CONSERVATION DIVISION**

**APPLICATIONS OF SAN JUAN RESOURCES,  
INC. FOR APPROVAL OF THE LINDRITH  
EAST (DEEP) UNIT, RIO ARRIBA COUNTY,  
NEW MEXICO.**

**CASE NO. 22399**

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**STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES  
OIL CONSERVATION DIVISION**

**APPLICATION OF SAN JUAN RESOURCES,  
INC. FOR APPROVAL OF THE LINDRITH  
EAST (DEEP) UNIT, RIO ARRIBA COUNTY,  
NEW MEXICO.**

**CASE NO. 22399**

**APPLICATION**

San Juan Resources, Inc. ("SJR") files this application for an order approving the proposed Lindrith East (Deep) Unit. In support of its application, SJR states:

1. The proposed Unit Area consists of approximately 8,800-acres of the following Federal and Patented lands situated in Rio Arriba County, New Mexico:

**Township 24 North, Range 2 West, N.M.P.M.**

Section 10: NE/4, E/2SE/4  
Section 11: ALL  
Section 12: ALL  
Section 13: ALL  
Section 14: ALL  
Section 15: N/2NE/4, N/2SE/4  
Section 22: E/2  
Section 23: ALL  
Section 24: ALL  
Section 25: ALL  
Section 26: ALL  
Section 27: ALL  
Section 33: S/2  
Section 34: ALL  
Section 35: ALL  
Section 36: ALL

2. SJR is the designated operator under the proposed Unit Agreement and the unitized interval is all formations below the Top of the Mancos Formation, which is defined as the stratigraphic equivalent of 5,820 feet MD in the Amoco Federal Oso #1 well located in the NW/4, Section 24, Township 24 North, Range 2 West, N.M.P.M., Rio Arriba County, New Mexico (API#3003926672).

3. SJR expects to obtain approval of the proposed Unit Agreement by a sufficient percentage of the interest owners to provide effective control of unit operations.

4. SJR has met with the Bureau of Land Management and received a letter recognizing the proposed unit area as logically subject to exploration and development under the unitization provisions of the Mineral Leasing Act.

5. The Unit Agreement, and the unitized operation and management of the Unit Area, are in the best interests of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, SJR requests that this Application be set for hearing before an Examiner of the Oil Conservation Division on January 6, 2022, and that after notice and hearing as required by law, the Division enter its order granting this Application.

Respectfully submitted,

HOLLAND & HART, LLP

By: 

Michael H. Feldewert

Adam G. Rankin

Julia Broggi

Kaitlyn A. Luck

Post Office Box 2208

Santa Fe, NM 87504

505-998-4421

[mfeldewert@hollandhart.com](mailto:mfeldewert@hollandhart.com)

[arankin@hollandhart.com](mailto:arankin@hollandhart.com)

[jbroggi@hollandhart.com](mailto:jbroggi@hollandhart.com)

[kaluck@hollandhart.com](mailto:kaluck@hollandhart.com)

**ATTORNEYS FOR  
SAN JUAN RESOURCES, INC.**

**STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES  
OIL CONSERVATION DIVISION**

**APPLICATION OF SAN JUAN RESOURCES, INC. FOR APPROVAL OF THE  
LINDRITH EAST (DEEP) UNIT, RIO ARRIBA COUNTY, NEW MEXICO.**

**CASE NO. 22399**

**AFFIDAVIT OF JEROME P. MCHUGH, JR., LANDMAN**

Jerome P. McHugh, Jr., being of lawful age and duly sworn, states the following:

1. My name is Jerome P. McHugh, Jr. and I am employed by San Juan Resources, Inc. ("SJR") as a Landman. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters and my credentials have been accepted by the Division and made a matter of record.

2. I am the landman responsible for the formation of the proposed unit, familiar with the application filed by SJR in this matter and the status of the lands in the subject area.

3. Since this application seeks approval of a voluntary unit, I do not expect any opposition at the hearing.

4. SJR seeks an order approving the Lindrith East (Deep) Unit, a voluntary unit consisting consists of approximately 8,800-acres of the following Federal and Patented lands situated in Rio Arriba County, New Mexico:

**Township 24 North, Range 2 West, N.M.P.M.**

Section 10: NE/4, E/2SE/4  
Section 11: ALL  
Section 12: ALL  
Section 13: ALL  
Section 14: ALL  
Section 15: N/2NE/4, N/2SE/4  
Section 22: E/2  
Section 23: ALL  
Section 24: ALL

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit A  
Submitted by: San Juan Resources, Inc.  
Hearing Date: January 6, 2022  
Case No. 22399**

Section 25: ALL  
Section 26: ALL  
Section 27: ALL  
Section 33: S/2  
Section 34: ALL  
Section 35: ALL  
Section 36: ALL

5. SJR is the designated operator under the proposed Unit Agreement and the unitized interval is all formations below the Top of the Mancos Formation, which is defined as the stratigraphic equivalent of 5,820 feet MD in the Amoco Federal Oso #1 well located in the NW/4, Section 24, Township 24 North, Range 2 West, N.M.P.M., Rio Arriba County, New Mexico (API#3003926672).

6. **SJR Exhibit A-1** is a copy of the proposed Unit Agreement with Exhibits A, B and C. Exhibit A to the Unit Agreement outlines the boundary of the Unit Area and identifies the 21 tracts of land within the proposed Unit. There are 4 tracts of Patented land identified in grey with the remaining 17 tracts comprised of Federal lands. The Federal lands comprise over 86% of the proposed Unit.

7. Exhibit B to the Unit Agreement shows the ownership breakdown by tract for the Unit Area. SJR is operator for San Juan Basin Properties LLC which owns 35% of the total working interest currently committed to the proposed Unit. SJR, as operator, has been in contact with the remaining working interest owners and anticipates ratification of a sufficient percentage of the working interest to have effective control of Unit operations.

8. SJR has also sought ratification of the Unit Agreement from royalty and overriding royalty interest owners not otherwise contractually committed to unitization. If these royalty and overriding royalty interest owners do not ratify the Unit Agreement, they will be paid on a spacing unit basis upon development of lands subject to their interests.


9. SJR has met with the Bureau of Land Management regarding the proposed unitized area and the Unit Agreement. **SJR Exhibit A-2** is a copy of the logical designation letter from the Bureau of Land Management in support of the proposed unitized area and Unit Agreement.

10. The Bureau of Land Management approved exclusion of the W/2 SE/4 of Section 10 and the S/2 NE/4 of Section 15 from the proposed unit area. The owner of the mineral interests in these tracts has refused to execute a mineral lease.

11. **SJR Exhibit A-3** is a draft Form C-102 for the initial obligation well. SJR has met with the Division's district office and been informed that the Division designated pool for the Mancos Formation underlying the unitized area is Gavilan Mancos Oil Pool (Pool Code 27194).

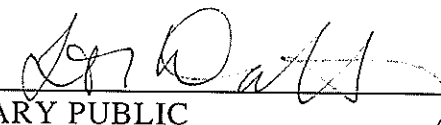
12. SJR Exhibits A-1 through A-3 were prepared by me or compiled under my direction from company business records.

FURTHER AFFIANT SAYETH NAUGHT

  
JEROME P. MCHUGH, JR

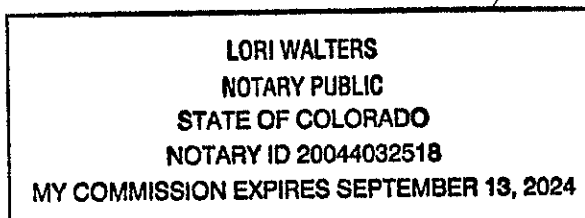
STATE OF COLORADO       )  
  )  
COUNTY OF DENVER       )

SUBSCRIBED and SWORN to before me this 3<sup>rd</sup> day of January 2022 by  
Jerome P. McHugh, Jr..

  
NOTARY PUBLIC

My Commission Expires:

9/13/2024



UNIT AGREEMENT

FOR THE DEVELOPMENT AND OPERATION

OF THE

LINDRITH EAST (DEEP) UNIT AREA

COUNTY OF RIO ARRIBA

STATE OF NEW MEXICO

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Exhibit “A’ - Plat of Unit Area

Exhibit “B” - Schedule showing percentage and kind of ownership





1 requested by the Authorized Officer, hereinafter referred to as "AO" and not less than four copies of  
2 the revised Exhibits shall be filed with the proper Bureau of Land Management office.

3  
4 The above-described unit area shall when practicable be expanded to include therein any  
5 additional lands or shall be contracted to exclude lands whenever such expansion or contraction is  
6 deemed to be necessary or advisable to conform with the purposes of this agreement. Such  
7 expansion or contraction shall be effected in the following manner:

8  
9 (a) Unit Operator, on its own motion (after preliminary concurrence by the AO), or on  
10 demand of the AO, shall prepare a notice of proposed expansion or contraction describing the  
11 contemplated changes in the boundaries of the unit area, the reasons therefor, any plans for  
12 additional drilling, and the proposed effective date of the expansion or contraction, preferably the  
13 first day of a month subsequent to the date of notice.

14  
15 (b) Said notice shall be delivered to the proper Bureau of Land Management office, and  
16 copies thereof mailed to the last known address of each working interest owner, lessee and lessor  
17 whose interests are affected, advising that 30 days will be allowed for submission to the Unit  
18 Operator of any objections.

19  
20 (c) Upon expiration of the 30-day period provided in the preceding item (b) hereof, Unit  
21 Operator shall file with the AO evidence of mailing of the notice of expansion or contraction and a  
22 copy of any objections thereto which have been filed with Unit Operator, together with an  
23 application in triplicate, for approval of such expansion or contraction and with appropriate  
24 joinders.

25  
26 (d) After due consideration of all pertinent information, the expansion or contraction shall,  
27 upon approval by the AO, become effective as of the date prescribed in the notice thereof or such  
28 other appropriate date.

29  
30 (e) All legal subdivisions of lands (i.e., 40 acres by Government survey or its nearest lot or  
31 tract equivalent; in instances of irregular surveys, unusually large lots or tracts shall be considered  
32 in multiples of 40 acres or the nearest aliquot equivalent thereof), no parts of which are in or entitled  
33 to be in a participating area on or before the fifth anniversary of the effective date of the first initial  
34 participating area established under this unit agreement, shall be eliminated automatically from this  
35 agreement, effective as of said fifth anniversary, and such lands shall no longer be a part of the unit  
36 area and shall no longer be subject to this agreement, unless diligent drilling operations are in  
37 progress on unitized lands not entitled to participation on said fifth anniversary, in which event all  
38 such lands shall remain subject hereto for so long as such drilling operations are continued  
39 diligently, with not more than 90 days' time elapsing between the completion of one such well and  
40 the commencement of the next such well. All legal subdivisions of lands not entitled to be in a  
41 participating area within 10 years after the effective date of the first initial participating area  
42 approved under this agreement shall be automatically eliminated from this agreement as of said  
43 tenth anniversary. The Unit Operator shall, within 90 days after the effective date of any  
44 elimination hereunder, describe the area so eliminated to the satisfaction of the AO and promptly  
45 notify all parties in interest. All lands reasonably proved productive of unitized substances in  
46 paying quantities by diligent drilling operations after the aforesaid 5-year period shall become  
47 participating in the same manner as during said first 5-year period. However, when such diligent  
48 drilling operations cease, all non-participating lands not then entitled to be in a participating area  
49 shall be automatically eliminated effective as of the 91st day thereafter.

50  
51 Any expansion of the unit area pursuant to this section which embraces lands theretofore  
52 eliminated pursuant to this subsection 2(e) shall not be considered automatic commitment or  
53 recommitment of such lands. If conditions warrant extension of the 10-year period specified in this  
54 subsection, a single extension of not to exceed 2 years may be accomplished by consent of the  
55 owners of 90% of the working interest in the current non-participating unitized lands and the  
56 owners of 60% of the basic royalty interests (exclusive of the basic royalty interests of the United  
57 States) in non-participating unitized lands with approval of the AO, provided such extension  
58 application is submitted not later than 60 days prior to the expiration of said 10-year period.

59  
60  
61 **3. UNITIZED LAND AND UNITIZED SUBSTANCES.** All land now or hereafter  
62 committed to this agreement shall constitute land referred to herein as "unitized land" or "land

subject to this agreement". All oil and gas in any and all formations of the unitized land below the Top of the Mancos Formation, which is defined as the stratigraphic equivalent of 5,820 feet MD in the Amoco Federal Oso #1 well located in the NW/4, Section 24, Township 24 North, Range 2 West, N.M.P.M., Rio Arriba County, New Mexico (API#3003926672) as set forth on Exhibit "C" attached hereto, are unitized under the terms of this agreement and herein are called "unitized substances"; provided, however, that it is the specific intent of the parties hereto not to cause or effectuate any horizontal segregation of any Federal lease committed hereto as a consequence of the aforementioned depth limitations of the unitized lands.

**4. UNIT OPERATOR.** San Juan Resources, Inc. is hereby designated as Unit Operator and by signature hereto as Unit Operator agrees and consents to accept the duties and obligations of Unit Operator for the discovery, development, and production of unitized substances as herein provided. Whenever reference is made herein to the Unit Operator, such reference means the Unit Operator acting in that capacity and not as an owner of interest in unitized substances, and the term "working interest owner" when used herein shall include or refer to Unit Operator as the owner of a working interest only when such an interest is owned by it.

**5. RESIGNATION OR REMOVAL OF UNIT OPERATOR.** Unit Operator shall have the right to resign at any time prior to the establishment of a participating area or areas hereunder, but such resignation shall not become effective so as to release Unit Operator from the duties and obligations of Unit Operator and terminate Unit Operator's rights as such for a period of 6 months after notice of intention to resign has been served by Unit Operator on all working interest owners and the AO and until all wells then drilled hereunder are placed in a satisfactory condition for suspension or abandonment, whichever is required by the AO, unless a new Unit Operator shall have been selected and approved and shall have taken over and assumed the duties and obligations of Unit Operator prior to the expiration of said period.

Unit Operator shall have the right to resign in like manner and subject to like limitations as above provided at any time after a participating area established hereunder is in existence, but in all instances of resignation or removal, until a successor Unit Operator is selected and approved as hereinafter provided, the working interest owners shall be jointly responsible for performance of the duties of Unit Operator, and shall not later than 30 days before such resignation or removal becomes effective appoint a common agent to represent them in any action to be taken hereunder.

The resignation of Unit Operator shall not release Unit Operator from any liability for any default by it hereunder occurring prior to the effective date of its resignation.

The Unit Operator may, upon default or failure in the performance of its duties or obligations hereunder, be subject to removal by the same percentage vote of the owners of working interests as herein provided for the selection of a new Unit Operator. Such removal shall be effective upon notice thereof to the AO.

The resignation or removal of Unit Operator under this agreement shall not terminate its right, title, or interest as the owner of a working interest or other interest in unitized substances, but upon the resignation or removal of Unit Operator becoming effective, such Unit Operator shall deliver possession of all wells, equipment, materials, and appurtenances used in conducting the unit operations to the new duly qualified successor Unit Operator or to the common agent, if no such new Unit Operator is selected, to be used for the purpose of conducting unit operations hereunder. Nothing herein shall be construed as authorizing removal of any material, equipment, or appurtenances needed for the preservation of any wells.

**6. SUCCESSOR UNIT OPERATOR.** Whenever the Unit Operator shall tender his or its resignation as Unit Operator or shall be removed as hereinabove provided, or a change of Unit Operator is negotiated by the working interest owners, the owners of the working interests according to their respective acreage interests in all unitized land shall, pursuant to the Approval of the Parties requirements of the unit operating agreement, select a successor Unit Operator. Such selection shall not become effective until:

(a) a Unit Operator so selected shall accept in writing the duties and responsibilities of Unit Operator, and

(b) the selection shall have been approved by the AO.

1  
2 If no successor Unit Operator is selected and qualified as herein provided, the AO at his  
3 election may declare this unit agreement terminated.  
4

5 **7. ACCOUNTING PROVISIONS AND UNIT OPERATING AGREEMENT.** If the  
6 Unit Operator is not the sole owner of working interests, costs and expenses incurred by Unit  
7 Operator in conducting unit operations hereunder shall be paid and apportioned among and borne  
8 by the owners of working interests, all in accordance with the agreement or agreements entered into  
9 by and between the Unit Operator and the owners of working interests, whether one or more,  
10 separately or collectively. Any agreement or agreements entered into between the working interest  
11 owners and the Unit Operator as provided in this section, whether one or more, are herein referred  
12 to as the "unit operating agreement". Such unit operating agreement shall also provide the manner  
13 in which the working interest owners shall be entitled to receive their respective proportionate and  
14 allocated share of the benefits accruing hereto in conformity with their underlying operating  
15 agreements, leases, or other independent contracts, and such other rights and obligations as between  
16 Unit Operator and the working interest owners as may be agreed upon by Unit Operator and the  
17 working interest owners; however, no such unit operating agreement shall be deemed either to  
18 modify any of the terms and conditions of this unit agreement or to relieve the Unit Operator of any  
19 right or obligation established under this unit agreement, and in case of any inconsistency or  
20 conflict between this agreement and the unit operating agreement, this agreement shall govern.  
21 Two copies of any unit operating agreement executed pursuant to this section shall be filed in the  
22 proper Bureau of Land Management office, prior to approval of this unit agreement.  
23

24 **8. RIGHTS AND OBLIGATIONS OF UNIT OPERATOR.** Except as otherwise  
25 specifically provided herein, the exclusive right, privilege, and duty of exercising any and all rights  
26 of the parties hereto which are necessary or convenient for prospecting for, producing, storing,  
27 allocating, and distributing the unitized substances are hereby delegated to and shall be exercised by  
28 the Unit Operator as herein provided. Acceptable evidence of title to said rights shall be deposited  
29 with Unit Operator and, together with this agreement, shall constitute and define the rights,  
30 privileges, and obligations of Unit Operator. Nothing herein, however, shall be construed to  
31 transfer title to any land or to any lease or operating agreement, it being understood that under this  
32 agreement the Unit Operator, in its capacity as Unit Operator, shall exercise the rights of possession  
33 and use vested in the parties hereto only for the purposes herein specified.  
34

35 **9. DRILLING TO DISCOVERY.** Within 6 months after the effective date hereof, the  
36 Unit Operator shall commence to drill an adequate test well at a location approved by the AO,  
37 unless on such effective date a well is being drilled in conformity with the terms hereof, and  
38 thereafter continue such drilling diligently until a 2,600 foot horizontal lateral in the Mancos  
39 Formation has been tested or until at a lesser depth unitized substances shall be discovered which  
40 can be produced in paying quantities (to-wit: quantities sufficient to repay the costs of drilling,  
41 completing and producing operations, with a reasonable profit) or the Unit Operator shall at any  
42 time establish to the satisfaction of the AO that further drilling of said well would be unwarranted or  
43 impracticable. Until the discovery of unitized substances capable of being produced in paying  
44 quantities, the Unit Operator shall continue drilling one well at a time, allowing not more than 6  
45 months between the completion of one well and the commencement of drilling operations for the  
46 next well, until a well capable of producing unitized substances in paying quantities is completed to  
47 the satisfaction of the AO or until it is reasonably proved that the unitized land is incapable of  
48 producing unitized substances in paying quantities in the formations drilled hereunder. Nothing in  
49 this section shall be deemed to limit the right of the Unit Operator to resign as provided in Section 5  
50 hereof, or as requiring Unit Operator to commence or continue any drilling during the period  
51 pending such resignation becoming effective in order to comply with the requirements of this  
52 section.  
53

54 The AO may modify any of the drilling requirements of this section by granting reasonable  
55 extensions of time when, in his opinion, such action is warranted.  
56

57 Until the establishment of a participating area, the failure to commence a well subsequent to  
58 the drilling of the initial obligation well, or in the case of multiple well requirements, if specified,  
59 subsequent to the drilling of those multiple wells, as provided for in this (these) section(s), within  
60 the time allowed including any extension of time granted by the AO, shall cause this agreement to  
61 terminate automatically. Upon failure to continue drilling diligently any well other than the  
62 obligation well(s) commenced hereunder, the AO may, after 15 days notice to the Unit Operator,



1 declare this unit agreement terminated. Failure to commence drilling the initial obligation well, or  
2 the first of multiple obligation wells, on time and to drill it diligently shall result in the unit  
3 agreement approval being declared invalid ab initio by the AO. In the case of multiple well  
4 requirements, failure to commence drilling the required multiple wells beyond the first well, and to  
5 drill them diligently, may result in the unit agreement approval being declared invalid ab initio by  
6 the AO.

