

The application/form must be submitted via OCD's
Online Permitting System at
<https://wwwapps.enrwd.nm.gov/OCD/OCDPermitting/Default.aspx> along with any associated permit fee.

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

For State Use Only:

Form C-137A
Revised October 11, 2022

APPLICATION FOR MINOR MODIFICATION TO SURFACE WASTE MANAGEMENT FACILITY

1. Operator: Crowe Blanco Properties LLC
Address: 1015 W. 54th Street Kansas City, MO 64112
Contact Person: John Crowe Phone: 816-668-9970
2. Location: W2SW /4 SE /4 Section 16 Township 29 Range 09W
3. Provide permit number NM1-50
4. Attach a description of the proposed minor modification(s) to the surface waste management facility.
5. If the Minor Modification involves changes to a treatment, remediation, or disposal method, attach engineering designs, certified by a registered professional engineer, including technical data on the design elements of each applicable treatment, remediation, and disposal method and detailed designs of surface impoundments.
6. If the Minor Modification will affect the closure and post-closure plan, attach an updated closure and post closure plan, including a responsible third party contractor's cost estimate, sufficient to close the surface waste management facility in a manner that will protect fresh water, public health, and the environment (the closure and post closure plan shall comply with the requirements contained in 19.15.36.18 NMAC).
7. If the Minor Modification will affect the contingency plan, attach an updated contingency plan that complies with the requirements of Subsection N of 19.15.36.13 NMAC and with NMSA 1978, Sections 12-12-1 through 12-12-30, as amended (the Emergency Management Act).
8. If the Minor Modification will affect the control of run-on or run-off water at the site, attach an updated plan to control run-on water onto the site and run-off water from the site that complies with the requirements of Subsection M of 19.15.36.13 NMAC.
9. If the Minor Modification will affect the best management practice plan, attach a best management practice plan to ensure protection of fresh water, public health, and the environment.
10. The division may require additional information to demonstrate that the surface waste management facility's operation will not adversely impact fresh water, public health, or the environment and that the surface waste management facility will comply with division rules and orders.

11. CERTIFICATION

I hereby certify that the information submitted with this application is true, accurate, and complete to the best of my knowledge and belief.

Name: John P. Crowe

Title: Manager

Signature: 

Date: 06/14/2024

E-mail Address: johncrowe@me.com

EXHIBIT II

**CROWE BLANCO PROPERTIES LLC
1015 W. 54th STREET
KANSAS CITY, MO 64112**

APRIL 4, 2024

**RE: NM1-50 LANDFARM PERMIT TRANSFER
AS REQUIRED BY THE NEW MEXICO OIL CONSERVATION DIVISION**

THIS PERMIT TRANSFER, made this 8th day of April, 2024, between **CROWE BLANCO PROPERTIES LLC**, whose address is 1015 W. 54th STREET, KANSAS CITY, MO 64112, GRANTOR, and BLANCO REAL ESTATE HOLDINGS, LLC, whose address is, P.O. Box 6286 Farmington, New Mexico 84799, GRANTEE:

WITNESSETH, that Grantor, for and in consideration of the sum of less than Ten Dollars, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, has assigned, transferred, and conveyed, and by these presents does assign, transfer and convey and confirm, unto Grantee and Grantee's heirs, successors, and assigns, forever, all rights to and pertaining to NM1-50 Landfarm Permit, including rights to obtain information and associated documents from Souder Miller and Associates and all contractors associated with the permit NM1-50, covering lands located in the County of San Juan and State of New Mexico, described as follows:

All that certain Real Property in the County of San Juan, New Mexico, described as follows:

Lot 4, of the Blanco Land Subdivision No.1, San Juan County, New Mexico, as shown on the plat of said subdivision filed for record September 26, 2000.

Lots 1A, 2A, 3A, 4A, 5A, 6A, and 7A, of the Blanco Land Subdivision No. 2, San Juan County, New Mexico, as shown on the plat of said Subdivision filed for record May 30, 2001.

also known by street and number as:

NYA ROAD 4445

TO HAVE AND TO HOLD the said premises above bargained and described, with the appurtenances, unto Grantee and Grantee's heirs, successors, and assigns forever. Grantor, for Grantor and Grantors' heirs, successors, and assigns, does covenant and agree Grantor shall and will guarantee the above bargained premises in the quiet and peaceable possession of Grantee, and Grantee's heirs, successors, and assigns, against all and every person or persons claiming the whole or any part thereof, by, though, or under Grantor.

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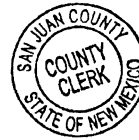
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1 of 1 B1709 P813 \$25.00

San Juan County, NM TANYA SHELBY



TL

WARRANTY DEED

Crowe Blanco Properties, LLC, a New Mexico Limited Liability Company, for consideration paid, grant to Blanco Real Estate Holdings, LLC, a New Mexico Limited Liability Company whose address is:

P.O. Box 6286 Farmington NM 87499

the following described real estate in San Juan County, New Mexico:

Lot 4, of the BLANCO LAND SUBDIVISION NO. 1, San Juan County, New Mexico, as shown on the Plat of said Subdivision filed for record September 26, 2000.

Lots 1A, 2A, 3A, 4A, 5A, 6A and 7A, of the BLANCO LAND SUBDIVISION NO. 2, San Juan County, New Mexico, as shown on the Plat of said Subdivision filed for record May 30, 2001.

SUBJECT TO taxes for the year 2024 and thereafter; mineral reservations and/or conveyances heretofore made; and any and all easements and servitudes, public or private, of whatsoever kind or nature, in existence at the date hereof;

with warranty covenants.

WITNESS our hands and seals this 21 day of May, 2024.

Crowe Blanco Properties, LLC

x [Signature]
By: John P. Crowe, Manager

ACKNOWLEDGMENT FOR NATURAL PERSONS

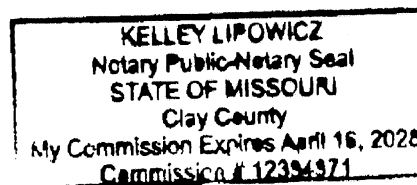
STATE OF Missouri }
COUNTY OF Jackson } SS.

This instrument was acknowledged before me this 21st day of May, 2024, by John P. Crowe, manager of Crowe Blanco Properties, LLC, a New Mexico Limited Liability Company.