7  
8 **10. PLAN OF FURTHER DEVELOPMENT AND OPERATION.** Within 6 months  
9 after completion of a well capable of producing unitized substances in paying quantities, Operator  
10 shall submit for the approval of the AO an acceptable plan of development and operation for the  
11 unitized land which, when approved by the AO, shall constitute the further drilling and  
12 development obligations of the Unit Operator under this agreement for the period specified therein.  
13 Thereafter, from time to time before the expiration of any existing plan, the Unit Operator shall  
14 submit for the approval of the AO a plan for an additional specified period for the development and  
15 operation of the unitized land. Subsequent plans should normally be filed on a calendar year basis  
16 not later than March 1 each year. Any proposed modification or addition to the existing plan should  
17 be filed as a supplement to the plan.

18  
19 Any plan submitted pursuant to this section shall provide for the timely exploration of the  
20 unitized area, and for the diligent drilling necessary for determination of the area or areas capable of  
21 producing unitized substances in paying quantities in each and every productive formation. This  
22 plan shall be as complete and adequate as the AO may determine to be necessary for timely  
23 development and proper conservation of the oil and gas resources of the unitized area and shall:

24  
25 (a) specify the number and locations of any wells to be drilled and the proposed order and  
26 time for such drilling; and

27  
28 (b) provide a summary of operations and production for the previous year.

29  
30 Plans shall be modified or supplemented when necessary to meet changed conditions or to  
31 protect the interests of all parties to this agreement. Reasonable diligence shall be exercised in  
32 complying with the obligations of the approved plan of development and operation. The AO is  
33 authorized to grant a reasonable extension of the 6 month period herein prescribed for submission of  
34 an initial plan of development and operation where such action is justified because of unusual  
35 conditions or circumstances.

36  
37 After completion of a well capable of producing unitized substances in paying quantities, no  
38 further wells, except such as may be necessary to afford protection against operations not under this  
39 agreement and such as may be specifically approved by the AO, shall be drilled except in  
40 accordance with an approved plan of development and operation.

41  
42 **11. PARTICIPATION AFTER DISCOVERY.** Upon completion of a well capable of  
43 producing unitized substances in paying quantities, or as soon thereafter as required by the AO, the  
44 Unit Operator shall submit for approval by the AO, a schedule, based on subdivisions of the public-  
45 land survey or aliquot parts thereof, of all land then regarded as reasonably proved to be productive  
46 of unitized substances in paying quantities. These lands shall constitute a participating area on  
47 approval of the AO, effective as of the date of completion of such well or the effective date of this  
48 unit agreement, whichever is later. The acreages of both Federal and non-Federal lands shall be  
49 based upon appropriate computations from the courses and distances shown on the last approved  
50 public-land survey as of the effective date of each initial participating area. The schedule shall also  
51 set forth the percentage of unitized substances to be allocated, as provided in Section 12, to each  
52 committed tract in the participating area so established, and shall govern the allocation of  
53 production commencing with the effective date of the participating area. A different participating  
54 area shall be established for each separate pool or deposit of unitized substances or for any group  
55 thereof which is produced as a single pool or zone, and any two or more participating areas so  
56 established may be combined into one, on approval of the AO. When production from two or more  
57 participating areas is subsequently found to be from a common pool or deposit, the participating  
58 areas shall be combined into one, effective as of such appropriate date as may be approved or  
59 prescribed by the AO. The participating area or areas so established shall be revised from time to  
60 time, subject to the approval of the AO, to include additional lands then regarded as reasonably  
61 proved to be productive of unitized substances in paying quantities or which are necessary for unit  
62 operations, or to exclude lands then regarded as reasonably proved not to be productive of unitized

substances in paying quantities, and the schedule of allocation percentages shall be revised accordingly. The effective date of any revision shall be the first of the month in which the knowledge or information is obtained on which such revision is predicated; provided, however, that a more appropriate effective date may be used if justified by Unit Operator and approved by the AO. No land shall be excluded from a participating area on account of depletion of its unitized substances, except that any participating area established under the provisions of this unit agreement shall terminate automatically whenever all completions in the formation on which the participating area is based are abandoned.

It is the intent of this section that a participating area shall represent the area known or reasonably proved to be productive of unitized substances in paying quantities or which are necessary for unit operations; but, regardless of any revision of the participating area, nothing herein contained shall be construed as requiring any retroactive adjustment for production obtained prior to the effective date of the revision of the participating area.

In the absence of agreement at any time between the Unit Operator and the AO as to the proper definition or redefinition of a participating area, or until a participating area has, or areas have, been established, the portion of all payments affected thereby shall, except royalty due the United States, be impounded in a manner mutually acceptable to the owners of committed working interests. Royalties due the United States shall be determined by the AO and the amount thereof shall be deposited, as directed by the AO, until a participating area is finally approved and then adjusted in accordance with a determination of the sum due as Federal royalty on the basis of such approved participating area.

Whenever it is determined, subject to the approval of the AO, that a well drilled under this agreement is not capable of production of unitized substances in paying quantities and inclusion in a participating area of the land on which it is situated is unwarranted, production from such well shall, for the purposes of settlement among all parties other than working interest owners, be allocated to the land on which the well is located, unless such land is already within the participating area established for the pool or deposit from which such production is obtained. Settlement for working interest benefits from such a nonpaying unit well shall be made as provided in the unit operating agreement.

**12. ALLOCATION OF PRODUCTION.** All unitized substances produced from a participating area established under this agreement, except any part thereof used in conformity with good operating practices within the unitized area for drilling, operating and other production or development purposes, for repressuring or recycling in accordance with a plan of development and operations that has been approved by the AO, or unavoidably lost, shall be deemed to be produced equally on an acreage basis from the several tracts of unitized land and unleased Federal land, if any, included in the participating area established for such production. Each such tract shall have allocated to it such percentage of said production as the number of acres of such tract included in said participating area bears to the total acres of unitized land and unleased Federal land, if any, included in said participating area. There shall be allocated to the working interest owner(s) of each tract of unitized land in said participating area, in addition, such percentage of the production attributable to the unleased Federal land within the participating area as the number of acres of such unitized tract included in said participating area bears to the total acres of unitized land in said participating area, for the payment of the compensatory royalty specified in Section 17 of this agreement. Allocation of production hereunder for purposes other than for settlement of the royalty, overriding royalty, or payment out of production obligations of the respective working interest owners, including compensatory royalty obligations under Section 17, shall be prescribed as set forth in the unit operating agreement or as otherwise mutually agreed by the affected parties. It is hereby agreed that production of unitized substances from a participating area shall be allocated as provided herein, regardless of whether any wells are drilled on any particular part or tract of the participating area. If any gas produced from one participating area is used for repressuring or recycling purposes in another participating area, the first gas withdrawn from the latter participating area for sale during the life of this agreement, shall be considered to be the gas so transferred, until an amount equal to that transferred shall be so produced for sale and such gas shall be allocated to the participating area from which initially produced as such area was defined at the time that such transferred gas was finally produced and sold.

**13. DEVELOPMENT OR OPERATION OF NON-PARTICIPATING LAND OR FORMATIONS.** Any operator may, with the approval of the AO, at such party's sole risk, cost,

1 and expense, drill a well on the unitized land to test any formation provided the well is outside any  
2 participating area established for that formation, unless within 90 days of receipt of notice from said  
3 party of his intention to drill the well, the Unit Operator elects and commences to drill the well in a  
4 like manner as other wells are drilled by the Unit Operator under this agreement.

5  
6 If any well drilled under this section by a non-unit operator results in production of unitized  
7 substances in paying quantities such that the land upon which it is situated may properly be  
8 included in a participating area, such participating area shall be established or enlarged as provided  
9 in this agreement and the well shall thereafter be operated by the Unit Operator in accordance with  
10 the terms of this agreement and the unit operating agreement.

11  
12 If any well drilled under this section by a non-unit operator obtains production in quantities  
13 insufficient to justify the inclusion of the land upon which such well is situated in a participating  
14 area, such well may be operated and produced by the party drilling the same, subject to the  
15 conservation requirements of this agreement. The royalties in amount or value of production from  
16 any such well shall be paid as specified in the underlying lease and agreements affected.

17  
18 **14. ROYALTY SETTLEMENT.** The United States and any State and any royalty owner  
19 who is entitled to take in kind a share of the substances now unitized hereunder shall hereafter be  
20 entitled to the right to take in kind its share of the unitized substances, and Unit Operator, or the  
21 non-unit operator in the case of the operation of a well by a non-unit operator as herein provided for  
22 in special cases, shall make deliveries of such royalty share taken in kind in conformity with the  
23 applicable contracts, laws, and regulations. Settlement for royalty interest not taken in kind shall be  
24 made by an operator responsible therefor under existing contracts, laws and regulations, or by the  
25 Unit Operator on or before the last day of each month for unitized substances produced during the  
26 preceding calendar month; provided, however, that nothing in this section shall operate to relieve  
27 the responsible parties of any land from their respective lease obligations for the payment of any  
28 royalties due under their leases.

29  
30 If gas obtained from lands not subject to this agreement is introduced into any participating  
31 area hereunder, for use in repressuring, stimulation of production, or increasing ultimate recovery,  
32 in conformity with a plan of development and operation approved by the AO, a like amount of gas,  
33 after settlement as herein provided for any gas transferred from any other participating area and  
34 with appropriate deduction for loss from any cause, may be withdrawn from the formation into  
35 which the gas is introduced, royalty free as to dry gas, but not as to any products which may be  
36 extracted therefrom; provided that such withdrawal shall be at such time as may be provided in the  
37 approved plan of development and operation or as may otherwise be consented to by the AO as  
38 conforming to good petroleum engineering practice; and provided further, that such right of  
39 withdrawal shall terminate on the termination of this unit agreement.

40  
41 Royalty due the United States shall be computed as provided in 30 CFR Group 200 and paid  
42 in value or delivered in kind as to all unitized substances on the basis of the amounts thereof  
43 allocated to unitized Federal land as provided in Section 12 at the rates specified in the respective  
44 Federal leases, or at such other rate or rates as may be authorized by law or regulation and approved  
45 by the AO; provided, that for leases on which the royalty rate depends on the daily average  
46 production per well, said average production shall be determined in accordance with the operating  
47 regulations as though each participating area were a single consolidated lease.

48  
49 **15. RENTAL SETTLEMENT.** Rental or minimum royalties due on leases committed  
50 hereto shall be paid by the appropriate parties under existing contracts, laws, and regulations,  
51 provided that nothing herein contained shall operate to relieve the responsible parties of the land  
52 from their respective obligations for the payment of any rental or minimum royalty due under their  
53 leases. Rental or minimum royalty for lands of the United States subject to this agreement shall be  
54 paid at the rate specified in the respective leases from the United States unless such rental or  
55 minimum royalty is waived, suspended, or reduced by law or by approval of the Secretary or his  
56 duly authorized representative.

57  
58 With respect to any lease on non-Federal land containing provisions which would terminate  
59 such lease unless drilling operations are commenced upon the land covered thereby within the time  
60 therein specified or rentals are paid for the privilege of deferring such drilling operations, the rentals  
61 required thereby shall, notwithstanding any other provision of this agreement, be deemed to accrue  
62 and become payable during the term thereof as extended by this agreement and until the required

drilling operations are commenced upon the land covered thereby, or until some portion of such land is included within a participating area.

**16. CONSERVATION.** Operations hereunder and production of unitized substances shall be conducted to provide for the most economical and efficient recovery of said substances without waste, as defined by or pursuant to State or Federal law or regulation.

**17. DRAINAGE.**

(a) The Unit Operator shall take such measures as the AO deems appropriate and adequate to prevent drainage of unitized substances from unitized land by wells on land not subject to this agreement, which shall include the drilling of protective wells and which may include the payment of a fair and reasonable compensatory royalty, as determined by the AO.

(b) Whenever a participating area approved under Section 11 of this agreement contains unleased Federal lands, the value of 12-1/2 percent of the production that would be allocated to such Federal lands under Section 12 of this agreement, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal Government. Parties to this agreement holding working interests in committed leases within the applicable participating area shall be responsible for such compensatory royalty payment on the volume of production reallocated from the unleased Federal lands to their unitized tracts under Section 12. The value of such production subject to the payment of said royalties shall be determined pursuant to 30 CFR Part 206. Payment of compensatory royalties on the production reallocated from unleased Federal land to the committed tracts within the participating area shall fulfill the Federal royalty obligation for such production, and said production shall be subject to no further Federal royalty assessment under Section 14 of this agreement. Payment of compensatory royalties as provided herein shall accrue from the date the committed tracts in the participating area that includes unleased Federal land receive a production allocation, and shall be due and payable monthly by the last day of the calendar month next following the calendar month of actual production. If leased Federal lands receiving a production allocation from the participating area become unleased, compensatory royalties shall accrue from the date the Federal lands become unleased. Payment due under this provision shall end when the unleased Federal tract is leased or when production of unitized substances ceases within the participating area and the participating area is terminated, whichever occurs first.

**18. LEASES AND CONTRACTS CONFORMED AND EXTENDED.** The terms, conditions, and provisions of all leases, subleases, and other contracts relating to exploration, drilling, development, or operation for oil or gas on lands committed to this agreement are hereby expressly modified and amended to the extent necessary to make the same conform to the provisions hereof, but otherwise to remain in full force and effect; and the parties hereto hereby consent that the Secretary shall and by his approval hereof, or by the approval hereof by his duly authorized representative, does hereby establish, alter, change, or revoke the drilling, producing, rental, minimum royalty, and royalty requirements of Federal leases committed hereto and the regulations in respect thereto to conform said requirements to the provisions of this agreement, and, without limiting the generality of the foregoing, all leases, subleases, and contracts are particularly modified in accordance with the following:

(a) The development and operation of lands subject to this agreement under the terms hereof shall be deemed full performance of all obligations for development and operation with respect to each and every separately owned tract subject to this agreement, regardless of whether there is any development of any particular tract of this unit area.

(b) Drilling and producing operations performed hereunder upon any tract of unitized lands will be accepted and deemed to be performed upon and for the benefit of each and every tract of unitized land, and no lease shall be deemed to expire by reason of failure to drill or produce wells situated on the land therein embraced.

(c) Suspension of drilling or producing operations on all unitized lands pursuant to direction or consent of the AO shall be deemed to constitute such suspension pursuant to such direction or consent as to each and every tract of unitized land. A suspension of drilling or producing operations limited to specified lands shall be applicable only to such lands.



(d) Each lease, sublease or contract relating to the exploration, drilling, development, or operation for oil or gas of lands other than those of the United States committed to this agreement which, by its terms might expire prior to the termination of this agreement, is hereby extended beyond any such term so provided therein so that it shall be continued in full force and effect for and during the term of this agreement.

(e) Any Federal lease committed hereto shall continue in force beyond the term so provided therein or by law as to the land committed so long as such lease remains subject hereto, provided that production of unitized substances in paying quantities is established under this unit agreement prior to the expiration date of the term of such lease, or in the event actual drilling operations are commenced on unitized land, in accordance with provisions of this agreement, prior to the end of the primary term of such lease and are being diligently prosecuted at that time, such lease shall be extended for two years, and so long thereafter as oil or gas is produced in paying quantities in accordance with the provisions of the Mineral Leasing Act, as amended.

(f) Each sublease or contract relating to the operation and development of unitized substances from lands of the United States committed to this agreement, which by its terms would expire prior to the time at which the underlying lease, as extended by the immediately preceding paragraph, will expire, is hereby extended beyond any such term so provided therein so that it shall be continued in full force and effect for and during the term of the underlying lease as such term is herein extended.

(g) The segregation of any Federal lease committed to this agreement is governed by the following provision in the fourth paragraph of Sec. 17(m) of the Mineral Leasing Act, as amended by the Act of September 2, 1960, (74 Stat. 781-784) (30 U.S.C. 226 (m)): "Any (Federal) lease heretofore or hereafter committed to any such (unit) plan embracing lands that are in part within and in part outside of the area covered by any such plan shall be segregated into separate leases as to the lands committed and the lands not committed as of the effective date of unitization: Provided, however, that any such lease as to the non-unitized portion shall continue in force and effect for the term thereof but for not less than two years from the date of such segregation and so long thereafter as oil or gas is produced in paying quantities." If the public interest requirement is not satisfied, the segregation of a lease and/or extension of a lease pursuant to 43 CFR 3107.3-2 and 43 CFR 3107.4, respectively, shall not be effective.

**19. COVENANTS RUN WITH LAND.** The covenants herein shall be construed to be covenants running with the land with respect to the interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer or conveyance of interest in land or leases subject hereto shall be and hereby is conditioned upon the assumption of all privileges and obligations hereunder by the grantee, transferee, or other successor in interest. No assignment or transfer of any working interest royalty, or other interest subject hereto shall be binding upon Unit Operator until the first day of the calendar month after Unit Operator is furnished with the original, photostatic, or certified copy of the instrument of transfer.

**20. EFFECTIVE DATE AND TERM.** This agreement shall become effective upon approval of the AO and shall automatically terminate five (5) years from said effective date unless:

(a) upon application by the Unit Operator such date of expiration is extended by the AO, or

(b) it is reasonably determined prior to the expiration of the fixed term or any extension thereof that the unitized land is incapable of production of unitized substances in paying quantities in the formations tested hereunder, and after notice of intention to terminate this agreement on such ground is given by the Unit Operator to all parties in interest at their last known addresses, this agreement is terminated with approval of the AO, or

(c) a valuable discovery of unitized substances in paying quantities has been made or accepted on unitized land during said initial term or any extension thereof, in which event this agreement shall remain in effect for such term and so long thereafter as unitized substances can be produced in quantities sufficient to pay for the cost of producing same from wells on unitized land within any participating area established hereunder. Should production cease and diligent drilling or reworking operations to restore production or new production are not in progress within 60 days and production is not restored or should new production not be obtained in paying quantities on

committed lands within this unit area, this agreement will automatically terminate effective the last day of the month in which the last unitized production occurred, or

(d) it is voluntarily terminated as provided in this agreement. Except as noted herein this agreement may be terminated at any time prior to the discovery of unitized substances which can be produced in paying quantities by not less than 75 per centum, on an acreage basis, of the working interest owners signatory hereto, with the approval of the AO. The Unit Operator shall give notice of any such approval to all parties hereto. If the public interest requirement is not satisfied, the approval of this unit by the AO shall be invalid.

**21. RATE OF PROSPECTING, DEVELOPMENT, AND PRODUCTION.** The AO is hereby vested with authority to alter or modify from time to time, in his discretion, the quantity and rate of production under this agreement when such quantity and rate are not fixed pursuant to Federal or State law, or do not conform to any Statewide voluntary conservation or allocation program which is established, recognized, and generally adhered to by the majority of operators in such State. The above authority is hereby limited to alteration or modifications which are in the public interest. The public interest to be served and the purpose thereof, must be stated in the order of alteration or modification. Without regard to the foregoing, the AO is also hereby vested with authority to alter or modify from time to time, in his discretion, the rate of prospecting and development and the quantity and rate of production under this agreement when such alteration or modification is in the interest of attaining the conservation objectives stated in this agreement and is not in violation of any applicable Federal or State law.

Powers in this section vested in the AO shall only be exercised after notice to Unit Operator and opportunity for hearing to be held not less than 15 days from notice.

**22. APPEARANCES.** The Unit Operator shall, after notice to other parties affected, have the right to appear for and on behalf of any and all interests affected hereby before the Department of the Interior and to appeal from orders issued under the regulations of said Department, or to apply for relief from any of said regulations, or in any proceedings relative to operations before the Department, or any other legally constituted authority; provided, however, that any other interested party shall also have the right at its own expense to be heard in any such proceeding.

**23. NOTICES.** All notices, demands, or statements required hereunder to be given or rendered to the parties hereto shall be in writing and shall be personally delivered to the party or parties, or sent by postpaid registered or certified mail, to the last known address of the party or parties.

**24. NO WAIVER OF CERTAIN RIGHTS.** Nothing herein contained in this agreement shall be construed as a waiver by any party hereto of the right to assert any legal or constitutional right or defense as to the validity or invalidity of any law of the State where the unitized lands are located, or of the United States, or regulations issued thereunder in any way affecting such party, or as a waiver by any such party of any right beyond his or its authority to waive.

**25. UNAVOIDABLE DELAY.** All obligations under this agreement requiring the Unit Operator to commence or continue drilling, or to operate on, or produce unitized substances from any of the lands covered by this agreement, shall be suspended while the Unit Operator, despite the exercise of due care and diligence, is prevented from complying with such obligations, in whole or in part, by strikes, acts of God, Federal, State, or municipal law or agencies, unavoidable accidents, uncontrollable delays in transportation, inability to obtain necessary materials or equipment in the open market, or other matters beyond the reasonable control of the Unit Operator whether similar to matters herein enumerated or not.

**26. NONDISCRIMINATION.** In connection with the performance of work under this agreement, the Unit Operator agrees to comply with all the provisions of Section 202 (1) to (7) inclusive of Executive Order 11246 (30 F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

**27. LOSS OF TITLE.** In the event title to any tract of unitized land shall fail and the true owner cannot be induced to join in this unit agreement, such tract shall be automatically regarded as not committed hereto, and there shall be such readjustment of future costs and benefits as may be required on account of the loss of such title. In the event of a dispute as to title to any royalty,

1 working interest, or other interest subject thereto, payment or delivery on account thereof may be  
2 withheld without liability for interest until the dispute is finally settled; provided, that, as to Federal  
3 lands or leases, no payments of funds due the United States shall be withheld, but such funds shall  
4 be deposited as directed by the AO, to be held as unearned money pending final settlement of the  
5 title dispute, and then applied as earned or returned in accordance with such final settlement.

6  
7 Unit Operator as such is relieved from any responsibility for any defect or failure of any title  
8 hereunder.

9  
10 **28. NON-JOINDER AND SUBSEQUENT JOINDER.** If the owner of any substantial  
11 interest in a tract within the unit area fails or refuses to subscribe or consent to this agreement, the  
12 owner of the working interest in that tract may withdraw the tract from this agreement by written  
13 notice delivered to the proper Bureau of Land Management office and the Unit Operator prior to the  
14 approval of this agreement by the AO. Any oil or gas interests in lands within the unit area not  
15 committed hereto prior to final approval may thereafter be committed hereto by the owner or  
16 owners thereof subscribing or consenting to this agreement, and, if the interest is a working interest,  
17 by the owner of such interest also subscribing to the unit operating agreement. After operations are  
18 commenced hereunder, the right of subsequent joinder, as provided in this section, by a working  
19 interest owner is subject to such requirements or approval(s), if any, pertaining to such joinder, as  
20 may be provided for in the unit operating agreement. After final approval hereof, joinder by a non-  
21 working interest owner must be consented to in writing by the working interest owner committed  
22 hereto and responsible for the payment of any benefits that may accrue hereunder in behalf of such  
23 non-working interest. A non-working interest may not be committed to this unit agreement unless  
24 the corresponding working interest is committed hereto. Joinder to the unit agreement by a working  
25 interest owner, at any time, must be accompanied by appropriate joinder to the unit operating  
26 agreement, in order for the interest to be regarded as committed to this agreement. Except as may  
27 otherwise herein be provided, subsequent joinders to this agreement shall be effective as of the date  
28 of the filing with the AO of duly executed counterparts of all or any papers necessary to establish  
29 effective commitment of any interest and/or tract to this agreement.

30  
31 **29. COUNTERPARTS.** This agreement may be executed in any number of counterparts,  
32 no one of which needs to be executed by all parties, or may be ratified or consented to by separate  
33 instrument in writing specifically referring hereto and shall be binding upon all those parties who  
34 have executed such a counterpart, ratification, or consent hereto with the same force and effect as if  
35 all such parties had signed the same document, and regardless of whether or not it is executed by all  
36 other parties owning or claiming an interest in the lands within the above-described unit area.

37  
38 **30. SPECIAL SURFACE STIPULATIONS.** Nothing in this agreement shall modify the  
39 special Federal lease stipulations attached to the individual Federal oil and gas leases.

40  
41 **31. SURRENDER.** Nothing in this Agreement shall prohibit the exercise by any working  
42 interest owner of the right to surrender vested in such party by any lease, sublease, or operating  
43 agreement as to all or any part of the lands covered thereby, provided that each party who will or  
44 might acquire such working interest by such surrender or by forfeiture as hereafter set forth, is  
45 bound by the terms of this Agreement.

46  
47 If as a result of any surrender, the working interest rights as to such lands become vested in  
48 any party other than the fee owner of the Unitized Substances, said party may forfeit such rights and  
49 further benefits from operations hereunder as to said land to the party next in the chain of title who  
50 shall be and become the owner of such working interest.

51  
52 If as the result of any such surrender of forfeiture working interest rights become vested in  
53 the fee owner of the Unitized Substances, such owner may:

54  
55 (a) Accept those working interest rights subject to this Agreement and the Unit  
56 Operating Agreement; or

57  
58 (b) Lease the portion of such land as is included in a participating area established  
59 hereunder subject to this Agreement and the Unit Operating Agreement; or

60  
61 (c) Provide for the independent operation of any part of such land that is not then  
62 included within a participating area established hereunder.

1  
2 If the fee owner of the Unitized Substances does not accept the working interest rights  
3 subject to this Agreement and the Unit Operating Agreement or lease such lands as above provided  
4 within 6 months after the surrendered or forfeited, working interest rights become vested in the fee  
5 owner; the benefits and obligations of operations accruing to such lands under this Agreement be  
6 shared by the remaining owners of the unitized working interests in accordance with their respective  
7 working interest ownerships, and such owners of working interests shall compensate the fee owner  
8 of Unitized Substances in such lands by paying sums equal to the rentals, minimum royalties, and  
9 royalties applicable to such lands under the lease in effect when the lands were unitized.

10  
11 An appropriate accounting and settlement shall be made for all benefits accruing to or  
12 payments and expenditures made or incurred on behalf of such surrendered or forfeited working  
13 interests subsequent to the date of surrender of forfeiture, and payment of any moneys found to be  
14 owing by such an accounting shall be made as between the parties within 30 days.

15  
16 The exercise of any right vested in a working interest owner to reassign such working  
17 interest to the party from whom obtained shall be subject to the same conditions as set forth in this  
18 section in regard to the exercise of a right to surrender.

19  
20 **32. TAXES.** The working interest owners shall render and pay for their account and the  
21 account of the royalty owners all valid taxes on or measured by the Unitized Substances in and  
22 under or that may be produced, gathered and sold from the land covered by this Agreement after its  
23 effective date, or upon the proceeds derived therefrom. The working interest owners on each tract  
24 shall and may charge the proper proportion of said taxes to royalty owners having interests in said  
25 tract, and may currently retain and deduct a sufficient amount of the Unitized Substances or  
26 derivative products, or net proceeds thereof, from the allocated share of each royalty owner to  
27 secure reimbursement for the taxes so paid. No such taxes shall be charged to the United States or  
28 the State of New Mexico or to any lessor who has a contract with his lessee which requires the  
29 lessee to pay such taxes.

30  
31 **33. NO PARTNERSHIP.** It is expressly agreed that the relation of the parties hereto is that  
32 of independent contractors and nothing contained in this Agreement, expressed or implied, nor any  
33 operations conducted hereunder, shall create or be deemed to have created a partnership or  
34 association between the parties hereto or any of them.

35 **IN WITNESS WHEREOF**, the parties hereto have caused this agreement to be executed  
36 and have set opposite their respective names the date of execution.

37  
38 **UNIT OPERATOR AND WORKING INTEREST OWNER**

39  
40  
41 **SAN JUAN RESOURCES, INC.**

42  
43  
44  
45 By \_\_\_\_\_

46  
47  
48 Address: 1499 Blake Street Date of Execution  
49 Suite 10C  
50 Denver, Colorado 80202 \_\_\_\_\_

51  
52  
53 STATE OF \_\_\_\_\_)  
54 ) ss.  
55 COUNTY OF \_\_\_\_\_)

56  
57 The foregoing instrument was acknowledged before me by \_\_\_\_\_  
58  
59 \_\_\_\_\_ as \_\_\_\_\_  
60  
61 of \_\_\_\_\_.  
62

1            This \_\_\_\_\_ day of \_\_\_\_\_, 2021.

2

3 WITNESS my hand and official seal.

4

5 My Commission Expires:

6

7 \_\_\_\_\_

8

Notary Public

9

10

11

12

13

14

15

16

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18

19

20

21 UNIT OPERATOR SIGNATURE PAGE FOR THE

22 LINDRITH EAST (DEEP) UNIT AGREEMENT

23 RIO ARRIBA COUNTY, NEW MEXICO

24



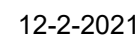


EXHIBIT "B"SCHEDULE SHOWING THE PERCENTAGE AND KIND OF OWNERSHIP OF OIL AND GAS INTERESTSLINDRITH EAST (DEEP) UNIT AREARIO ARriba COUNTY, NEW MEXICO

Ownership reflected herein covers those formations below the stratigraphic equivalent of the top of the Mancos Formation at a depth of 5,820 feet as encountered in the Amoco Federal Oso #1 well located in the NW/4 Section 24 Township 24 North, Range 2 West, N.M.P.M., Rio Arriba County, New Mexico (API # 3003926672).

TRACT NO	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER & EXP. DATE OF LEASE	BASIC ROYALTY & PERCENTAGE	LESSEE OF RECORD & PERCENTAGE	OVERRIDING ROYALTY & PERCENTAGE	WORKING INTEREST & PERCENTAGE
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FEDERAL LANDS

1	T24N-R2W, N.M.P.M. Sec. 27: NW/4SW/4, W/2NW/4	120.00	NMNM 02599 Effective 8-1-48 HBP	U.S.A. - All (12.5% royalty)	Robert L. Bayless High River Resources, LLC TOTAL	50.0000% 50.0000% 100.0000%	Classical Gas & Oil, LLC Merrion Oil & Gas Corp Samuel Ray Carnes Patricia Peppler J.R. Murray Charles L. Parcell Duncan Shepherd Gypsum Springs LLC TOTAL	1.5000% 1.2500% 1.0000% 1.0000% 1.0000% 1.0000% 0.3750% 0.3750% 7.5000%	<b>Below the top of the Mancos Formation to the base of the Dakota Formation</b> San Juan Basin Properties LLC DJR Nominee Corp Robert L. Bayless, Producer LLC Rio Arriba Holdings LLC* TOTAL  <b>All Depths below the base of the Dakota Formation</b> Robert L. Bayless, Producer LLC San Juan Basin Properties LLC Rio Arriba Holdings LLC* TOTAL	47.5000% 43.7500% 6.2500% 2.5000% 100.0000%  50.0000% 47.5000% 2.5000% 100.0000%
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\*A Transfer of Operating Rights from San Juan Basin Properties LLC to Rio Arriba Holdings LLC for a 2.50% of 8/8 Operating Rights interest has been completed and submitted to the BLM but has not yet been approved.

2	T24N-R2W, N.M.P.M. Sec. 13: SW/4 Sec. 22: NE/4 Sec. 23: E/2SW/4 Sec. 26: NW/4NE/4, S/2NE/4, SW/4 Sec. 27: E/2E/2 Sec. 35: NW/4	1,000.00	NMNM 03992 Effective 4-1-48 HBP	U.S.A. - All (12.5% royalty)	Robert L. Bayless Producer, LLC High River Resources, LLC TOTAL	50.0000% 50.0000% 100.0000%	Eugene C. Connor James H. Gardner Gardner Petroleum Willie S. Gardner Charles R. Gilmore Milton Oil Corp John R Cartmill Gerald Klein Joe B. Houston Annie Mary White H.E. & Goldie Milliken, JT Dr. William Kenneth Newill Janet Lovejoy Virginia Allyn Lovejoy Mesa Grande Resources, Inc. Penroc Oil & Gas Corporation Margaret Hunt Hill-Albert G. Hill III Trust Margaret Hunt Hill-Elisa Margaret Hill Trust Margaret Hunt Hill-Heather Victoria Hill Trust Margaret Hunt Hill-Michael Bush Wisenbaker Trust Margaret Hunt Hill-Wesley Hill Wisenbaker Trust Margaret Hunt Hill-Margretta Hill Wilkert Trust Margaret Hunt Hill-Cody McArthur Wilkert Trust TOTAL	0.62772% 0.12681% 0.30437% 0.22826% 0.07609% 0.37408% 0.17500% 0.01141% 0.01141% 0.45399% 0.03804% 0.03804% 0.07609% 0.07609% 0.00761% 2.43750% 0.34821% 0.34821% 0.34821% 0.34821% 0.34821% 0.34821% 0.34821% 7.5000%	<b>All lands except Sec. 13: SW/4 Below the top of the Mancos Formation to the base of the Dakota Formation</b> San Juan Basin Properties LLC DJR Nominee Corp. Robert L. Bayless Producer LLC Rio Arriba Holdings LLC* TOTAL  <b>All lands except Sec. 13: SW/4 All Depths below the base of the Dakota Formation</b> Robert L. Bayless Producer LLC DJR Nominee Corp. TOTAL  <b>Sec. 13: SW/4</b> DJR Nominee Corp.	47.5000% 43.7500% 6.2500% 2.5000% 100.0000%  50.0000% 50.0000% 100.0000%  100.0000%
							<b>All lands except Sec. 13: SW/4</b> Merrion Oil & Gas Corp Classical Oil & Gas LLC Duncan Shepherd Gypsum Springs LLC TOTAL	0.50000% 0.50000% 0.25000% 0.25000% 1.5000%		

\*A Transfer of Operating Rights from San Juan Basin Properties LLC to Rio Arriba Holdings LLC for a 2.50% of 8/8 Operating Rights interest has been completed and submitted to the BLM but has not yet been approved.

EXHIBIT "B"SCHEDULE SHOWING THE PERCENTAGE AND KIND OF OWNERSHIP OF OIL AND GAS INTERESTSLINDRITH EAST (DEEP) UNIT AREARIO ARRIBA COUNTY, NEW MEXICO

Ownership reflected herein covers those formations below the stratigraphic equivalent of the top of the Mancos Formation at a depth of 5,820 feet as encountered in the Amoco Federal Oso #1 well located in the NW/4 Section 24 Township 24 North, Range 2 West, N.M.P.M., Rio Arriba County, New Mexico (API # 3003926672).