My commission expires:

April 16, 2028

[Signature]
Notary Public



Mr. Brad Jones
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources

Re: Blanco Real Estate Holdings, LLC Credit Support requirement for Credit Support of
Crowe Blanco, LLC Permit # NM1-50

Dear Mr. Jones:

Please see below for the cost analysis for the initial Credit Support for of Crowe Blanco, LLC Permit
NM1-50

May 2016 Financial Assurance: \$570,351.38
May 2016: 240.229
March 2024: 312.332
March 2024 escalated: **\$741,538.23 for Credit Support of Crowe Blanco LLC Permit # NM1-50**

[Consumer Price Index Historical Tables for U.S. City Average : Mid-Atlantic Information Office :
U.S. Bureau of Labor Statistics \(bls.gov\)](#)

Bureau of Labor Statistics > Geographic Information > Mid-Atlantic > Table

Mid-Atlantic Information Office

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Consumer Price Index Historical Tables for U.S. City Average

CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS (CPI-U)
(not seasonally adjusted)

ALL ITEMS (1982-84=100)	U.S. City Average											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Consumer Price Index												
2014	233.916	234.781	236.293	237.072	237.900	238.343	238.250	237.852	238.031	237.433	236.151	234.812
2015	233.707	234.722	236.119	236.599	237.805	238.638	238.654	238.316	237.945	237.838	237.336	236.525
2016	236.916	237.111	238.132	239.261	240.229	241.018	240.628	240.849	241.428	241.729	241.353	241.432
2017	242.839	243.603	243.801	244.524	244.733	244.955	244.786	245.519	246.819	246.663	246.669	246.524
2018	247.867	248.991	249.554	250.546	251.588	251.989	252.006	252.146	252.439	252.885	252.038	251.233
2019	251.712	252.776	254.202	255.548	256.092	256.143	256.571	256.558	256.759	257.346	257.208	256.974
2020	257.971	258.678	258.115	256.389	256.394	257.797	259.101	259.918	260.280	260.388	260.229	260.474
2021	261.582	263.014	264.877	267.054	269.195	271.696	273.003	273.567	274.310	276.589	277.948	278.802
2022	281.148	283.716	287.504	289.109	292.296	296.311	296.276	296.171	296.808	298.012	297.711	296.797
2023	299.170	300.840	301.836	303.363	304.127	305.109	305.691	307.026	307.789	307.671	307.051	306.746
2024	308.417	310.326	312.332									

OPERATING AGREEMENT
OF
BLANCO REAL ESTATE HOLDINGS, LLC

A NEW MEXICO LIMITED LIABILITY COMPANY

EFFECTIVE AS OF JUNE 6, 2024

This Operating Agreement of Blanco Real Estate Holdings, LLC, a New Mexico limited liability company (the "Company"), is made and entered into as of June 6, 2024 (the "Effective Date"), by and among its Members whose signatures appear on the signature page hereof and any subsequent joinder hereto.

ARTICLE I DEFINITIONS

For purposes of this Agreement, in addition to capitalized terms defined elsewhere in this Agreement, the following terms shall have the following meanings:

Act. The New Mexico Limited Liability Company Act, as amended from time to time.

Additional Member. A Member other than the Members as of the Effective Date who has acquired a Membership Interest in the Company and become subject to and bound by the terms of this Agreement in accordance with the terms hereof.

Affiliate. With respect to any party, means any Person controlling, controlled by or under common control with such party, and in the case of a natural person, shall include the spouse and immediate family members of such person, as well as any trust for the benefit of such persons or an entity beneficially owned or controlled by any of such persons; and the terms "control," "controlled" or "under common control" mean the direct or indirect power to direct the management and policies of any Person, whether through the ownership of voting securities, by contract, management agreement or otherwise.

Agreement. This Operating Agreement of the Company as originally executed and as amended from time to time.

Articles. The Articles of Organization as filed with the Secretary of State pursuant to the Act and as may be amended or restated from time to time.

Assignee. A Person holding or receiving an interest in the Company who has not been admitted as a Member in accordance with the terms of this Agreement.

Capital Contribution. The cash, cash equivalents, evidence of indebtedness or the agreed fair market value of property that a Member contributes to the Company, net of any liabilities secured by such contributed property that the Company is considered to have assumed or taken subject to.

Cash Flow. All cash receipts of the Company, less any portion thereof used to pay or establish reasonable reserves for all Company expenses, debt payments and accrued interest (including principal and interest payments on loans made to the Company), contingencies, and other obligations or liabilities of the Company, as determined by the Managers.

Centralized Partnership Audit Regime. Sections 6221 through 6241 of the Code, as originally enacted in P.L. 114-74, and as may be amended, including any regulations or other administrative guidance promulgated thereunder, and any similar provision of state or local tax law.

Code. The Internal Revenue Code of 1986, as amended, or any successor statute.

Company Property. All assets (real or personal, tangible or intangible, including cash) of the Company.

Distribution. A transfer of Company Property to a Member on account of the Member holding a Membership Interest.

Majority Interest. One or more Voting Interests of Members which taken together exceed 50% of the aggregate of all Voting Interests of the Members.

Manager. One or more managers duly appointed or elected in accordance with this Agreement. References to the Manager in the singular or as him, her, it, itself, or other like references shall also, where the context so requires, be deemed to include the plural or the masculine or feminine reference, as the case may be.

Member. Each of the parties who execute this Agreement as a Member and each of the Persons who may hereafter become an Additional Member by acquiring a Membership Interest and agreeing to be subject to and bound by the terms of this Agreement in accordance with the terms hereof.

Membership Interest. A Member's entire interest in the Company including such Member's economic interest, management rights and such other rights and privileges that the Member may enjoy by being a Member.

Partnership Representative. The Company's "partnership representative" and, if applicable, the "designated individual" with respect to such partnership representative within the meaning of section 6223 of the Code.

Person. Any individual or any general partnership, limited partnership, limited liability company, corporation, joint venture, trust, business trust, cooperative or association or any foreign trust or foreign business organization, and the heirs, executors, administrators, legal representatives, successors and assigns of such "Person" where the context so permits.

Profit or Loss. The profit or loss of the Company as determined under the capital accounting rules of Treasury Regulation § 1.704-1(b)(2)(iv) for purposes of adjusting the capital accounts of the Members, including the provisions of paragraphs (b), (f) and (g) of those regulations relating to the computation of items of income, gain, deduction and loss. Notwithstanding the foregoing, to avoid duplication any item of gross income, gain, loss or deduction specially allocated under Section 5.4 will not be taken into account in computing Profit or Loss.

Reviewed Year Member. Any Person who owned an equity interest in the Company during a "reviewed year" of the Company, as defined in section 6225 of the Code, regardless of whether such Person owns an equity interest in the Company during the corresponding "adjustment year" of the Company, within the meaning of section 6225 of the Code.

Secretary of State. The Secretary of State of New Mexico.

Securities Laws. Any federal securities acts and laws as well as the securities acts and laws of any state, including the Securities Act of 1933, as amended.

Sharing Ratio. The Sharing Ratio of each Member as set forth on Schedule A, which Sharing Ratios are subject to adjustment as provided herein.