TRACT NO	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER & EXP. DATE OF LEASE	BASIC ROYALTY & PERCENTAGE	LESSEE OF RECORD & PERCENTAGE	OVERRIDING ROYALTY & PERCENTAGE			WORKING INTEREST & PERCENTAGE						
3	T24N-R2W, N.M.P.M. Sec. 34: NE/4NE/4	40.00	NMNM 40641 Effective 7-1-80 HBP	U.S.A. - All (Sliding Scale Royalty)	Lindenmuth & Assoc.	50.0000%	None	Lindenmuth & Assoc.	50.0000%						
					Black Stone Energy Co. LLC	47.1500%		Black Stone Energy Co. LLC	47.1500%						
					O'Connel Holdings LLC	2.8500%		O'Connel Holdings LLC	2.8500%						
					TOTAL	100.0000%		TOTAL	100.0000%						
4	T24N-R2W, N.M.P.M. Sec. 34: N/2SE/4, SW/4SE/4 Below Bs of PC	120.00	NMNM 070362 Effective 8-1-60 HBP	U.S.A. - All (12.5% royalty)	Charles B. Gonsales	100.0000%	None	Charles B. Gonsales	100.0000%						
5	T24N-R2W, N.M.P.M. Sec. 33: SW/4	160.00	NMNM 052661A Effective 7-1-59 HBP	U.S.A. - All (12.5% royalty)	Trans Delta Oil & Gas Co., Inc.	100.0000%	Peggy P. Jennings and Howard W. Jennings, husband and wife	Peggy P. Jennings	100.0000%						
6	T24N-R2W, N.M.P.M. Sec. 25: S/2NW/4 Sec. 33: SE/4 Sec. 34: SW/4	400.00	NMSF 079429 Effective 8-1-48 HBP	U.S.A. - All (12.5% royalty)	Margaret Hill Marital Trust	50.0000%	Sec. 25: S/2NW/4	Margaret Hill Marital Trust	50.0000%						
					Albert G. Hill III Trust	7.1429%		Charles L. Parcell	2.5000%	Albert G. Hill III Trust	7.1429%				
					Cody McArthur Trust	7.1429%		Patricia Peppler	2.5000%	Cody McArthur Trust	7.1429%				
					Elisa Margaret Hill Trust	7.1429%		TOTAL	5.0000%	Elisa Margaret Hill Trust	7.1429%				
					Heather Victoria Hill Trust	7.1429%	Sec. 33: SE/4 Sec. 34: SW/4	Heather Victoria Hill Trust	7.1429%						
					Michael Hill Wisenbaker Trust	7.1429%		Michael Hill Wisenbaker Trust	7.1429%						
					Wesley Hill Wisenbaker Trust	7.1429%		Wesley Hill Wisenbaker Trust	7.1429%						
					Margretta Hill Wikert Trust	7.1429%		Charles L. Parcell	2.5000%	Margretta Hill Wikert Trust	7.1429%				
								Patricia Peppler	2.5000%						
					TOTAL	100.0000%	TOTAL	5.0000%	TOTAL	100.0000%					
					7	T24N-R2W, N.M.P.M. Sec. 13: E/2 Sec. 25: S/2, NE/4 Sec. 34: SE/4SE/4 Sec. 35: S/2SW/4, SE/4	1,080.00	NMSF 080500 Effective 1-1-52 HBP	U.S.A. - All (12.5% royalty)	Enduring Resources IV LLC	100.0000%	Martin A.Pierce	1.0000%	Sec. 25: SW/4, NE/4, SE/4 Below the top of the Mancos Formation to the base of the Mancos Formation	50.0000% 50.0000% 100.0000%
												ELJ Oil and Gas Company, LLC	0.2500%		
												JCD Oil and Gas Company, LLC	0.2500%		
												T.E. Duff Trust	0.5000%		
												Sal Lee Oz Anderson	0.0334%		
												Pritchett Living Trust Dated 5/3/2001	0.0333%		
Anderson Living Trust	0.0333%														
TOTAL	2.1000%	Sec. 25: SW/4, NE/4, SE/4 All Depths below the top of the Dakota Formation	100.0000%												
				Dugan Production Corp.											



EXHIBIT "B"SCHEDULE SHOWING THE PERCENTAGE AND KIND OF OWNERSHIP OF OIL AND GAS INTERESTSLINDRITH EAST (DEEP) UNIT AREARIO ARRIBA COUNTY, NEW MEXICO

Ownership reflected herein covers those formations below the stratigraphic equivalent of the top of the Mancos Formation at a depth of 5,820 feet as encountered in the Amoco Federal Oso #1 well located in the NW/4 Section 24 Township 24 North, Range 2 West, N.M.P.M., Rio Arriba County, New Mexico (API # 3003926672).

TRACT NO	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER & EXP. DATE OF LEASE	BASIC ROYALTY & PERCENTAGE	LESSEE OF RECORD & PERCENTAGE	OVERRIDING ROYALTY & PERCENTAGE	WORKING INTEREST & PERCENTAGE
8	T24N-R2W, N.M.P.M.  <div>Sec. 36: N/2NW/4, SW/4NW/4, S/2</div>	440.00	NMNM 0101694  Effective 8-1-60 HBP	U.S.A. - All (12.5% royalty)	Wells Fargo Bank, N.A. F/K/A Norwest Bank of Grand Junction, Trustee, F/K/A Intrawest Bank of Grand Junction, Trustee F/K/A U.S. Bank of Grand Junction, Trustee of the Intermountain Enterprises Revocable Trust  C.E. Poister 25.0000% Estate of Charle Holmes 25.0000% LeRoy Bacon 25.0000% Silmon Smith, dec (Will para. 3) 12.5000% Silmon Smith, dec (Will para. 2) 6.2333% Laird K. Smith 2.2000% Lina May Biggs 2.2000% Laird Smith Jr. 0.4000% C.A. Biggs, III 0.3667% Clyde MacLain Biggs 0.3667% Kay Margaret Miller 0.3667% Silmon Biggs 0.3667% TOTAL 100.0000%	Charles A. Shear 6.2500%  C.E. Poister 0.3125% Leroy Bacon Marital Trust 0.3125% Estate of Lina May Biggs 0.1094% Laird K. Smith Sr. 0.1094% C.A. Biggs III 0.0188% Clyde M. Biggs 0.0188% Kay M. Miller 0.0188% Laird K. Smith, Jr. 0.0188% Silmon Biggs MD 0.0188% Berndt C. Homes, Trustee 0.0174% Berndt C. Homes 0.0521% Hendrik S. Holmes 0.0521% Joshua Holmes 0.0521% Eric Switzer 0.0261% Rebecca Switzer 0.0261% Darrah Stephen 0.0174% Frank Dunn Jr. 0.0174% Kyle Rudderow 0.0174% Preston Rudderow 0.0174% Robin Rudderow 1994 Revoc. Living Trust 0.0174% TOTAL 7.5000%	Shear, Inc. 100.0000%
9	T24N-R2W, N.M.P.M. Sec. 12: E/2, E/2W/2	480.00	NMNM 128371 Effective 7-1-2012 Expires 6-30-2022	U.S.A. - All (12.5% royalty)	R&R Royalty Ltd 100.0000%	None	R&R Royalty Ltd 100.0000%
10	T24N-R2W, N.M.P.M. Sec. 14: N/2, SE/4	480.00	NMNM 128372 Effective 7-1-2012 Expires 6-30-2022	U.S.A. - All (12.5% royalty)	DJR Nominee Corp 50.0000% San Juan Basin Properties LLC 50.0000% TOTAL 100.0000%	Merrion Oil & Gas Corp 3.2500% Classical Gas & Oil LLC 3.2500% Duncan Shepherd 0.5000% Gypsum Springs LLC 0.5000% TOTAL 7.5000%	DJR Nominee Corp 50.0000% San Juan Basin Properties LLC 47.5000% Rio Arriba Holdings LLC* 2.5000% TOTAL 100.0000%
*A Transfer of Operating Rights from San Juan Basin Properties LLC to Rio Arriba Holdings LLC for a 2.50% of 8/8 Operating Rights interest has been completed and submitted to the BLM but has not yet been approved.							
11	T24N-R2W, N.M.P.M. Sec. 23: N/2, SE/4	480.00	NMNM 128373 Effective 7-1-2012 Expires 6-30-2022	U.S.A. - All (12.5% royalty)	San Juan Basin Properties LLC 100.0000%	Classical Gas & Oil LLC 6.5000% Petroleum Resource Management Corp. 1.0000% Gypsum Springs LLC 1.0000% TOTAL 8.5000%	San Juan Basin Properties LLC 95.0000% Rio Arriba Holdings LLC 5.0000% TOTAL 100.0000%

EXHIBIT "B"SCHEDULE SHOWING THE PERCENTAGE AND KIND OF OWNERSHIP OF OIL AND GAS INTERESTSLINDRITH EAST (DEEP) UNIT AREARIO ARriba COUNTY, NEW MEXICO

Ownership reflected herein covers those formations below the stratigraphic equivalent of the top of the Mancos Formation at a depth of 5,820 feet as encountered in the Amoco Federal Oso #1 well located in the NW/4 Section 24 Township 24 North, Range 2 West, N.M.P.M., Rio Arriba County, New Mexico (API # 3003926672).

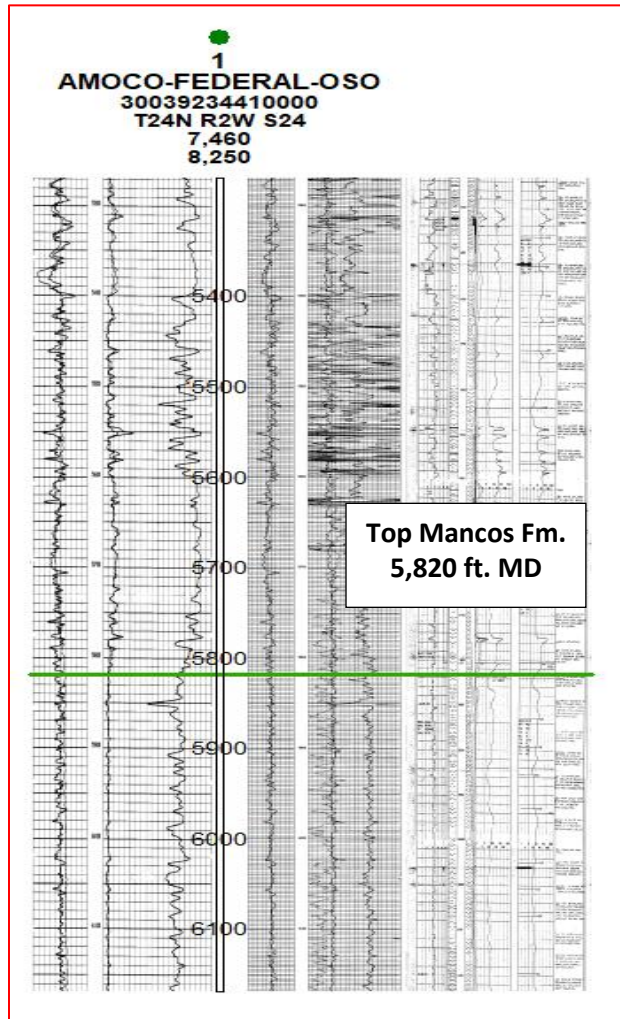
TRACT NO	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER & EXP. DATE OF LEASE	BASIC ROYALTY & PERCENTAGE	LESSEE OF RECORD & PERCENTAGE	OVERRIDING ROYALTY & PERCENTAGE	WORKING INTEREST & PERCENTAGE
12	T24N-R2W, N.M.P.M. Sec. 24: S/2 Sec. 25: N/2NW/4 Sec. 26: NE/4NE/4	440.00	NMNM 128374 Effective 7-1-2012 Expires 6-30-2022	U.S.A. - All (12.5% royalty)	San Juan Basin Properties LLC	100.0000% Classical Gas & Oil LLC Petroleum Resource Management Corp. Gypsum Springs LLC TOTAL	6.5000% 1.0000% 1.0000% 8.5000%  <b>Sec. 24: S/2</b> Texakoma Exploration & Production LLC 85.0000% San Juan Basin Properties LLC 14.2500% Rio Arriba Holdings LLC 0.7500% TOTAL 100.0000%  <b>Sec. 25: N2NW</b> <b>Sec. 26: NE/4NE/4</b> San Juan Basin Properties LLC 95.0000% Rio Arriba Holdings LLC 5.0000% TOTAL 100.0000%
13	T24N-R2W, N.M.P.M. Sec. 26: NW/4	160.00	NMNM 128375 Effective 7-1-2012 Expires 6-30-2022	U.S.A. - All (12.5% royalty)	San Juan Basin Properties LLC	100.0000% Classical Gas & Oil LLC Petroleum Resource Management Corp. Gypsum Springs LLC TOTAL	6.5000% 1.0000% 1.0000% 8.5000%  San Juan Basin Properties LLC 95.0000% Rio Arriba Holdings LLC 5.0000% TOTAL 100.0000%
14	T24N-R2W, N.M.P.M. Sec. 36: NE/4	160.00	NMNM 128376 Effective 7-1-2012 Expires 6-30-2022	U.S.A. - All (12.5% royalty)	R&R Royalty Ltd	100.0000% None	R&R Royalty Ltd 100.0000%
15	T24N-R2W, N.M.P.M. Sec. 10: NE/4, E/2SE/4	240.00	NMNM 128837 Effective 11-1-12 Expires 10-31-22	U.S.A. - All (12.5% royalty)	San Juan Basin Properties LLC	100.0000% Classical Gas & Oil LLC Petroleum Resource Management Corp. Gypsum Springs LLC TOTAL	6.5000% 1.0000% 1.0000% 8.5000%  San Juan Basin Properties LLC 100.0000%
16	T24N-R2W, N.M.P.M. Sec. 13: NW/4	160.00	NMNM 140320*	U.S.A. - All (12.5% royalty) Pending	Federal Abstract Co.	100.0000%	Federal Abstract Co. 100.0000%
*This lease was purchased by Federal Abstract on behalf of San Juan Basin Properties LLC but has not yet been issued by the BLM. Upon issuance of the lease, Rio Arriba Holding LLC will be conveyed a 5.00% of 8/8 Operating Rights interest therein. Also, the following ORRIs will be conveyed and burden the lease: Classical Gas & Oil, LLC - 5.5%, Duncan Shepherd - 1% and Gypsum Springs LLC - 1%							
17	T24N-R2W, N.M.P.M. Sec. 11: W/2, W/2E/2 Sec. 15: N/2NE/4 Sec. 15: S/2SE/4 Sec. 22: SE/4 Sec. 23: W/2SW/4 Sec. 24: N/2 Sec. 26: SE/4 Sec. 35: NE/4, N/2SW/4 Sec. 36: SE/4NW/4	1,640.00	Unleased	U.S.A. - All (12.5% royalty)	Unleased	100.0000% None	0.0000% Unleased 100.0000%
17 FEDERAL TRACTS TOTALING 7,600.00 ACRES OR 86.36% OF UNIT AREA							

EXHIBIT "B"SCHEDULE SHOWING THE PERCENTAGE AND KIND OF OWNERSHIP OF OIL AND GAS INTERESTSLINDRITH EAST (DEEP) UNIT AREARIO ARriba COUNTY, NEW MEXICO

Ownership reflected herein covers those formations below the stratigraphic equivalent of the top of the Mancos Formation at a depth of 5,820 feet as encountered in the Amoco Federal Oso #1 well located in the NW/4 Section 24 Township 24 North, Range 2 West, N.M.P.M., Rio Arriba County, New Mexico (API # 3003926672).

TRACT NO	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER & EXP. DATE OF LEASE	BASIC ROYALTY & PERCENTAGE	LESSEE OF RECORD & PERCENTAGE	OVERRIDING ROYALTY & PERCENTAGE	WORKING INTEREST & PERCENTAGE				
PATENTED LANDS											
18	T24N-R2W, N.M.P.M. Sec. 11: E/2E/2 Sec. 12: W/2W/2	320.00	Unleased	Woodfill Ranch, Inc. Lowell D. Stevenson Steve L. Stevenson Winifred L. Stevenson TOTAL	80.0000% 6.6600% 6.6700% 6.6700% 100.0000%	Unleased Unleased Unleased Unleased TOTAL	80.0000% 6.6600% 6.6700% 6.6700% 100.0000%	None	Woodfill Ranch, Inc. Lowell D. Stevenson Steve L. Stevenson Winifred L. Stevenson TOTAL	80.0000% 6.6600% 6.6700% 6.6700% 100.0000%	
19	T24N-R2W, N.M.P.M. Sec. 14: SW/4 Sec. 15: N/2SE/4	240.00	Eff 7-17-17 / Exp 7-16-22 Eff 3-3-12 / Exp 3-2-22 Eff 3-3-12 / Exp 3-2-22  Unleased Unleased	McKay Oil & Gas, LLC James R. Payne & Jean Payne Kenneth Robert Schmidt  Atko Partners, Ltd William W. & Julianne D. Bramlett TOTAL	50.0000% 25.0000% 12.5000%  11.2500% 1.2500% 100.0000%	San Juan Basin Properties LLC   Unleased Unleased TOTAL	87.5000%   11.2500% 1.2500% 98.7500%	Classical Gas & Oil LLC Petroleum Resource Management Corp. Gypsum Springs LLC Duncan Shepherd TOTAL	2.4791% 0.2813% 0.6563% 0.3750% 3.7917%	San Juan Basin Properties LLC Rio Arriba Holdings  Atko Partners, Ltd William W. & Julianne D. Bramlett TOTAL	83.1250% 4.3750%  11.2500% 1.2500% 98.7500%
20	T24N-R2W, N.M.P.M. Sec. 27: E/2NW/4	80.00	Effective 1-21-47 HBP	John F. Brown	100.0000%	San Juan Basin Properties LLC Rio Arriba Holdings LLC Robert L. Bayless Oil Producer LLC TOTAL	47.6563% 2.3438% 50.0000% 100.0000%	Merrion Oil & Gas Corp Classical Gas & Oil LLC Duncan Shepherd Gypsum Springs LLC TOTAL	3.0469% 0.4688% 0.2344% 0.2344% 3.9844%	San Juan Basin Properties LLC Rio Arriba Holdings LLC Robert L. Bayless Oil Producer LLC TOTAL	47.6563% 2.3438% 50.0000% 100.0000%
20A	T24N-R2W, N.M.P.M. Sec. 27: E/2SW/4, W/2E/2	240.00	Effective 1-21-47 HBP	John F. Brown	100.0000%	Hilcorp	100.0000%	None		Hilcorp	100.0000%
21	T24N-R2W, N.M.P.M. Sec. 27: SW/4SW/4 Sec. 34: NW/4, W/2NE/4, SE/4NE/4	320.00	Eff 8-2-17 / Exp 8-1-25  Eff 8-2-17 / Exp 8-1-25  Eff 8-2-17 / Exp 8-1-25	Julia Elizabeth Brown Merson Trust, Robert W. Merson, Trustee Larry Shoofa Brown, Robert W. Merson, Trustee Marie Ann Dickinson, Robert W. Merson, Trustee TOTAL	33.3333%  33.3333%  33.3333%  100.0000%	San Juan Basin Properties LLC	100.0000%	Classical Gas & Oil LLC Gypsum Springs LLC Duncan Shepherd TOTAL	6.5000% 1.0000% 1.0000% 8.5000%	San Juan Basin Properties LLC Rio Arriba Holdings TOTAL	95.0000% 5.0000% 100.0000%
4 PATENTED TRACTS TOTALING 1,200.00 ACRES OR 13.64% OF UNIT AREA											
21 TRACTS TOTALING 8,800.00 ACRES IN UNIT AREA											

EXHIBIT C  
LINDRITH EAST (DEEP) UNIT AREA  
RIO ARriba COUNTY, NEW MEXICO





# United States Department of the Interior

BUREAU OF LAND MANAGEMENT  
Wyoming State Office Reservoir Management Group  
2987 Prospector Drive  
Casper, WY 82604-2968



In Reply Refer To:

3181

(3181.1)

Lindrith East (Deep) Unit

NMNM143630X

SEP 21 2021

San Juan Resources, Inc.  
Attn: Jerome McHugh  
1499 Blake Street, Suite 10C  
Denver, CO 80202

Gentlemen:

Your application of September 10, 2021, filed with the Chief, Reservoir Management Group requests the designation of 8,800.00 acres, more or less, in Rio Arriba County, New Mexico, as logically subject to exploration and development under unitization provisions of the Mineral Leasing Act, as amended.

Pursuant to unit plan regulations 43 CFR 3180, the land requested, as outlined on your plat marked "Exhibit 'A', Lindrith East (Deep) Unit", is hereby designated as a logical unit area. The unit agreement submitted for the area designation should provide for the drilling of the following test well:

**Name:** Lindrith East (Deep) Unit 24 # 114 H

**Surface Location:** NW¼SW¼, Sec. 24, T. 24 N., R. 2 W., NM. P.M.

**Formation and Depth:** Horizontal lateral drilled to test the Mancos Formation with a lateral of at least 2,600 feet (the top of the Mancos Formation occurs at approximately 5,820 feet measured depth as indicated on the gamma ray and resistivity logs in the Amoco Federal Oso 1 (API No. 3003926672) well, located in the NE¼SW¼NW¼ of Section 24, T. 24 N., R. 2 W., NM. PM.) has tested said target.

The use of the Form of Agreement for Unproven Areas (43 CFR 3186.1, as revised April 1994), modified as shown in your application, will be accepted. If conditions are such that further modification of said standard form is deemed necessary, two copies of the proposed modifications with appropriate justification must be submitted for preliminary approval.

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit A2

Submitted by: San Juan Resources, Inc.

Hearing Date: January 6, 2022

Case No. 22399

INTERIOR REGION 7 • UPPER COLORADO BASIN

COLORADO, NEW MEXICO, UTAH, WYOMING



In the absence of any other type of land requiring special provisions or of any objections not now apparent, a duly executed agreement identical with said form, modified as outlined above, will be approved if submitted in approvable status within a reasonable period of time. However, notice is hereby given that the right is reserved to deny approval of any executed agreement submitted which, in our opinion, does not have the full commitment of sufficient lands to afford effective control of operations in the unit area.

If a well is commenced and penetrates the geologic formation specified in Section 9 of the unit agreement prior to final unit approval, it cannot be considered as the unit obligation well. In such event the unit obligation well still must be drilled. If you elect to initiate drilling of the obligation well prior to final unit approval, please be advised that the agreement must be filed in time to permit it to be processed in the normal sequence of events without priority consideration because of a well drilling in the unit area.

To help prevent delay in the commencement of drilling the obligation well or subsequent wells, please review all Federal leases within the unit area as to restrictive stipulations which protect wildlife and other resources. Also, contact the Farmington Field Office for any additional Conditions of Approval that may be incorporated in the approval of the Application for Permit to Drill (APD) that may delay commencement of the unit wells.

To ensure the timely handling of units submitted for final approval, proponent must show 100 percent commitment of all lessees of record, basic royalty owners, and working interest owners, or evidence that every such owner of interest in the unit has been given an opportunity to join the unit agreement. If any owner fails or refuses to join, evidence of reasonable effort to obtain a joinder should be submitted, together with a copy of each refusal by an operator giving the reasons for nonjoinder. If a refusal letter cannot be obtained, unit proponent should provide, in writing, a record of the attempts made to obtain joinder.

When the executed agreement is transmitted to the Chief, Reservoir Management Group for approval, include the latest status of all acreage. In preparation of Exhibits "A" and "B", follow closely the format of the sample exhibits attached to the aforementioned form.

For land questions, please contact Sandy Blackburn, Land Law Examiner, at (307) 261-7632, for all other questions please contact Karl Osvald, Geologist, at (307) 261-7729.

Sincerely,



J. David Chase  
Chief, Reservoir Management Group

cc: NMSO, Sheila Mallory w/ application  
ONRR-RRM (email: leases.blm@onrr.gov)  
New Mexico State Land Office, Scott Dawson  
New Mexico Oil Conservation Division, Leonard Lowe

UnitSource, Inc.  
c/o Tim Woodroof  
2580 Pierson Street  
Lakewood CO 80215

DISTRICT I  
1625 N. French Dr., Hobbs, N.M. 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720

DISTRICT II  
811 S. First St., Artesia, N.M. 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720

DISTRICT III  
1000 Rio Brazos Rd., Aztec, N.M. 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number	<sup>2</sup> Pool Code	<sup>3</sup> Pool Name
<sup>4</sup> Property Code	<sup>5</sup> Property Name LINDRITH EAST (DEEP) UNIT 24	<sup>6</sup> Well Number 1H
<sup>7</sup> OGRID No.	<sup>8</sup> Operator Name SAN JUAN RESOURCES, INC	<sup>9</sup> Elevation 7349

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	24	24-N	2-W		2191	SOUTH	783	WEST	RIO ARRIBA

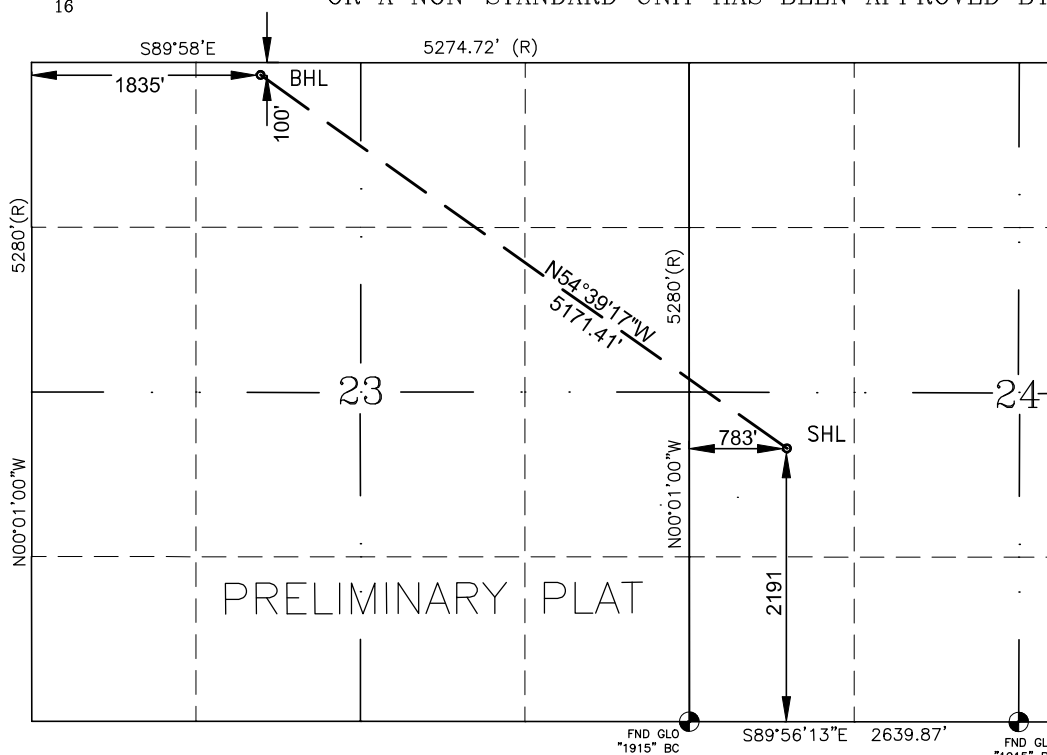
<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	23	24-N	2-W		100	NORTH	1835	WEST	RIO ARRIBA

<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16



PRELIMINARY PLAT

BOTTOM HOLE (SHL)

100' FNL, 1835' FWL SEC. 23  
LAT: 36.303191° N  
LONG: 107.021935° W NAD83

SURFACE (SHL)

2191' FSL, 783' FWL SEC. 24  
LAT: 36.294978° N  
LONG: 107.007625° W NAD83

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit A3

Submitted by: San Juan Resources, Inc.

Hearing Date: January 6, 2022

Case No. 22399

17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or a working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Printed Name \_\_\_\_\_

E-mail Address \_\_\_\_\_

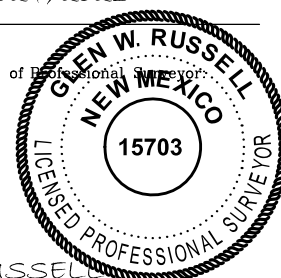
18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

NOVEMBER 24, 2021

Date of Survey \_\_\_\_\_

Signature and Seal of Professional Surveyor: \_\_\_\_\_



GLEN W. RUSSELL  
Certificate Number 15703



**STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES  
OIL CONSERVATION DIVISION**

**APPLICATION OF SAN JUAN RESOURCES, INC. FOR APPROVAL OF THE  
LINDRITH EAST (DEEP) UNIT, RIO ARRIBA COUNTY, NEW MEXICO.**

**CASE NO. 22399**

**AFFIDAVIT OF RICHARD BOSHER, GEOLOGIST**

Richard Bosher, of lawful age and being first duly sworn, declares as follows:

1. My name is Richard Bosher and I am employed by San Juan Resources, Inc. ("SJR") as a geologist. I am familiar with the application filed by SJR in this case and have conducted a geologic study of the proposed unit area.

2. **SJR Exhibit B-1** outlines my educational background, relevant work experience and my professional affiliations. I believe that these credentials qualify me to testify as an expert witness in petroleum geology.

3. The unitized interval for the proposed Lindrith East (Deep) Unit is all formations below the Top of the Mancos Formation, which is defined as the stratigraphic equivalent of 5,820 feet MD in the Amoco Federal Oso #1 well located in the NW/4, Section 24, Township 24 North, Range 2 West, N.M.P.M., Rio Arriba County, New Mexico (API#3003926672).

4. The initial development objective of the proposed Unit is the Mancos Niobrara C interval of the Mancos Formation. Additional targets in the Mancos Formation include the Mancos Silt, the Mancos Niobrara A, the Mancos Niobrara B and the Sanostee / Juana Lopez intervals. A secondary target in the proposed unit is the Cretaceous Dakota Formation, an interval that is an unconventional low permeability and porosity reservoir.

5. **SJR Exhibit B-2** is a type log of the Amoco Federal Oso #1 well with the Mancos and Dakota Formations identified in brackets.

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit B  
Submitted by: San Juan Resources, Inc.  
Hearing Date: January 6, 2022  
Case No. 22399**

6. **SJR Exhibit B-3** is a subsea structure map that I prepared for the Mancos Formation. The contour intervals are 40 feet and this exhibit demonstrates that the structure gradually rises to the south. I do not observe any faults, pinch outs, or other geologic impediments to efficiently and effectively developing this formation under the proposed unit area under a unitized plan of operation.

7. **SJR Exhibit B-4** is a subsea structure map that I prepared for the Dakota Formation. The contour intervals are 40 feet and this exhibit demonstrates that the structure gradually rises to the south. I do not observe any faults, pinch outs, or other geologic impediments to efficiently and effectively developing this formation under the proposed unit area under a unitized plan of operation.

8. **SJR Exhibit B-5** identifies the wells utilized to create north-south and west-east stratigraphic and structural cross-sections for the proposed unit area. I choose these wells because they contain good logs and in my opinion are representative of the geology underlying the unit area.

9. **SJR Exhibits B-6** contains a north-south stratigraphic cross-section hung on the Mancos Niobrara C top and a north-south structural cross-section across the proposed unit area using the 6 wells depicted in Exhibit B-5. I have identified on each cross section various intervals within the Mancos Niobrara and Dakota formations. These cross sections demonstrate that these formations are continuous across the unitized area.

10. **SJR Exhibits B-7** contains a west-east stratigraphic cross-section hung on the Mancos Niobrara C top and a west-east structural cross-section across the proposed unit area using the 6 wells depicted in Exhibit B-5. I have identified on each cross section various

intervals within the Mancos Niobrara and Dakota formations. These cross sections also demonstrate that these formations are continuous across the unitized area.

11. In my opinion, the approval of this unit is in the best interests of conservation, the prevention of waste and the protection of correlative rights.

12. SJR Exhibits B-1 through B-7 were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT

Richard Boshier

RICHARD BOSHER

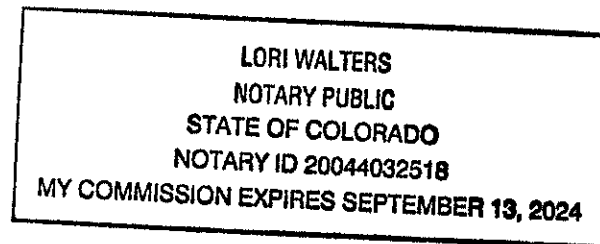
STATE OF COLORADO       )  
  )  
COUNTY OF Denver       )

SUBSCRIBED and SWORN to before me this 29<sup>th</sup> day of December 2021 by Richard Boshier.

Lori Walters  
NOTARY PUBLIC

My Commission Expires:

9/13/2024



**SJR Exhibit B-1****Resume of Rich Boshier**

richboshier@riptideenergy.net

1251 S Elizabeth St.

Denver, Colorado

80210

(c) 720 838 7894

**Oil & Gas Geologist: Prospector / Asset Finder / Evaluator / Closer** with a proven track record of both prospecting for oil and gas unconventional and conventional projects and identifying, evaluating and closing on the purchase of U.S. high quality oil & gas producing assets with upside (surface optimization, workovers, recompletions and new drill locations). An accomplished skill set in building strategic and personal relationships with key business partners and clients to secure the acquisition and divestiture of properties. Experience utilizing geologic and geophysical software including Petra and Seisvision. Experience includes working for a major international oil company as well as a small public traded oil and gas operating company in business development. Broad technical knowledge base of geology, geophysics, engineering, finance, operations, land and marketing. Successes tied to understanding asset value via evaluating discounted cash flows, returns, upside and effectively recommending them to senior leadership, buyers and sellers.

**Riptide Energy      Denver, CO      Managing Member      2010 thru present**

Acquiring assets for oil and gas operators and generation of oil and gas drilling prospects for own account.

- ✓ Identified, evaluated, negotiated and closed on five producing properties in the Rocky Mountain region with considerable upside including new drilling locations and re-completions. Built a Rocky Mountain asset base with approximately 14 Mmcfd, 200 Bod, 100,000 acres and over 100 new drilling locations. Company sold in 2017 for twice the original purchase price. Main formations; Almond, Lewis, Ft. Union and Mancos Niobrara for both gas and oil. These formations are currently being pursued w/ horizontals.
- ✓ Prospected, leased and sold six Kansas shallow oil-drilling packages 2011-present. Averaged 3 to 1 return on investment in approximately one year time frame, additional value captured with significant over ride interest and has resulted in approximately 50 sq. miles of 3D seismic acquired and nine wells drilled of which four were completed and producing oil. Primary formations Lansing Kansas City, Marmaton, Pawnee and Cherokee carbonates, conventional drilling.
- ✓ Exploration project work for client involving exploration in the San Juan Basin, New Mexico that resulted in acreage sales with a 2 to 1 or greater return in approximately 2-year time frame. Primary targets Mancos Niobrara silts/fine grained sands / shale and tight Dakota sands for horizontal and conventional drilling.
- ✓ Pursued, evaluated and purchased acreage in unconventional oil and gas basins including San Juan Basin, NM, Sand Wash Basin, CO, D-J Basin Niobrara and Codell, Big Horn/ Greater Green River/ Powder River Basins, Wyoming, Arkoma Basin, OK, East Texas/Barnett Basins, Mid Continent Basins, Williston Basins/ Bakken and others.

**Teton Energy      Denver, CO      VP Bus Dev      2006 thru 2010**

Led business development efforts for early stage oil and gas operating company. Successful efforts capturing drilling / undeveloped acreage opportunities and producing assets. Sold both drilling deals and production.

- ✓ Consummated \$52.8mm purchase of 710 Boed net to Teton, and 30,000 net acres, Central Kansas Uplift.

BEFORE THE OIL CONSERVATION DIVISION  
 Santa Fe, New Mexico  
 Exhibit B1  
 Submitted by: San Juan Resources, Inc.  
 Hearing Date: January 6, 2022  
 Case No. 22399

- ✓ Generated oil and gas plays in Eastern D-J Basin and purchased over 150,000 acres. 100's of undrilled locations & sold 50% of D-J Basin Niobrara gas play for \$650k and a carry for 3D seismic and 2 wells...a 6 to 1 return on investment.
- ✓ Bought +100 BCF new resource shale play, with conventional upside, Big Horn Basin.
- ✓ Led due diligence and closing efforts and closing on DJ acreage (419,000 acres) and production (1.2mcfed)

**TransZap                      Denver, CO              VP Sales    1999 thru 2006**

Lead revenue generation efforts, from start-up to profitable "Software as a Service" company. Selling data exchange, workflow and business intelligence services to Fortune 1000 oil and gas operating companies.

- ✓ Participated as owner and founder of startup software company, designed to sell into oil and gas, utilizing my contacts and skill set in sales and marketing.
- ✓ Zero to \$5.0 mm / year revenue, from 2001 to 2006, 15% to 20% growth per year.
- ✓ Zero to over 1,100 customers in 6 years.
- ✓ Built premier "software as a service" sales team in Houston and Denver
- ✓ Company sold in 2014 for over \$40mm.

**Amoco                                      Calgary, AB              Business Development    1997 to 1999**

Closed sales, purchases and exchanges of oil and gas properties.

- ✓ Closed multi oil and gas property exchange, Alberta, Canada securing \$1.0mm additional cash flow, total deal value exceeded C\$50mm.

**Amoco                                      Poland                                      Exploration Manager    1993 to 1997**

Led exploration and business development. On the ground relationship builder and negotiator.

- ✓ Secured Poland Carpathian exploration acreage.
- ✓ Awarded preferred investor role in a municipal gas expansion co-generation project

**Amoco                                      Houston, TX              Int'l Exploration/New Ventures    1987 to 1993**

Developed new ideas and plays for international and new venture exploration opportunities.

- ✓ Conceived, worked up and drilled a deep exploration well in Kenya.
- ✓ Produced new plays and concepts in Indonesia, Romania, Former Soviet Union and Africa
- ✓ Lead team feasibility study for a 100 Mm barrel oil exploration opportunity within Russia Caucasus.

**Amoco                                      Denver, CO                                      Exploration    1981 to 1987**

Developed new ideas and plays for U.S. domestic exploration opportunities.

- ✓ Leadership and geological prospecting roles in developing exploration opportunities in Alaska sales, California and Rocky Mountain basins. Directed seismic processing and acquisition.