Transfer. Any sale, assignment, gift, conveyance, exchange or transfer (including dispositions intestate or by operation of law), but not including any mortgage, pledge, grant, hypothecation or other transfer as security or encumbrance, except with respect to an absolute transfer in payment or by way of foreclosure of the obligation secured by such mortgage, pledge, grant, hypothecation or other security or encumbrance.

Treasury Regulations. Regulations, including temporary and proposed regulations, issued by the Department of Treasury under the Code. Any reference to a specific section or sections of the Treasury Regulations shall be deemed to include a reference to any corresponding provision of future regulations under the Code.

U.S. Government Controls. The United and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act), and the International Money Laundering Abatement and Financial Anti-Terrorism Act of 2001, each as amended, and all applicable orders, rules and regulations related thereto.

Voting Interest. A number of votes equal to a Member's Sharing Ratio multiplied by one hundred (100).

ARTICLE II FORMATION

Section 2.1 Organization. On March 27, 2023, the initial sole Member, Jay Paul McWilliams, caused the Company to be formed by filing the Articles with the Secretary of State in accordance with and pursuant to the Act. The Company and each of the Members hereby forever discharges Jay Paul McWilliams as the organizer of the Company, and the organizer shall be indemnified by the Company and each of the Members from and against any expense or liability actually incurred by Mr. McWilliams by reason of having been the organizer of the Company.

Section 2.2 Effect of Inconsistencies with the Act. It is the express intention of the Members that this Agreement shall be the sole governing document for the Company and, except to the extent a provision of this Agreement is expressly prohibited or ineffective under a non-waivable provision of the Act or other applicable law, this Agreement shall govern even when inconsistent with, or different than, the provisions of the Act or any other applicable law. To the extent any provision of this Agreement is prohibited or ineffective under a non-waivable provision of the Act or other applicable law, this Agreement shall be considered amended to the least degree possible in order to make this Agreement effective under the Act or other applicable law. If the Act or any other applicable law is subsequently amended or interpreted in such a way to make any provision of this Agreement that was formerly invalid valid, such provision shall be considered to be valid from the effective date of such interpretation or amendment. The Members and the Managers shall be entitled to rely on the provisions of this Agreement, and the

Members and the Managers shall not be liable to the Company for any action or refusal to act taken in good faith reliance on the terms of this Agreement.

Section 2.3 Name. The name of the Company is Blanco Real Estate Holdings, LLC, and all business of the Company shall be conducted under that name or under any other name determined and approved by the Managers, but in any case, only to the extent permitted by applicable law.

Section 2.4 Existence. The Company shall have perpetual existence and shall continue until dissolved in accordance with this Agreement.

Section 2.5 Registered Office Address and Registered Agent. The Company's registered office address and the name and address of the registered agent shall be as set forth in the Articles. The registered office address and registered agent may be changed from time to time by the Managers by making an appropriate filing regarding such change in the address of the new registered office address or the name of the new registered agent with the Secretary of State pursuant to the Act.

Section 2.6 Principal Office. The principal office of the Company shall be 2010 Afton Place, Farmington, NM 87401. The principal office may be changed from time to time by the Managers by making an appropriate filing regarding such change of the address of the principal office with the Secretary of State pursuant to the Act. The Company may locate its places of business at any other place or places as the Managers may from time to time deem advisable.

Section 2.7 Members. The names and addresses of the Members are as set forth on Schedule A hereto, which may be amended and restated by the Managers at any time if they should receive updated information about the identity or addresses of the Members as permitted elsewhere in this Agreement.

Section 2.8 Nature of Business. The Company may carry on any lawful business, purpose or activity except as prohibited by the Act. The Company shall have the authority to do all things necessary or convenient to accomplish such business, purpose or activity.

ARTICLE III CONTRIBUTIONS

Section 3.1 Initial Capital Contributions. As of the Effective Date, each Member has made, or has committed to make within sixty (60) days following the Effective Date, the Capital Contribution set forth opposite its name on Schedule A hereto.

Section 3.2 Additional Capital Contributions. If from time to time a majority of the Managers determine that the Company requires additional capital for any purpose, each Member shall be given the opportunity, but shall not be obligated, to make a Capital Contribution to the Company in an amount equal to its share of such additional contribution (which amount shall be the total of such additional contribution multiplied by the Member's Sharing Ratio). If not all of the Members elect to make an additional Capital Contribution in an amount equal to its share of such additional contribution, then, at the time any such Capital Contributions are made pursuant to this Section 3.2, the Managers shall adjust the Sharing Ratios of the Members in an equitable manner, as determined by a majority of the Managers in their reasonable discretion.

Section 3.3 Return of Capital Contributions. Capital Contributions shall be expended in furtherance of the business of the Company. All costs and expenses of the Company shall be paid from its funds. No interest shall be paid on Capital Contributions. No Member shall have personal liability for the repayment of any Capital Contribution to another Member.

ARTICLE IV DISTRIBUTIONS

Section 4.1 Tax Distributions. To the extent permitted by applicable law, the Managers shall, on a quarterly basis or such other times as determined by the Managers, cause the Company to make cash Distributions in amounts reasonably determined by the Managers to be sufficient to satisfy the estimated income tax obligations of the Members arising as a result of the items of income, gain, loss, deduction, and credit passed through to the Members. The estimated income tax obligations of the Members shall be calculated assuming that such items were the only items entering into the computation of the Members' tax liability for the period for which the Distributions are made and using the sum of the maximum federal tax rate applicable to individuals under the Code *plus* the maximum New Mexico state tax rate applicable to residents of New Mexico, regardless of whether each such Member is a resident of New Mexico. Distributions made during the Company's fiscal year pursuant to Section 4.2 will reduce the Distributions otherwise contemplated by this Section 4.1. Distributions made pursuant to this Section 4.1 will be treated as draws upon Distributions to be made pursuant to Sections 4.2 and 4.3 such that future Distributions otherwise contemplated by Sections 4.2 and 4.3 will be reduced by Distributions made pursuant to this Section 4.1.

Section 4.2 Cash Flow Distributions. The Company may make Distributions of Cash Flow at such times and in such amounts as the Managers shall determine and approve. Except as provided in Section 4.3 below, all Distributions of Cash Flow shall be made among the Members in accordance with their respective Sharing Ratios.

Section 4.3 Liquidating Distributions. All Distributions made in liquidation, dissolution, and winding up of the Company shall be made in accordance with Article XI below.

ARTICLE V ALLOCATION OF PROFIT AND LOSS

Section 5.1 Determination of Profit and Loss. Profit or Loss shall be determined on an annual basis and for such other periods as may be required.

Section 5.2 Loss Allocation. Except as provided in Section 5.4, Loss shall be allocated among the Members in accordance with their relative Sharing Ratios.