**1. Education & Training**

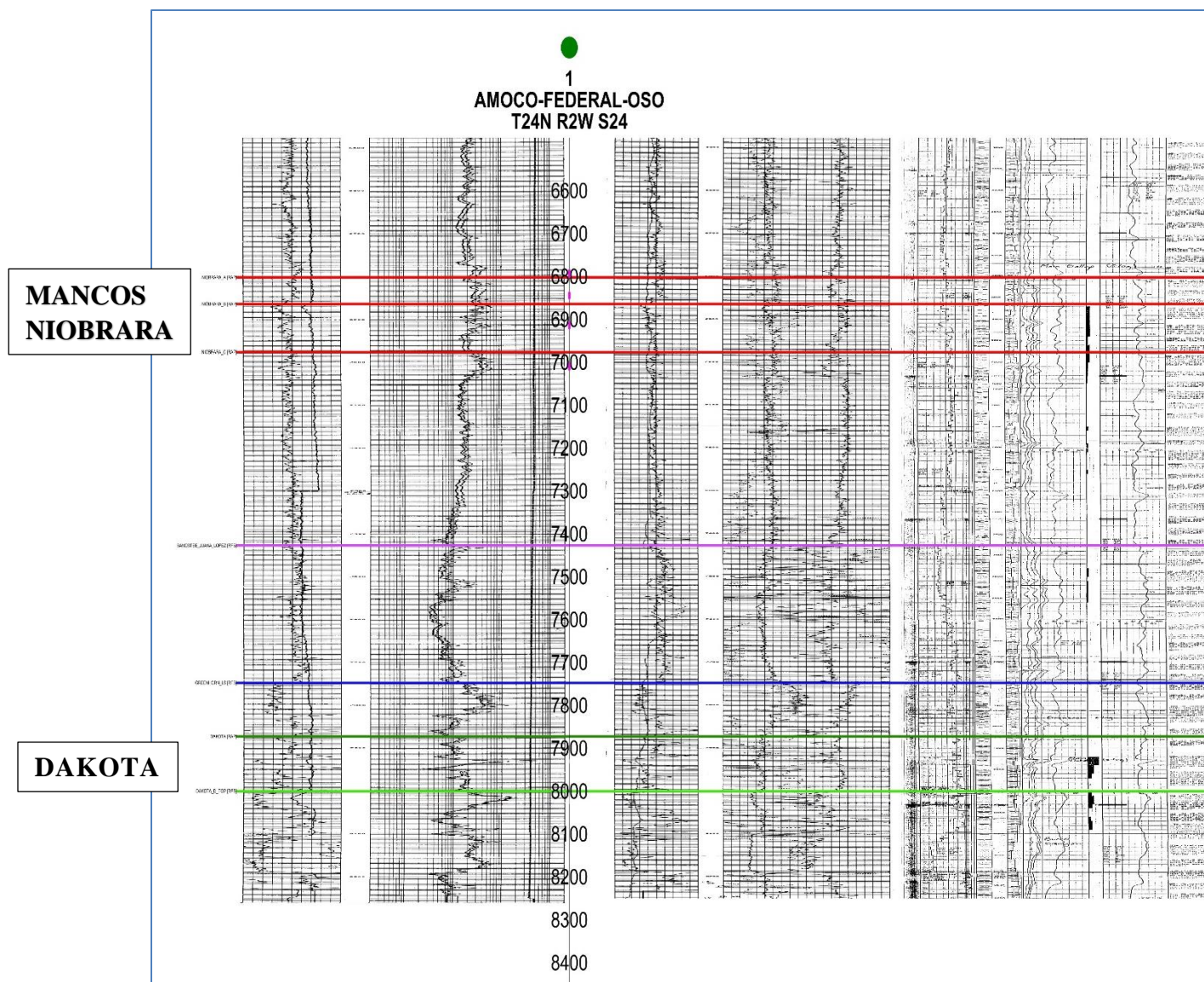
- ✓ University of Buffalo: BA Geology
- ✓ University of Hawaii: MS Geology and Geophysics
- ✓ Rice University short course Executive Business Program
- ✓ Total Quality Management
- ✓ Karrass Negotiations
- ✓ Languages: Modest competency in Spanish, Polish, Russian
- ✓ Data and Software; Petra, Dwigths, Drilling Info, PHDWin & Powertools.

**Volunteering                                      Denver, CO              Mentor    2011 to Present**

Mentoring entrepreneurs enrolled in business boot camp and applying for startup funding. Have mentored 20 clients to date, several of which have started successful income generating businesses.

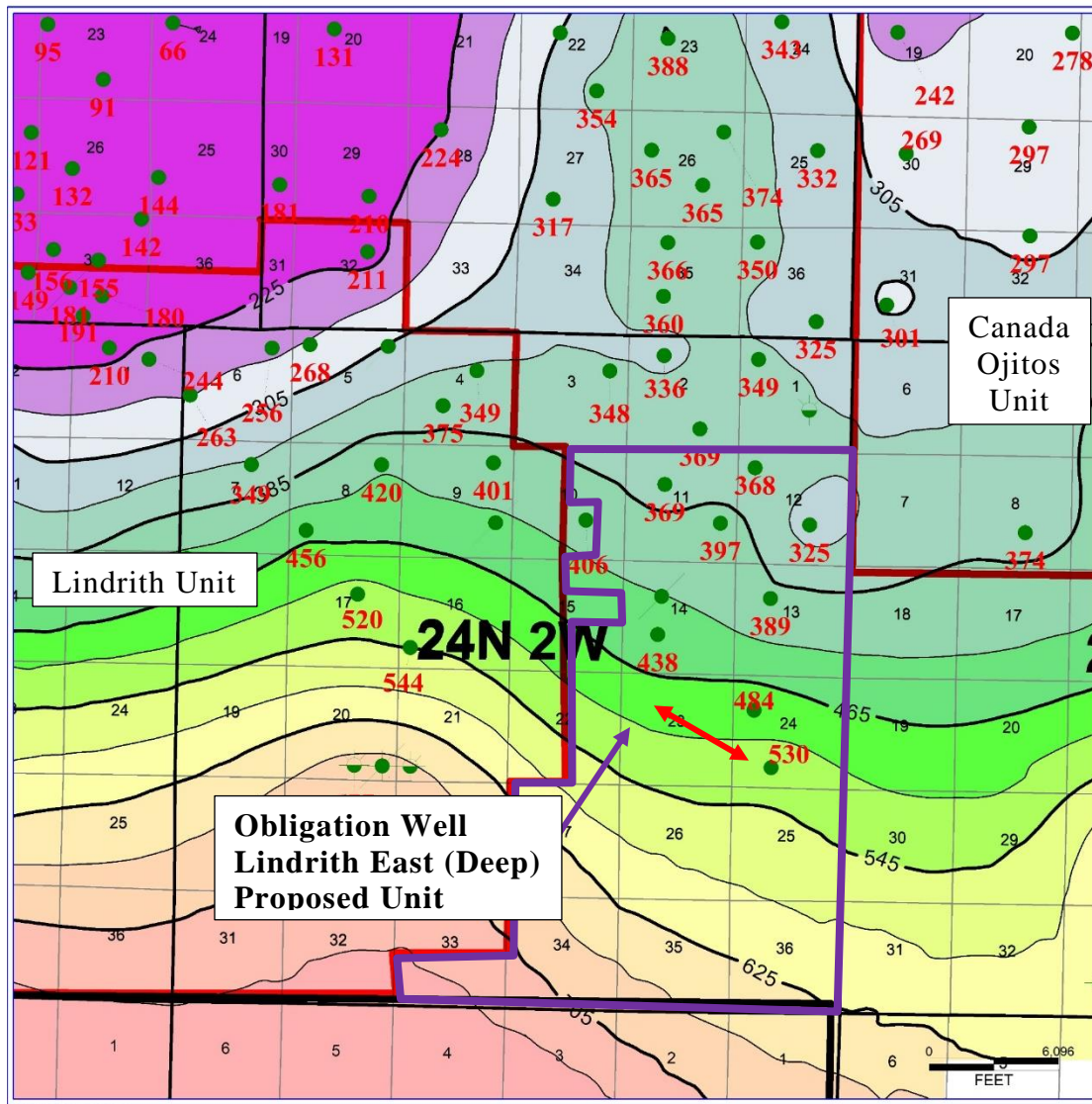


**SJR Exhibit B-2** is a type log of the Amoco Federal Oso #1 well with the Mancos Niobrara and Dakota Formations identified in brackets.



BEFORE THE OIL CONSERVATION  
DIVISION  
Santa Fe, New Mexico  
Exhibit B2  
Submitted by: San Juan Resources, Inc.  
Hearing Date: January 6, 2022  
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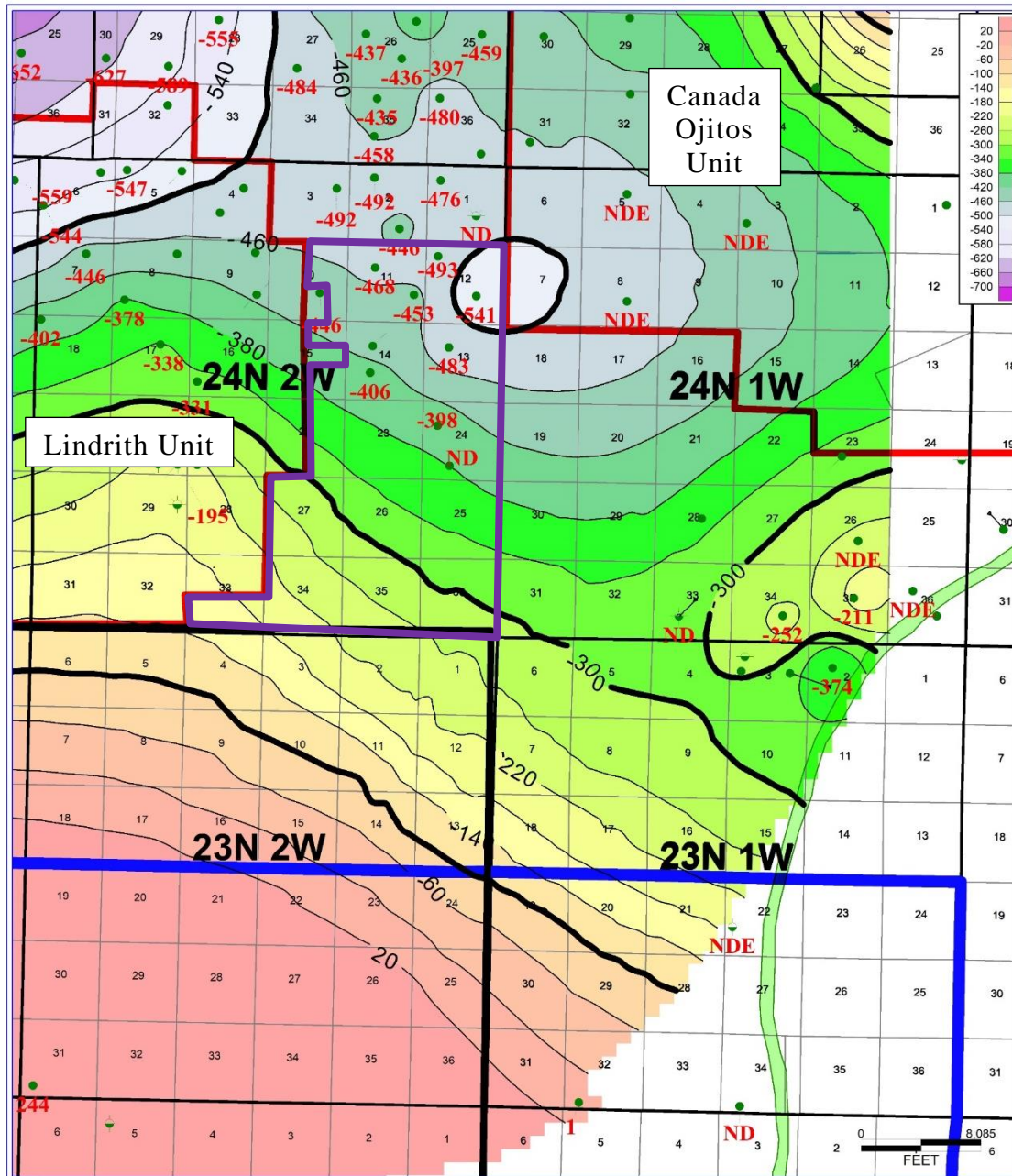
**SJR Exhibit B-3** is a subsea structure map that I prepared for the Mancos Formation (Mancos Niobrara C Top, CI=40', red text subsea depths).



BEFORE THE OIL CONSERVATION DIVISION  
 Santa Fe, New Mexico  
 Exhibit B3  
 Submitted by: San Juan Resources, Inc.  
 Hearing Date: January 6, 2022  
 Case No. 22399



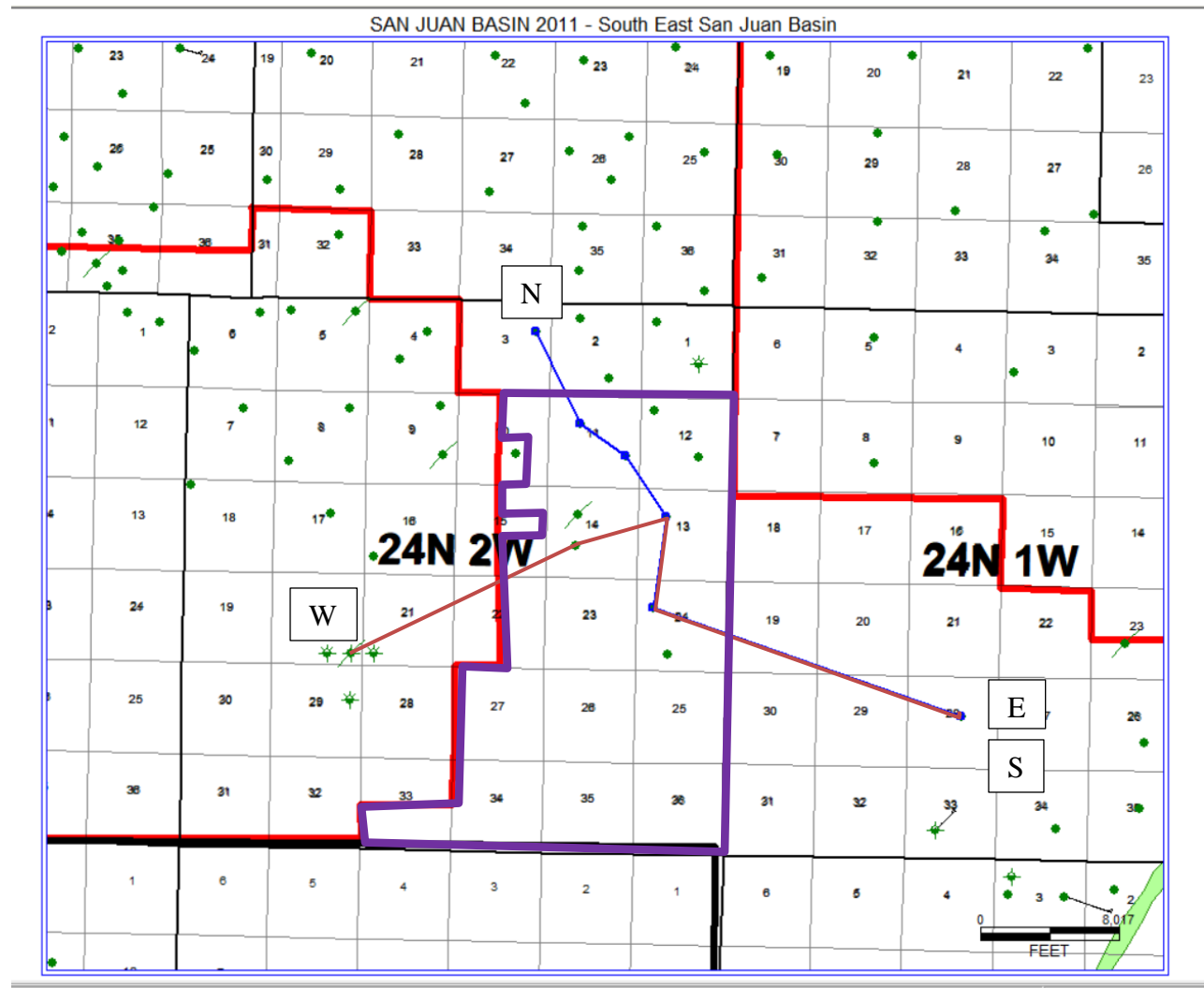
**SJR Exhibit B-4** is a subsea structure map that I prepared for the Dakota Formation (Dakota Top, CI=40', red text subsea Top Dakota).



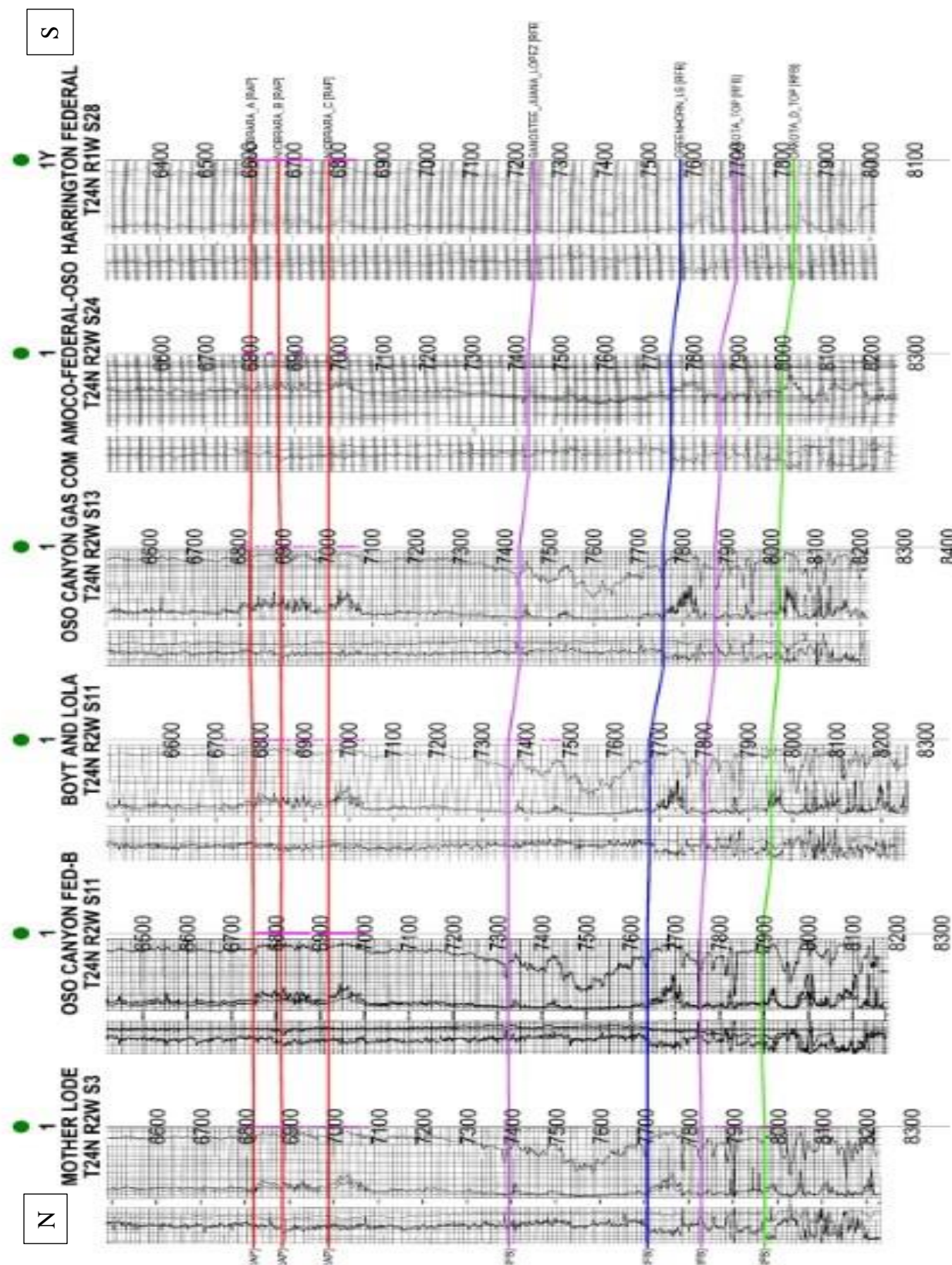
BEFORE THE OIL CONSERVATION DIVISION  
 Santa Fe, New Mexico  
 Exhibit B4  
 Submitted by: San Juan Resources, Inc.  
 Hearing Date: January 6, 2022  
 Case No. 22399



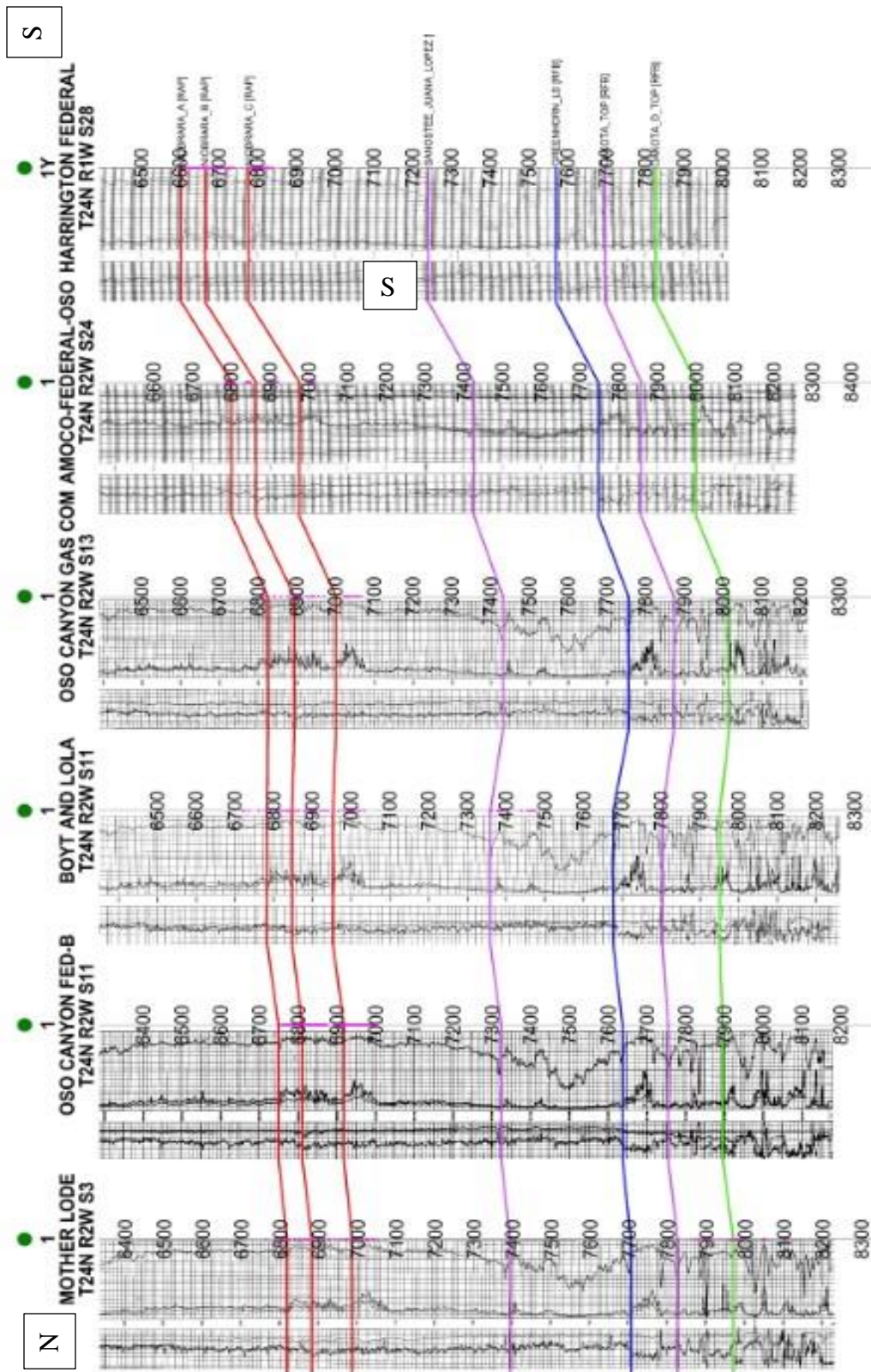
**Exhibit B-5** identifies the wells utilized to create north-south and west-east stratigraphic and structural cross-sections for the proposed unit area.



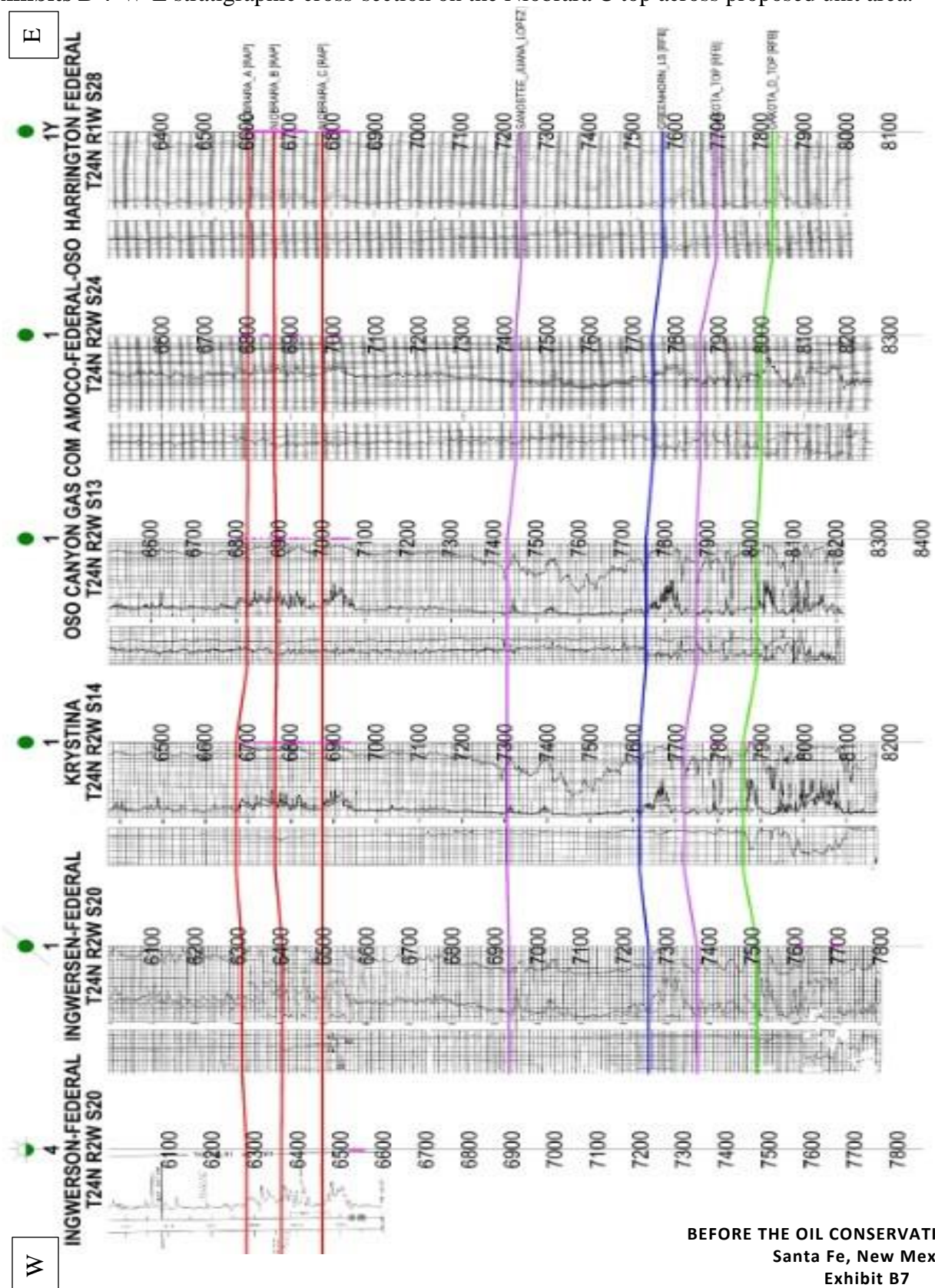
BEFORE THE OIL CONSERVATION DIVISION  
 Santa Fe, New Mexico  
 Exhibit B5  
 Submitted by: San Juan Resources, Inc.  
 Hearing Date: January 6, 2022  
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**Exhibit B-6** N-S stratigraphic cross-section on the Niobrara C top across proposed unit area.

BEFORE THE OIL CONSERVATION DIVISION  
 Santa Fe, New Mexico  
 Exhibit B6  
 Submitted by: San Juan Resources, Inc.  
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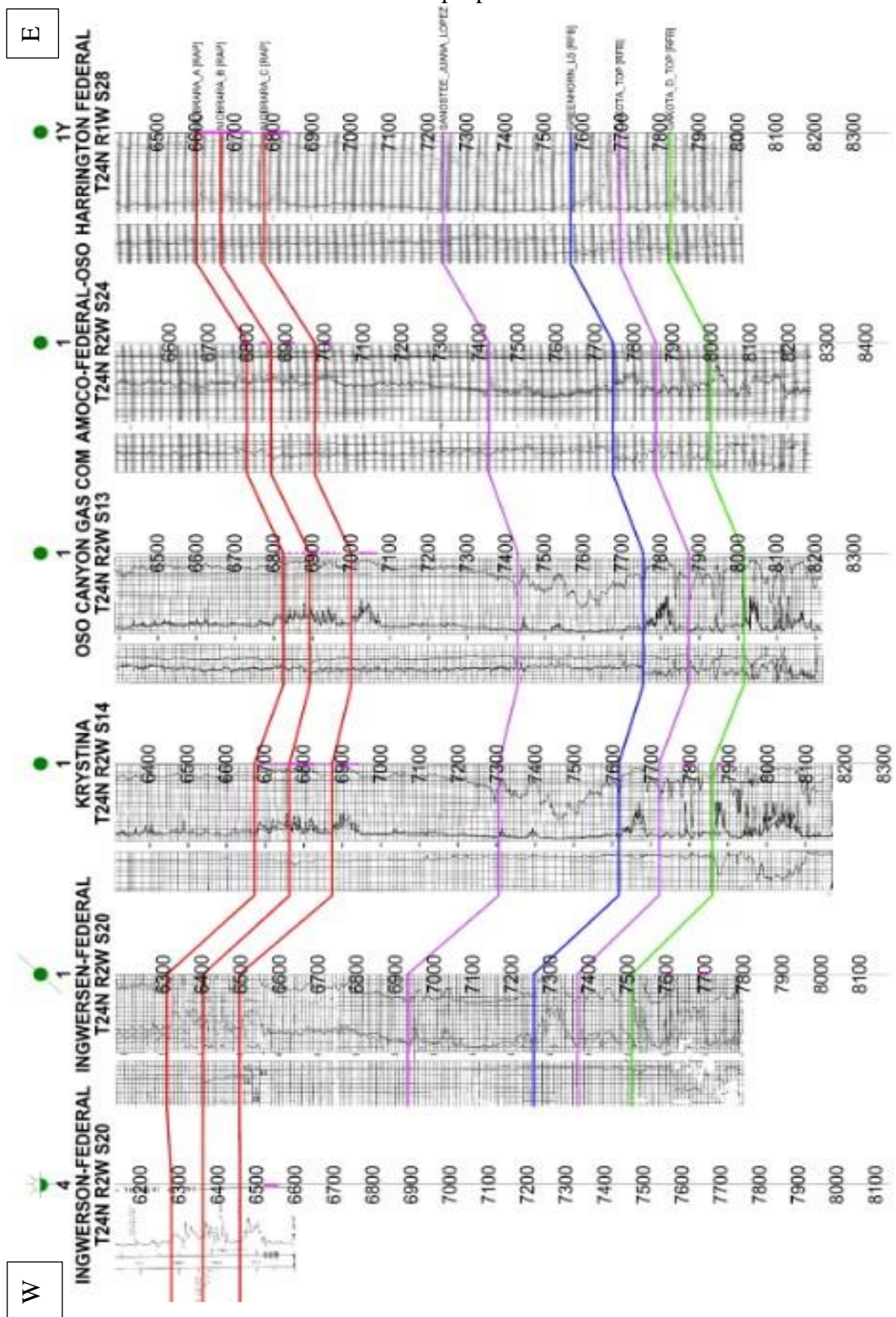
**Exhibit B-6** N-S structural cross-section across the proposed unit area.



**Exhibits B-7** W-E stratigraphic cross-section on the Niobrara C top across proposed unit area.

BEFORE THE OIL CONSERVATION DIVISION  
 Santa Fe, New Mexico  
 Exhibit B7  
 Submitted by: San Juan Resources, Inc.  
 Hearing Date: January 6, 2022  
 Case No. 22399

Exhibits B-7 W-E structural cross-section across proposed unit area.









**Michael H. Feldewert**  
Phone (505) 988-4421  
mfeldewert@hollandhart.com

**December 17, 2021**

**VIA CERTIFIED MAIL**  
**CERTIFIED RECEIPT REQUESTED**

**TO: ALL AFFECTED PARTIES**

**Re: Application of San Juan Resources, Inc. For Approval of The Lindrith East (Deep) Unit, Rio Arriba County, New Mexico.**

Ladies & Gentlemen:

This letter is to advise you that San Juan Resources, Inc., has filed the enclosed application with the New Mexico Oil Conservation Division.

**During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on January 6, 2022 beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>.**

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-hearing Statement four business days in advance of a scheduled hearing. This statement must be filed online or in person at the Division's Santa Fe office and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Lori Walters at (303) 573-6333, or at [lwalters@sanjuanbasin.com](mailto:lwalters@sanjuanbasin.com).

Sincerely,

A handwritten signature in blue ink that reads "Michael H. Feldewert".

Michael H. Feldewert  
ATTORNEY FOR SAN JUAN RESOURCES, INC.

SJR - Lindrith East Deep Unit  
Case No. 22399 Postal Delivery Report

9414811898765845506520	Robert W. Merson, Trustee, Julia Elizabeth Brown Merson Trust	PO Box 43, SR 595 House no 874A	Lindrith	NM	87029-0043	Your item was delivered at 10:58 am on December 23, 2021 in LINDRITH, NM 87029.
9414811898765845506506	Robert W. Merson, Trustee, Larry Shoofa Brown	PO Box 43, SR 595 House no 874A	Lindrith	NM	87029-0043	Your item was delivered at 10:58 am on December 23, 2021 in LINDRITH, NM 87029.
9414811898765845506599	Robert W. Merson, Trustee, Marie Ann Dickinson	PO Box 43, SR 595 House no 874A	Lindrith	NM	87029-0043	Your item was delivered at 10:57 am on December 23, 2021 in LINDRITH, NM 87029.
9414811898765845506544	Roland D & April D Pritchett, Trustees Pritchett Living Trust Dated 5/3/01	4281 Tee Shot Dr	Colorado Springs	CO	80922-3323	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765845506582	Atko Partners, Ltd Loretha Bumbaugh, Assistant	260 1h 45 S Ste A	Huntsville	TX	77340-4968	Your item was delivered to an individual at the address at 11:34 am on December 20, 2021 in HUNTSVILLE, TX 77340.
9414811898765845506575	Berndt C. Homes C/O Williams, Turner & Holmes Pc	PO Box 338	Grand Junction	CO	81502-0338	Your item departed our USPS facility in ALBUQUERQUE, NM 87101 on December 29, 2021 at 6:50 pm. The item is currently in transit to the destination.
9414811898765845501211	Berndt C. Homes, Trustee C/O Williams, Turner & Holmes Pc	PO Box 338	Grand Junction	CO	81502-0338	Your item departed our USPS facility in ALBUQUERQUE, NM 87101 on December 29, 2021 at 6:50 pm. The item is currently in transit to the destination.
9414811898765845501259	C.A. Biggs III	5475 S Lowell Blvd	Littleton	CO	80123-2933	Your item was delivered to an individual at the address at 10:29 am on December 20, 2021 in LITTLETON, CO 80123.
9414811898765845501266	C.E. Poister	1838 S Laurel St	Wichita	KS	67207-5818	This is a reminder to arrange for redelivery of your item or your item will be returned to sender.
9414811898765845501228	Charles A. Shear	330 Grand Ave Ste B	Grand Junction	CO	81501-2423	Your item was delivered to an individual at the address at 1:34 pm on December 20, 2021 in GRAND JUNCTION, CO 81501.
9414811898765845501204	Charles L. Parcell	5460 S Indigo Dr	Gold Canyon	AZ	85118-5082	Your item arrived at the SANTA FE, NM 87504 post office at 10:12 am on December 27, 2021 and is ready for pickup.
9414811898765845501297	Janet Lovejoy	521 West St Apt 13	Duxbury	MA	02332-3638	Your item was delivered to an individual at the address at 4:07 pm on December 21, 2021 in DUXBURY, MA 02332.
9414811898765845501242	Clyde M. Biggs	2226 W Magnolia Ave	San Antonio	TX	78201-4814	Your item departed our SAN ANTONIO TX DISTRIBUTION CENTER destination facility on December 29, 2021 at 10:40 pm. The item is currently in transit to the destination.
9414811898765845501280	Dr. William Kenneth Newill C/O Scully	436 7th Ave, PO Box 3480	Pittsburgh	PA	15219-1826	Your item departed our USPS facility in ALBUQUERQUE, NM 87101 on December 30, 2021 at 4:05 am. The item is currently in transit to the destination.
9414811898765845501235	EJL Oil & Gas Company LLC	PO Box 52198	Albuquerque	NM	87181-2198	Your item was picked up at the post office at 12:04 pm on December 29, 2021 in ALBUQUERQUE, NM 87123.
9414811898765845501273	JCDL Oil & Gas Company LLC	PO Box 30396	Albuquerque	NM	87190-0396	Your item was picked up at the post office at 2:35 pm on December 29, 2021 in ALBUQUERQUE, NM 87110.
9414811898765845501860	Duncan Shepherd	1110 S Vine St	Denver	CO	80210-1831	Your item was delivered to an individual at the address at 11:17 am on December 20, 2021 in DENVER, CO 80210.
9414811898765845501822	Patricia Peppler Era May Milligan	PO Box 482	Mead	CO	80542-0482	Your item was picked up at the post office at 8:28 am on December 23, 2021 in MEAD, CO 80542.
9414811898765845501891	Estate of Lina May Biggs C/O Clinton A Biggs	702 Golfmore Dr no 8	Grand Junction	CO	81506-2801	Your item arrived at the SANTA FE, NM 87504 post office at 7:16 am on December 29, 2021 and is ready for pickup.
9414811898765845501846	Exec Director Tomas A Klein Gerald B Klein Estate	8685 E 61st St no 1800	Tulsa	OK	74133-1359	Your item arrived at our OKLAHOMA CITY OK DISTRIBUTION CENTER destination facility on December 29, 2021 at 12:20 pm. The item is currently in transit to the destination.
9414811898765845501884	Gypsum Springs LLC	1251 S Elizabeth St	Denver	CO	80210-2003	Your item was delivered to an individual at the address at 1:56 pm on December 20, 2021 in DENVER, CO 80210.
9414811898765845501839	J.R. Murray	4210 Winters St	Las Cruces	NM	88005-1019	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765845501877	Anderson Living Trust, James H & Jacqueline L Anderson, Trustees	2401 W Statehood Dr	Bluffdale	UT	84065-3064	Your item was delivered to an individual at the address at 1:03 pm on December 20, 2021 in RIVERTON, UT 84065.
9414811898765845501716	J. Payne Group, LLC	614 Paseo Del Bosque NW	Albuquerque	NM	87114-2277	The delivery status of your item has not been updated as of December 21, 2021, 3:46 am. We apologize that it may arrive later than expected.
9414811898765845501754	Helen Mary Houston	2025 E 71st St Apt 203	Tulsa	OK	74136-5453	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765845501723	Kay M. Miller	896 Julie Ct	San Marcos	CA	92069-2034	The delivery status of your item has not been updated as of December 22, 2021, 12:10 am. We apologize that it may arrive later than expected.
9414811898765845501792	Kenneth Robert Schmidt	6819 Oaklawn Way	Fair Oaks	CA	95628-4215	Your item was delivered to an individual at the address at 11:26 am on December 22, 2021 in FAIR OAKS, CA 95628.
9414811898765845501747	Laird K. Smith Sr.	1702 N 18th St	Grand Junction	CO	81501-6606	This is a reminder to arrange for redelivery of your item or your item will be returned to sender.
9414811898765845501785	Laird K. Smith, Jr.	13129 Rounding Run Cir	Herndon	VA	20171-3909	Your item was returned to the sender at 2:09 pm on December 20, 2021 in HERNDON, VA 20171 because the forwarding order for this address is no longer valid.