Section 5.3 Profit Allocation. Except as provided in Section 5.4, Profit shall be allocated among the Members in accordance with their relative Sharing Ratios.

Section 5.4 Regulatory Allocations and Curative Provision.

(a) The "qualified income offset" provisions of Treasury Regulation § 1.704-1(b)(2)(ii)(d) are incorporated herein by reference and shall apply to adjust the allocation of

Profit and Loss otherwise provided for under Sections 5.2 and 5.3 to the extent provided in that regulation.

(b) The “minimum gain chargeback” and “partner nonrecourse debt minimum gain chargeback” provisions of Treasury Regulation § 1.704-2 are incorporated herein by reference and shall apply to adjust the allocation of Profit and Loss otherwise provided for under Sections 5.2 and 5.3 to the extent provided in that regulation.

(c) Notwithstanding the provisions of Section 5.2, if during any fiscal year of the Company the allocation of any Loss to a Member would cause or increase a negative balance in a Member’s capital account as of the end of that fiscal year (after taking into account the adjustments described in the following sentence), only the amount of such Loss that reduces the balance to zero shall be allocated to the Member and the remaining amount shall be allocated to the other Members. For purposes of the preceding sentence, a capital account shall be reduced by the adjustments, allocations and distributions described in Treasury Regulations § 1.704-1(b)(2)(ii)(d)(4), (5) and (6), and increased by the amount, if any, of the negative balance in the Member’s capital account that the Member is obligated to restore under this Agreement or as determined under Treasury Regulation § 1.704-1(b)(2)(ii)(c) as of that time or is deemed obligated to restore under Treasury Regulation § 1.704-2(g)(1) or § 1.704-2(i)(5). The limitations provided in this Section 5.4(c) shall be applied on a Member-by-Member basis so as to allocate the maximum permissible loss to each Member under Treasury Regulation Section 1.704-1(b)(2)(ii)(d).

(d) All allocations pursuant to the foregoing provisions of this Section 5.4 (the “Regulatory Allocations”) shall be taken into account in computing allocations of other items under Sections 5.2 and 5.3, including, if necessary, allocations in subsequent fiscal years, so that the net amounts reflected in the Members’ capital accounts and the character for income tax purposes of the taxable income recognized (e.g., as capital or ordinary) will, to the extent possible, be the same as if no Regulatory Allocations had been given effect.

Section 5.5 Allocations of Taxable Income and Loss.

(a) Except as provided in Section 5.5(b), each item of income, gain, loss, and deduction of the Company for federal income tax purposes will be allocated among Members in the same manner as the item is allocated for capital account purposes under Sections 5.2, 5.3, and 5.4.

(b) In accordance with Code section 704(c) and the Treasury Regulations thereunder, solely for income tax purposes, income, gain, loss, and deduction with respect to property contributed by any Member to the Company will be allocated so as to take into account any variation between the adjusted basis of the property and its fair market value at the time of contribution pursuant to such method as may be determined by the Members in consultation with the Company’s accountants. If the book value of any Company Property is adjusted pursuant to Treasury Regulation § 1.704-1(b)(2)(iv)(f), subsequent allocations of income, gain, loss, and deduction with respect to the property will take account of any variation between the adjusted basis of the property for federal income tax purposes and its book value in the same manner as under Code section 704(c) and the Treasury Regulations thereunder and pursuant to such method as may be determined by the Members in consultation with the Company’s accountants.

ARTICLE VI MANAGEMENT AND AUTHORITY

Section 6.1 Management. The business and affairs of the Company shall be managed by the Managers. Except for situations in which the approval of the Members is expressly required by this Agreement or by non-waivable provisions of applicable law, the Managers shall have full and complete authority, power, and discretion to manage and control the business and affairs of the Company and the Company Property, to make all decisions regarding those matters and to perform any and all other acts and activities customary or incident to the management of the Company's business. At any time when there is more than one Manager, all actions to be taken or approved by the Managers in their capacity as such shall require the approval of a majority of the Managers, and any one Manager may take any action permitted to be taken by the Managers but only after such action has been approved by a majority of Managers. Any approval to be obtained from a majority of the Managers shall be evidenced in a writing or writings by the requisite number of Managers and may be delivered by electronic transmission, and no action need be taken at a formal meeting of the Managers. Unless authorized to do so by this Agreement or by the Managers (pursuant to Section 6.14 or otherwise), no Member (in its capacity as such), attorney-in-fact, employee, or other agent of the Company shall have any power or authority to bind the Company in any way, to pledge its credit, or to render it liable pecuniarily for any purpose.

Section 6.2 Number, Tenure and Qualifications of Managers. Members holding at least a Majority Interest may fix the number of Managers from time to time, but in no instance may there be less than one Manager. The Members hereby set the number of Managers at one (1), and the initial Manager shall be Jay Paul McWilliams. A Manager shall hold office until such Manager resigns pursuant to Section 6.8 or is removed pursuant to Section 6.9. Managers need not be Members or residents of New Mexico.

Section 6.3 Certain Powers of Managers. Without limiting the generality of Section 6.1 but subject to compliance with Section 6.1 and the limitations of Section 6.4, the Managers have power and authority, on behalf of the Company, to:

- (a) Acquire property from any Person as the Managers may determine (the Managers are not prohibited from dealing with any Person that is an Affiliate of the Manager or a Member);
- (b) Purchase liability and other insurance to protect the Company Property and the Company's business;
- (c) Hold and own any Company real or personal properties in the name of the Company;
- (d) Invest any Company funds (by way of example but not limitation) in time deposits, short-term governmental obligations, commercial paper, or other investments, irrespective of whether they qualify as appropriate fiduciary types of investments;
- (e) Execute all instruments, documents and agreements, including checks, drafts, notes and other negotiable instruments; mortgages, deeds of trust or both; security

agreements; financing statements; documents providing for the acquisition, mortgage, or disposition of any or all of the Company Property; assignments; bills of sale; leases; partnership agreements; operating (or limited liability company) agreements of other limited liability companies; and any other instruments or documents necessary, in the opinion of the Managers, to the conduct of the business of the Company, including modifications and amendments thereto;

(f) Employ accountants, legal counsel, managing agents, other experts, employees and independent contractors to perform services for the Company and compensate them from Company funds;

(g) Open bank accounts in the name of the Company and be the sole signatory thereon unless the Managers determine otherwise; and

(h) Do and perform all other acts as may be necessary or appropriate to the conduct of the Company's business.

Section 6.4 Limitations on Authority. Notwithstanding any other provision of this Agreement, the approval of Members holding a Majority Interest shall be required to:

(a) Issue additional Membership Interests;

(b) Possess Company Property, or assign any rights in specific Company Property, for other than a Company purpose;

(c) Incur or refinance any indebtedness for money borrowed by the Company, whether secured or unsecured and including any indebtedness for money borrowed from a Member;

(d) Sell or otherwise dispose of all or substantially all of the Company Property;

(e) Change or reorganize the Company into any other legal form;

(f) Effect any merger or consolidation of the Company;

(g) Cause the Company to commence a voluntary case as debtor under the United States Bankruptcy Code;

(h) Take any action which, pursuant to this Agreement or non-waivable provisions of applicable law, specifically requires the consent or approval of the Members; or

(i) Enter into any agreement, arrangement or understanding, written or oral, to do any of the foregoing.

The Company, the Managers, and the Members shall comply at all times with all U.S. Government Controls.

Section 6.5 Liability for Certain Acts.

(a) The Managers do not, in any way, guarantee the return of the Members' Capital Contributions or a profit for the Members from the operations of the Company or otherwise.

(b) No Manager shall be liable to the Company or to any Member for any loss or damage sustained by the Company or any Member (or successor thereto), except to the extent, if any, that the loss or damage shall have been the result of gross negligence, fraud, deceit, willful misconduct, or intentional breach of this Agreement by such Manager.

(c) The Members and Managers intend that this Section 6.5 and Section 6.6 modify the duties set forth in the Act and shall substitute for any duties (fiduciary or otherwise) that the Members or Managers may owe the Company or each other, other than the implied contractual covenant of good faith and fair dealing.

Section 6.6 Managers and Members Have No Exclusive Duty to Company. The Managers and Members (a) shall have no exclusive duty to act on behalf of the Company, (b) may have other business interests and may engage in other activities in addition to those relating to the Company, and (c) shall not incur any liability to the Company or to any of the Members as a result of engaging in any other business or venture. Neither the Company nor any Member shall have any right, by virtue of this Agreement, to share or participate in any other investments or activities of any other Member, the Managers, or any Affiliates of such Persons.

Section 6.7 Indemnity of the Managers, Officers, Employees and Other Agents.

(a) The Company shall indemnify each Manager and officer of the Company (together with the Company's employees and other agents, each, an "Indemnified Person") for any loss in connection with the activities of such Indemnified Person (other than solely in the capacity as a Member, if applicable) in connection with the establishment, management or operations of the Company, except to the extent the claim for which indemnification is sought results from an act or omission for which the Indemnified Person may be held liable to the Company or to a Member under Section 6.5(b). The indemnification shall in no event cause the Members to incur any liability beyond their total Capital Contributions plus their share of any undistributed profits of the Company, nor shall it result in any liability of the Members to any third party. The Company may indemnify its employees and other agents who are not Managers or officers to the fullest extent permitted by law, provided that such indemnification in any given situation is approved by Members holding a Majority Interest.

(b) The Company periodically shall pay expenses (including legal fees and expenses) incurred by an Indemnified Person in defending any claim, demand, action, suit or proceeding subject to Section 6.7(a), as such expenses accrue and are payable to third parties, in advance of the final disposition of such claim, demand, action, suit, or proceeding upon receipt of an undertaking (which need not be secured) by or on behalf of the Indemnified Person to repay such amount if a court of competent jurisdiction ultimately and finally determines, where such determination is not subject to appeal, that the Indemnified Person is not entitled to be indemnified by the Company as authorized hereunder.

(c) This Section 6.7 cannot be modified by amendment to this Agreement in a manner that would eliminate or limit an Indemnified Person's right to indemnification under this Section 6.7 with regard to an act or omission that occurred in whole or in part prior to such amendment.

Section 6.8 Resignation. Any Manager may resign at any time by giving written notice to the Members. The resignation of any Manager will take effect upon receipt of notice thereof or at such later time as may be specified in such notice; and, unless otherwise specified therein, the acceptance of such resignation is not necessary to make it effective. The resignation of a Manager who is also a Member will not affect the Manager's rights as a Member and will not constitute a withdrawal of a Member.

Section 6.9 Removal. All or any lesser number of Managers may be removed at any time by approval of Members holding a Majority Interest for any reason or for no reason. The removal of a Manager who is also a Member will not affect the Manager's rights as a Member and will not constitute a withdrawal of a Member.

Section 6.10 Vacancies. Any vacancy occurring for any reason in the number of Managers shall be filled promptly by the approval of Members holding a Majority Interest. If any Manager's position is to be filled by reason of an increase in the number of Managers, Members holding a Majority Interest may fill such position.

Section 6.11 Compensation of the Managers.

(a) Any compensation of the Managers shall be subject to approval of Members holding a Majority Interest, and no Manager shall be prevented from receiving such compensation by reason of the fact that he or she is also a Member or an Affiliate of a Member.

(b) Upon the submission of appropriate documentation, the Company shall reimburse each Manager for reasonable out-of-pocket expenses incurred on behalf, or at the request, of the Company.

Section 6.12 Organizational Separateness. The Managers shall cause the Company to maintain its existence separate and distinct from any other Person, including, without the need to obtain approval of any Member or any other stakeholder, by taking the following actions to the extent practicable:

(a) maintaining in full effect its existence, rights and franchises as a limited liability company under the laws of the State of New Mexico and obtaining and preserving its qualification to do business in each jurisdiction in which such qualification is or will be necessary to protect the validity and enforceability of this Agreement and each other instrument or agreement necessary or appropriate to properly administer this Agreement and permit and effectuate the transactions contemplated in this Agreement;

(b) conducting its affairs separately from those of its Members and Affiliates, and maintaining accurate and separate books and records;

(c) maintaining its own deposit accounts, separate from those of its Members and Affiliates;

(d) acting solely in its own limited liability company name and not that of any other Person, including any of its Members or its Affiliates;

(e) not holding itself out as having agreed to pay, or as being liable for, the obligations of any of its Members or of its Affiliates;

(f) not commingling its assets with those of any other Person and paying its obligations only out of its own funds;

(g) observing all limited liability company formalities required by this Agreement, the Articles or the Act;

(h) not acquiring obligations of any of its Members or of its Affiliates;

(i) holding itself out as a separate entity; and

(j) correcting any known misunderstanding regarding its separate identity.

Section 6.13 Right to Rely on the Managers. Any Person dealing with the Company may rely (without duty of further inquiry) upon a certificate signed by a majority of the Managers as to:

(a) The identity of any Manager, Member or officer of the Company;

(b) The existence or nonexistence of any fact or facts which constitute a condition precedent to acts on behalf of the Company by any Manager or which are in any other manner germane to the affairs of the Company;

(c) The Persons who are authorized to execute and deliver any instrument or document of the Company; or

(d) Any act or failure to act by the Company or any other matter whatsoever involving the Company or any Member.