SJR - Lindrith East Deep Unit  
Case No. 22399 Postal Delivery Report

9414811898765845501730	Leroy Bacon Marital Trust C/O Lois Feil	1721 N 5th St	Grand Junction	CO	81501-2119	Your item was delivered to an individual at the address at 1:22 pm on December 20, 2021 in GRAND JUNCTION, CO 81501.
9414811898765845501914	Lowell D. Stevenson	HC 74 Box 70	Lindrith	NM	87029-9703	Your item was delivered at 9:20 am on December 23, 2021 in LINDRITH, NM 87029.
9414811898765845501952	Margaret Hunt Hill Albert G. Hill III Trust A Kimbrough Davis, Trustee	2002 Summit Blvd Ste 300 Kanner Baker LLC	Brookhaven	GA	30319-6422	Your item has been delivered to an agent for final delivery in ATLANTA, GA 30319 on December 21, 2021 at 3:03 pm.
9414811898765845501969	Cody McArthur Wilkert Trust - Margaret Hunt Hill	2101 Cedar Springs Rd Ste 1800	Dallas	TX	75201-1585	Your item was delivered to the front desk, reception area, or mail room at 1:32 pm on December 21, 2021 in DALLAS, TX 75201.
9414811898765845501921	Margaret Hunt Hill, Elisa Margaret Hill Trust, Attn David Turner	47 Highland Park Vlg Ste 200	Dallas	TX	75205-2786	Your item was delivered to an individual at the address at 2:03 pm on December 21, 2021 in DALLAS, TX 75205.
9414811898765845501907	Margaret Hunt Hill, Heather Victoria Hill Trust, Attn David Turner	47 Highland Park Vlg Ste 200	Dallas	TX	75205-2786	Your item was delivered to an individual at the address at 2:03 pm on December 21, 2021 in DALLAS, TX 75205.
9414811898765845501990	Margaret Hunt Hill -Margretta Hill Wilkert Trust	2101 Cedar Springs Rd Ste 1800	Dallas	TX	75201-1585	Your item was delivered to the front desk, reception area, or mail room at 1:32 pm on December 21, 2021 in DALLAS, TX 75201.
9414811898765845501945	Margaret Hunt Hill -Michael Bush Wisenbaker Trust	2101 Cedar Springs Rd Ste 1800	Dallas	TX	75201-1585	Your item was delivered to the front desk, reception area, or mail room at 1:32 pm on December 21, 2021 in DALLAS, TX 75201.
9414811898765845501983	Margaret Hunt Hill -Wesley Hill Wisenbaker Trust	2101 Cedar Springs Rd Ste 1800	Dallas	TX	75201-1585	Your item was delivered to the front desk, reception area, or mail room at 1:32 pm on December 21, 2021 in DALLAS, TX 75201.
9414811898765845501938	Martin A.Pierce c/o Martin & Beverly LLC - Steve & Susan Nelson	PO Box 4140	Farmington	NM	87499-4140	Your item was picked up at a postal facility at 7:59 am on December 20, 2021 in FARMINGTON, NM 87499.
9414811898765845501976	McKay Oil & Gas, LLC	3100 W Ray Rd Ste 201	Chandler	AZ	85226-2472	Your item was delivered to an individual at the address at 11:56 am on December 20, 2021 in CHANDLER, AZ 85226.
9414811898765845501617	Merrion Oil & Gas Corp	610 Reilly Ave	Farmington	NM	87401-2634	Your item was delivered to an individual at the address at 10:43 am on December 21, 2021 in FARMINGTON, NM 87401.
9414811898765845501655	Mesa Grande Resources, Inc.	427 S Boston Ave Ste 355	Tulsa	OK	74103-4147	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765845501662	Penroc Oil & Gas Corporation	1515 W Calle Sur St	Hobbs	NM	88240-0998	Your item was delivered to the front desk, reception area, or mail room at 2:04 pm on December 21, 2021 in HOBBS, NM 88240.
9414811898765845501624	Petroleum Resource Management Corp.	1110 S Vine St	Denver	CO	80210-1831	Your item was delivered to an individual at the address at 11:17 am on December 20, 2021 in DENVER, CO 80210.
9414811898765845501600	Sal Lee Oz Anderson	3212 Rio Grande Blvd NW	Albuquerque	NM	87107-3032	Your item was delivered to an individual at the address at 3:25 pm on December 20, 2021 in ALBUQUERQUE, NM 87107.
9414811898765845501693	Samuel Ray Carnes	343 Don Gaspar	Santa Fe	NM	87505	Your item was returned to the sender on December 22, 2021 at 1:37 pm in SANTA FE, NM 87501 because the addressee moved and left no forwarding address.
9414811898765845501648	Silmon Biggs MD	1075 Sagewood Pl	Pocatello	ID	83201-2729	Your item arrived at the SANTA FE, NM 87504 post office at 10:12 am on December 27, 2021 and is ready for pickup.
9414811898765845501686	Steve L. Stevenson	HC 74 Box 70	Lindrith	NM	87029-9703	Your item was delivered at 10:49 am on December 27, 2021 in LINDRITH, NM 87029.
9414811898765845501631	Stevenson, Lowell D, mmdssp	HC 74 Box 70	Lindrith	NM	87029-9703	Your item was delivered at 9:20 am on December 23, 2021 in LINDRITH, NM 87029.
9414811898765845501679	Stevenson, Winifired L, mmdssp	HC 74 Box 70	Lindrith	NM	87029-9703	Your item was delivered to an individual at the address at 10:10 am on December 22, 2021 in LINDRITH, NM 87029.
9414811898765845501112	T.E. Duff Trust	PO Box 398	Ruidoso	NM	88355-0398	Your item was picked up at the post office at 10:45 am on December 21, 2021 in RUIDOSO, NM 88345.
9414811898765845501150	Virginia Allyn Lovejoy	8 Lake Trl W	Morristown	NJ	07960-6755	Your item was delivered to an individual at the address at 3:25 pm on December 27, 2021 in MORRISTOWN, NJ 07960.
9414811898765845501129	William W. & Julianne D. Bramlett Bearkat Energy Partners LLC	PO Box 132255, LLC 11 Galway Place	The Woodlands	TX	77393-2255	Your item was delivered at 12:08 pm on December 22, 2021 in SPRING, TX 77381.
9414811898765845501105	Winifred L. Stevenson	HC 74 Box 70	Lindrith	NM	87029-9703	Your item was delivered to an individual at the address at 10:34 am on December 23, 2021 in LINDRITH, NM 87029.
9414811898765845501198	Woodfill Ranch, Inc.	PO Box 4	Lindrith	NM	87029-0004	Your item was delivered at 11:09 am on December 22, 2021 in LINDRITH, NM 87029.

## Affidavit of Publication

State of New Mexico  
County of Rio Arriba

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico

Exhibit D

Submitted by: San Juan Resources, Inc.

Hearing Date: January 6, 2022

Case No. 22399

I, Robert Trapp; being first duly sworn, declare and say I am the Publisher of the **Rio Grande SUN**, a weekly newspaper published in the English language and having a general circulation in the County of Rio Arriba, State of New Mexico, and being a newspaper duly qualified to publish legal notices and advertisements under the provisions of Chapter 167 of the Session Laws of 1937. The publication, a copy of which is hereto attached, was published in said paper once each week for 1 consecutive weeks and on the same day of each week in the regular issue of the paper during the time of publication and the notice was published in the newspaper proper, and not in any supplement. The first publication being on the

### Publisher's Bill

314 lines one time at \$ 251.20

\_\_\_\_\_ lines \_\_\_\_\_ times at \_\_\_\_\_

Affidavit \$ 5.00

Subtotal \$ 256.20

Tax \$ 22.90

Total \$ 279.10

Payment received at **Rio Grande SUN**

Date 12/20/21

By Cristobal Vigil

23 day of December 2021

and the last publication on the 23 day of

December 2021. Payment for said advertisement has been duly made, or assessed as court costs. The undersigned has personal knowledge of the matters and things set forth in this affidavit.

Robert Trapp

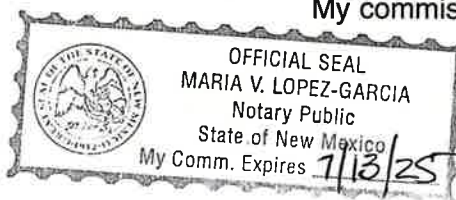
Publisher

Subscribed and sworn to before me this 23  
day of December A.D. 2021

Maria V. Lopez Garcia

Maria V. Lopez Garcia /Notary Public

My commission expires 13 July 2025





**MEXICO  
ENERGY, MINERALS  
AND NATURAL  
RESOURCES  
DEPARTMENT  
OIL CONSERVATION  
DIVISION  
SANTA FE, NEW  
MEXICO**

Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following case. During the COVID-19 Public Health Emergency, state buildings are closed to the public and Division hearings will be conducted remotely. The public hearing for the following case will be electronic and conducted remotely. The hearing will be conducted on **Thursday, January 6, 2022, beginning at 8:15 a.m.** To participate in the electronic hearing, see the instructions posted below. The docket may be viewed at <https://www.emnrd.nm.gov/ocd/hearing-info/> or obtained from Marlene Salvidrez, at [Marlene.Salvidrez@state.nm.us](mailto:Marlene.Salvidrez@state.nm.us). Documents filed in the case may be viewed at <https://ocdimage.emnrd.nm.gov/Imaging/Default.aspx>. If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, contact Marlene Salvidrez at [Marlene.Salvidrez@state.nm.us](mailto:Marlene.Salvidrez@state.nm.us), or the New Mexico Relay Network at 1-800-659-1779, no later than **December 26, 2021**. Persons may view and participate in the hearings through the following link:

<https://nmemnrd.webex.com/nmemnrd/onsstage/g.php?MTID=ea32683a0cd6466aedc002b940813ad68>  
Event number: 2499 136 6690

Event password: 3qy-GqNJ3N63

Join by video:  
24991366690@nmemnrd.webex.com

Numeric Password:  
162064

You can also dial  
173.243.2.68 and enter  
your meeting number  
Join by audio: 1-844-992-4726 United States Toll Free

Access code: 2499 136 6690

STATE OF NEW MEXICO  
TO:  
All named parties and persons having any right, title, interest or claim in the following case and notice to the public.  
(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

To: All affected parties, including: Ann Mary White, her heirs and devisees; Charles R. Gilmore, his heirs and devisees; Darrah Stephen, her heirs and devisees; Eric Switzer, his heirs and devisees; Eugene C. Connor, his heirs and devisees; Frank Dunn Jr., his heirs and devisees; Gardner Petroleum; H.E. & Goldie Milliken, JT, their heirs and devisees; Hendrik S. Holmes, his heirs and devisees; James H. Gardner, his heirs and devisees; John F. Brown, his heirs and devisees; John R. Cartmill, his heirs and devisees; Joshua Holmes, his heirs and devisees; Kyle Rudderow, his heirs and devisees; Milton Oil Corp; Peggy P. Jennings, her heirs and devisees; Peggy P. Jennings and Howard W. Jennings, husband and wife, their heirs and devisees; Preston Rudderow, his heirs and devisees; Rebecca Switzer, her heirs and devisees; Robin Rudderow 1994 Revoc. Living Trust; Trans Delta Oil & Gas Co., Inc.; Willie S. Gardner, his heirs and devisees; Julia Elizabeth Brown Merson Trust, Robert W. Merson, Trustee; Larry Shoofa Brown, his heirs and devisees, Robert W. Merson, Trustee; Marie Ann Dickinson, her heirs and devisees, Robert W. Merson, Trustee; Pritchett Living Trust Dated 5/3/01, Roland D & April D Pritchett, Trustees; Atko Partners, Ltd; Berndt C. Homes, his heirs and devisees, C/O Williams, Turner & Holmes PC; Berndt C. Homes, Trustee, C/O Williams, Turner & Holmes PC; C.A. Biggs III, his heirs and devisees; C.E. Poister, his or her heirs and devisees; Charles A. Shear, his heirs and devisees; Charles L. Parcell, his heirs and devisees; Janet Lovejoy, her heirs and devisees;

Clyde M. Biggs, his heirs and devisees; Dr. William Kenneth Newill, his heirs and devisees, C/O Scully; EJJ Oil & Gas Company LLC; JC DL Oil & Gas Company LLC; Duncan Shepherd, his heirs and devisees; Patricia Pepler (Era May Milligan), her heirs and devisees; Estate of Lina May Biggs, her heirs and devisees, C/O Clinton A Biggs; Gerald B Klein Estate, his heirs and devisees, Exec Director Tomas A Klein; Gypsum Springs LLC; J.R. Murray, his or her heirs and devisees; Anderson Living Trust, James H & Jacqueline L Anderson, Trustees; J. Payne Group, LLC; Helen Mary Houston, her heirs and devisees; Kay M. Miller, her heirs and devisees; Kenneth Robert Schmidt, his heirs and devisees; Laird K. Smith Sr., his heirs and devisees; Laird K. Smith, Jr., his heirs and devisees; Leroy Bacon Marital Trust, C/O Lois Feil; Lowell D. Stevenson, his heirs and devisees; Margaret Hunt Hill-Albert G. Hill III Trust - A Kimbrough Davis, Trustee; Margaret Hunt Hill-Cody McArthur Wilkert Trust; Margaret Hunt Hill-Elisa Margaret Hill Trust; Margaret Hunt Hill-Heather Victoria Hill Trust; Margaret Hunt Hill-Margaret Hill Wilkert Trust; Margaret Hunt Hill-Michael Bush Wisenbaker Trust; Margaret Hunt Hill-Wesley Hill Wisenbaker Trust; Martin A. Pierce, his heirs and devisees, c/o Martin & Beverly LLC - Steve & Susan Nelson; McKay Oil & Gas, LLC; Merrion Oil & Gas Corp; Mesa Grande Resources, Inc.; Penroc Oil & Gas Corporation; Petroleum Resource Management Corp.; Sal Lee Oz Anderson, his heirs and devisees; Samuel Ray Carnes, his heirs and devisees; Silmon Biggs MD, his heirs and devisees; Steve L. Stevenson, his heirs and devisees; Stevenson, Lowell D, mmdssp, his heirs and devisees; Stevenson, Winifred L, mmdssp, his heirs and devisees; T.E. Duff Trust; Virginia Allyn Lovejoy, her heirs and devisees; William W. & Julianne D. Bramlett Bearkat Energy Partners LLC; Winifred L. Stevenson, her heirs and devisees;

and Woodfill Ranch, Inc. Case No. 22399: Application of San Juan Resources, Inc. For Approval of The Lindrith East (Deep) Unit, Rio Arriba County, New Mexico. Applicant seeks approval of the Lindrith East (Deep) Unit consisting of approximately 8,800 acres of the following Federal and Patented lands situated in Rio Arriba County, New Mexico: **Township 24 North, Range 2 West, N.M.P.M. Section 10: NE/4, E/2SE/4**  
Section 11: ALL  
Section 12: ALL  
Section 13: ALL  
Section 14: ALL  
Section 15: N/2NE/4, N/2SE/4  
Section 22: E/2  
Section 23: ALL  
Section 24: ALL  
Section 25: ALL  
Section 26: ALL  
Section 27: ALL  
Section 33: S/2  
Section 34: ALL  
Section 35: ALL  
Section 36: ALL

The unitized interval is all formations below the Top of the Mancos Formation, which is defined as the stratigraphic equivalent of 5,820 feet MD in the Amoco Federal Oso #1 well located in the NW/4, Section 24, Township 24 North, Range 2 West, N.M.P.M., Rio Arriba County, New Mexico (API#3003926672). The subject acreage is located approximately 1/2 mile east of Lindrith, New Mexico.

(Published December 23rd, 2021)