Section 6.14 Officers. The Managers may elect or appoint such officers of the Company and assistant officers as they may deem necessary or advisable. The Managers may delegate to any such officer the power to appoint or remove subordinate officers, agents or employees. Without prejudice to any contractual rights that any officer may have with the Company, the Managers may remove any officer or agent of the Company at any time with or without cause. Each officer so elected or appointed shall continue in office until his or her successor shall be elected or appointed and shall qualify, or until his or her earlier death, resignation or removal. Any two or more offices may be held by the same person, and any office may be held by more than one person as co-officers of such office. The Managers may assign such additional titles to one or more of the officers as they may deem appropriate. Unless otherwise provided by this Agreement or subsequently specified by the Managers, any officer appointed with a title shall have the rights, duties and responsibilities incumbent on an officer of a New Mexico corporation with such title. The officers of the Company as of the Effective Date are those persons identified, and holding the offices as set forth, on the attached Schedule B.

ARTICLE VII RIGHTS AND OBLIGATIONS OF MEMBERS

Section 7.1 Limitation of Liability. Except as otherwise provided by this Agreement and the non-waivable provisions of the Act, no Member will be liable for an obligation of the Company solely by reason of being or acting as a Member.

Section 7.2 Members Have No Agency Authority. Except as expressly provided in this Agreement, the Members (in their capacity as Members) have no agency authority on behalf of the Company and no Member shall hold himself or herself out as having such authority.

Section 7.3 Priority and Return of Capital. Except as may be expressly provided in this Agreement, no Member has priority over any other Member, either as to the return of Capital Contributions or as to Profits, Losses or Distributions; provided, however, that this Section 7.3 does not apply to loans (as distinguished from Capital Contributions) that a Member has made to the Company.

Section 7.4 No State-Law Partnership. The Members intend that the Company not be a partnership (including a limited partnership) or joint venture, and that no Member be a partner or joint venturer of any other Member by virtue of this Agreement, for any purposes other than as set forth in the immediately following sentence, and neither this Agreement nor any document entered into by the Company or any Member may be construed to suggest otherwise. The Members intend that the Company be treated as a partnership for federal and, if applicable, state or local income tax purposes, and the Company and each Member shall file all tax returns and shall otherwise take all tax and financial reporting positions in a manner consistent with such treatment. Each Member (in its capacity as a Member) hereby disclaims, to the maximum extent permitted by applicable law, all partner fiduciary duties or obligations it may owe in its capacity as a Member.

ARTICLE VIII ACTIONS OF MEMBERS

Section 8.1 No Required Meetings. The Members may, but shall not be required to, hold any annual, periodic, or other formal meetings. Meetings of the Members for any purpose or purposes may be called by any Member or Members holding a Majority Interest.

Section 8.2 Quorum; Manner of Acting. Members holding at least a Majority Interest, represented in person or by proxy, shall constitute a quorum at any meeting of Members. Each of the Members hereby consents and agrees that one or more Members may participate in a meeting of the Members by means of telephone conference or similar means by which all persons participating in the meeting can hear each other at the same time, and such participation shall constitute presence in person at the meeting. If a quorum is present, the affirmative vote of Members holding a Majority Interest shall be the act of the Members, unless the vote of a greater proportion is otherwise expressly required by this Agreement, the Articles or the Act. Any vote, action or consent by a Member may be made or given by such Member taking into account any considerations that such Member may deem appropriate, including the personal interests of such Member, without regard to any duty (fiduciary or otherwise) that such Member may have to the Company or any other Member.

Section 8.3 Informal Action. Any action required or permitted to be taken at a meeting of the Members may be taken without a meeting if the action is evidenced by a writing describing the action taken, signed or authenticated by Members holding sufficient Voting Interests, as the case may be, to approve such action had such action been properly voted on at a duly called meeting of the Members. Action taken under this Section 8.3 is effective when Members with the requisite Voting Interests have signed or authenticated the consent, unless the consent specifies a different effective date. The record date for determining the Members who are entitled to take action without a meeting shall be the date the first Member signs a consent.

Section 8.4 Place of Meeting. The person or persons calling a meeting of the Members may designate the place for such meeting. If no designation is made, the place of meeting shall be the principal office of the Company.

Section 8.5 Notice of Meeting. Written notice stating the place, day and hour of the meeting and the purpose or purposes for which the meeting is called shall be delivered not less than five (5) nor more than thirty (30) days before the date of the meeting, either personally or by mail, by or at the direction of the Member or Members calling the meeting, to each Member entitled to vote at such meeting.

Section 8.6 Meeting of all Members. If all of the Members shall meet at any time and place, or by telephone conference or similar means, and approve of the holding of a meeting at such time and place or by such means, such meeting shall be valid without call or notice, and at such meeting lawful action may be taken.

Section 8.7 Proxies. At all meetings of Members, a Member may vote in person or by proxy executed in writing by the Member or by such Member's duly authorized attorney-in-fact. Such proxy shall be filed with the Company before or at the time of the meeting. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy.

Section 8.8 Waiver of Notice. When any notice is required to be given to any Member, a waiver thereof in writing signed by the person entitled to such notice, whether before, at, or after the time stated therein, shall be equivalent to the giving of such notice.

Section 8.9 Resignation of a Member. If any Member wishes to resign or withdraw from the Company, such Member will so notify the other Member(s), and an agreement may be made as to the terms of such resignation or withdrawal. If no such agreement can be reached, the Member desiring to resign or withdraw may dispose of such Member's Membership Interest only pursuant to the provisions of Article IX hereof.

ARTICLE IX TRANSFERABILITY AND ISSUANCE OF MEMBERSHIP INTERESTS

Section 9.1 General. No Member shall be authorized to Transfer all or any portion of such Member's Membership Interest unless the Transfer constitutes a Permitted Transfer. Any attempted or purported Transfer that does not constitute a Permitted Transfer shall be invalid, null and void and of no force or effect, except with respect to any Transfer mandated by

operation of law and then such Transfer shall be valid and effective only to the extent necessary to give effect to such Transfer by operation of law. Except with respect to Permitted Transfers complying with the terms below, a recipient of a Membership Interest shall only be admitted as a Member upon approval of Members holding a Majority Interest, exclusive of the Membership Interest subject to the Transfer.

Section 9.2 Permitted Transfers. Subject to the conditions and restrictions set forth in Section 9.3, a Transfer of a Member's Membership Interest shall constitute a "Permitted Transfer" and the Person to whom the Membership Interest is Transferred shall be admitted as a Member if (a) the Transfer is made to another Member; (b) the Transfer is approved by the Members holding a Majority Interest; or (c) the Transfer is made by a Member to (i) such Member's spouse, domestic partner, lineal descendant, sibling, or adopted or step child or grandchild, or (ii) to a trust or trusts for the exclusive benefit (excepting residuary beneficiaries) of such Member or the family members described in clause (i).

Section 9.3 Conditions To Permitted Transfer. A Transfer shall not be treated as a Permitted Transfer, and the Person to whom the Membership Interest is Transferred shall not be admitted as a Member and shall merely be an Assignee, unless the transferor and the transferee agree to execute such documents and instruments necessary or appropriate in the Company's discretion to confirm such Transfer, including the transferee's execution of a counterpart to this Agreement pursuant to which the transferee agrees to be bound by the terms of this Agreement.

Section 9.4 Rights as Assignee. A Person who acquires any Membership Interest other than in a Permitted Transfer and who is not admitted to the Company as a Member shall be an Assignee and shall have only the right to receive the Distributions and allocations of Profits and Losses to which such Person would have been entitled under this Agreement with respect to the interest transferred, but shall have no right to participate in Company management, no right to inspect Company books and records, and no other rights accorded Members under this Agreement or under the Act. An Assignee shall be subject to all duties of restrictions on a Member hereunder and shall be liable to the Company and the Members for the breach of any such duty or restriction. Any Distributions to such purported transferee may be applied (without limiting any other legal or equitable rights of the Company) to satisfy any debts, obligations, or liabilities for damages that the transferor or transferee may have to the Company.

Section 9.5 No Encumbrances. No Member may pledge, lien or otherwise encumber such Member's Membership Interest for any purpose unless approved by all of the other Members.

Section 9.6 Issuance of Membership Interests. The Company may, subject to the approval of Members holding a Majority Interest, issue Membership Interests to Additional Members, which Membership Interests shall be allocated such Sharing Ratios, be issued in exchange for such Capital Contributions and be subject to any such other terms as may be determined and approved by the Members holding a Majority Interest. Any Membership Interests issued pursuant to this Section 9.6 shall dilute the Sharing Ratios of the then-existing Members *pro rata* in proportion to their respective Sharing Ratios.

Section 9.7 Part Year Allocations With Respect to Additional Members. No Additional Member will be entitled to any retroactive allocation of losses, income, or expense

deductions incurred by the Company. At the time an Additional Member or Assignee acquires a Membership Interest in accordance with this Article IX and in accordance with the provisions of section 706(d) of the Code and the Treasury Regulations thereunder, the Managers may, at their option, close the Company books (as though the Company's fiscal year had ended) or make *pro rata* allocations of loss, income, and expense deductions to an Additional Member for that portion of the Company's fiscal year in which a Person became an Additional Member.

Section 9.8 Management and Control of Membership Interests. The authority to manage, control, transfer, pledge, encumber, and dispose of Membership Interests in the Company is hereby vested in the record owners thereof. Pursuant to NMSA 1978 Section 40-3-14(B), as it may be amended, the community property interest of any spouse of a Member in the Company shall be managed, controlled, transferred, pledged, encumbered, or disposed of only by such Member, unless said spouse is the record owner of said community property interest on the books and records of the Company. Upon a court ordered divorce or legal separation of a Member and such Member's spouse, any resulting Transfer of the Membership Interest owned by such Member shall be governed by this Agreement.

ARTICLE X ACCOUNTING AND RECORDS

Section 10.1 Books. The Company shall maintain complete and accurate books of account at the registered office of the Company. The Company shall provide any Member any information requested relating to the business of the Company. During ordinary business hours any Member or its authorized representative shall have access to all books, records and materials regarding the Company and its activities.

Section 10.2 Capital Accounts. The Company shall maintain a separate capital account for each Member in accordance with the Treasury Regulations under section 704(b) of the Code and such other accounts as may be necessary or desirable to comply with the requirements of applicable laws and regulations.

Section 10.3 Reports. The books of account shall be closed promptly after the end of each fiscal year. As soon as practicable thereafter, the Company shall deliver a written report to each Member which shall include a statement of receipts, expenditures, Profits and Losses for the year, a statement of each Member's capital account and such additional statements with respect to the status of the Company's assets and the distribution of Company funds as are necessary to advise the Members properly about their investment in the Company, and the Member's K-1 for the preceding year.

Section 10.4 Section 754 Election. If requested by a Member, the Company shall make the election provided for under section 754 of the Code.

Section 10.5 Partnership Representative; Audits.

(a) The Members shall designate the Partnership Representative for each taxable year, as required by the Code and Treasury Regulations. Jay Paul McWilliams is hereby designated as the initial Partnership Representative. The Partnership Representative shall use its reasonable efforts to comply with its responsibilities as such and in so doing will incur no liability

to any Member. Any Person designated as Partnership Representative shall receive no compensation (other than compensation, if any, otherwise specified in this Agreement) from the Company or the Members for its services in that capacity. The Company shall reimburse the Partnership Representative for reasonable expenses incurred in such capacity as the expenses are incurred. To the extent and in the manner permitted by the Code and Treasury Regulations, the Partnership Representative may be removed by the Managers or resign.

(b) For each taxable year for which it is eligible, the Company shall elect out of subchapter C, chapter 63, of the Code, pursuant to section 6221(b) of the Code. If the Company is ineligible or otherwise fails for any reason to so elect out for a taxable year with respect to which there is an adjustment to a "partnership-related item" (within the meaning of the Centralized Partnership Audit Regime), the Company may, in the Managers' sole discretion, (i) elect the alternative payment procedures described in section 6226 of the Code, (ii) require the Reviewed Year Members to comply with the amended return or other procedures in section 6225 of the Code, or (iii) take any other steps as may reasonably be determined by the Managers in consultation with the Company's tax advisers. In any case, each Reviewed Year Member shall indemnify the Company from and against any loss attributable to such Reviewed Year Member's allocable share of any "imputed underpayment" (within the meaning of the Centralized Partnership Audit Regime), including any interest, penalty, other additions to tax, and all other costs and expenses (including reasonable attorney's fees) that may be sustained by the Company in connection therewith, as determined by the Managers in their reasonable discretion. The Company shall be entitled to recover such loss by any lawful means, including by offsetting such loss against amounts otherwise distributable to the Reviewed Year Member or its transferees or assignees.

(c) Each Member (whether or not a Member at the time of the request) shall furnish such cooperation and assistance, including executing and filing forms or other statements and providing information, as is reasonably requested by the Partnership Representative or the Managers in connection with any audit or other proceeding against or with respect to the Company by any taxing authority. Such information shall be furnished in the time and manner specified.

(d) Each Member shall report partnership items on the Member's tax returns consistently with the treatment of such items on the Company's tax returns, except as otherwise approved by the Managers. Any Member that fails to so report partnership items shall be liable to the Company and other Members for any expenses, including professionals' fees, tax, interest, penalties, or litigation costs, that may arise from such inconsistent reporting, such as an audit or other proceeding by a taxing authority.

(e) The provisions of this Section 10.5 shall survive the termination of the Company or the termination of any Member's interest in the Company and remain binding until all matters regarding the taxation of the Company or the Members with respect to the Company are finally resolved.

ARTICLE XI DISSOLUTION AND WINDING UP

Section 11.1 Dissolution. The Company shall be dissolved and its affairs wound up at the time determined and approved by Members holding a Majority Interest or upon such events

as the Act may mandatorily require such. The death, bankruptcy, dissolution or incompetence of a Member shall not result in the dissolution of the Company.

Section 11.2 Effect of Dissolution. Upon dissolution, the Company shall cease carrying on the business and affairs of the Company, as distinguished from the winding up of such business; provided, however, that the Company is not terminated, but continues until the winding up of the affairs of the Company is completed.

Section 11.3 Distribution of Assets on Dissolution. Upon the dissolution of the Company, a person selected and approved by the Managers shall act as liquidator to wind up the Company. The liquidator shall have full power and authority to sell, assign and encumber any or all of the Company's assets and to wind up and liquidate the affairs of the Company in an orderly and businesslike manner. All proceeds from liquidation shall be distributed in the following order of priority: (a) to the payment of debts and liabilities of the Company and the expenses of liquidation; (b) to the setting up of such reserves as the liquidator may reasonably deem necessary for any contingent liabilities of the Company; and (c) to the Members in accordance with their respective Sharing Ratios.

Section 11.4 Distribution in Kind. If the liquidator shall determine that a Company asset should be distributed in kind, the liquidator shall obtain an independent appraisal of the fair market value of the asset as of a date reasonably close to the date of liquidation. Any unrealized appreciation or depreciation with respect to such asset shall be allocated among the Members in accordance with the provisions of Article V assuming that the asset was sold for the appraised value. Distribution of any such asset in kind to a Member shall be considered a distribution of an amount equal to the asset's fair market value for purposes of Section 11.3. The liquidator, in its sole discretion, may distribute any percentage of any asset in kind to a Member even if such percentage exceeds the percentage in which the Member shares in distributions as long as the sum of the cash and fair market value of all the assets distributed to each Member equals the amount of the distribution to which each Member is entitled.

Section 11.5 Waiver of Right to Court Decree of Dissolution. The Members agree that irreparable damage would be done to the Company if any Member brought an action in court to dissolve the Company. Accordingly, each of the Members accepts the provisions of this Agreement as its sole entitlement on termination of its membership in the Company. Each Member hereby waives and renounces its right to seek a court decree of dissolution or to seek the appointment by a court of a liquidator for the Company.

Section 11.6 Winding Up and Statement of Dissolution. The winding up of the Company shall be completed when all debts, liabilities and obligations of the Company have been paid and discharged or reasonably adequate provision therefor has been made, and a Distribution has been made of all of the remaining Company Property. During the dissolution and winding up process (or upon its completion), the liquidator shall file such documents, instruments, certificates or articles as may be required by the Act.

Section 11.7 Deficit Capital Accounts. No Member shall have any obligation to contribute or advance any funds or other property to the Company by reason of any negative or deficit balance in such Member's capital account during or upon completion of winding up or at

any other time except to the extent that a deficit balance is directly attributable to a distribution of cash or other property in violation of this Agreement.

Section 11.8 Return of Contribution Non-Recourse to Other Members. Except as provided by law, upon dissolution, each Member shall look solely to the Company assets for the return of the Member's Capital Contributions. If any Company Property remaining after payment or discharge of Company debts and liabilities is insufficient to return the cash or other property contribution of one or more Members, such Members shall have no recourse against any other Member.

ARTICLE XII AMENDMENT

This Agreement may be amended or modified from time to time only by a written instrument adopted and executed by Members holding a Majority Interest. Notwithstanding the foregoing, amendments to Schedule A following any new issuance, redemption, reclassification, reallocation or Transfer of Membership Interests or Sharing Ratios in accordance with this Agreement may be made by the Managers without the consent of or execution by the Members.

ARTICLE XIII CORPORATE TRANSPARENCY ACT COMPLIANCE

Each Member and Manager hereby acknowledges that the Company is, or may from time to time be, subject to mandatory obligations to timely report, update and correct required information as to each "beneficial owner" (as defined in the federal Corporate Transparency Act (codified at 31 U.S.C. § 5336) (the "Transparency Act")) of the Company pursuant to the Transparency Act and regulations promulgated thereunder (collectively, the "Reporting Requirements"). Each Member and Manager hereby agrees to take all actions (and to cause its agents and owners to take all actions) that the Manager determines to be necessary or advisable for the Company to comply with the Reporting Requirements. Each Member and Manager shall indemnify, hold harmless and defend the Company and each Person filing and/or certifying such information on behalf of the Company under the Reporting Requirements (each, a "Submitter"), and such Submitter's respective successors, assigns, officers, directors, managers, members, shareholders, employees, representative and affiliates (each, a "CTA Indemnified Party") from and against all claims, losses, fines, penalties, and reasonable attorneys' fees that are sustained or incurred by any CTA Indemnified Party resulting from or relating to any failure of such Member or Manager, as applicable, to comply with this Article XIII or to submit any incomplete or inaccurate information to any CTA Indemnified Party in connection therewith.

ARTICLE XIV MISCELLANEOUS PROVISIONS

Section 14.1 Entire Agreement. This Agreement represents the entire agreement governing the relationship between the Members and the Company.

Section 14.2 Rights of Creditors and Third Parties under Agreement. This Agreement is adopted by the Members for the exclusive benefit of the Company, the Members, and their successors and assigns. Except as expressly set forth herein, this Agreement is not intended for

the benefit of any creditor of the Company or any other Person. Except and only to the extent provided by applicable law, no such creditor or third party shall have any rights under this Agreement or any agreement between the Company and the Member with respect to any Capital Contribution or otherwise.

Section 14.3 Governing Law. This Agreement and the rights of the parties hereunder will be governed by, interpreted, and enforced in accordance with the laws of the State of New Mexico, without regard to its choice of law provisions that would result in the application of the laws of any other jurisdiction.

Section 14.4 Notices. Except as otherwise provided herein, any notice, demand, or communication required or permitted to be given to the Company or a Member by any provision of this Agreement shall be deemed to have been sufficiently given or served for all purposes if (a) delivered personally to the Company or the Member, as applicable, (b) sent by electronic mail to the Company or the Member, (c) sent by reputable overnight courier, with written confirmation of delivery, or (d) sent by registered or certified mail, postage prepaid, in each case, addressed to the Company or the Member at the applicable address set forth on Schedule A hereto. Except as otherwise provided herein, any such notice shall be deemed to be given on the date on which the same was personally delivered, on the date on which it was transmitted by email (if during normal business hours, the next business day if not), upon delivery if sent by overnight courier, or, if sent by registered or certified mail, on the third (3rd) day after such notice was deposited in the United States mail addressed as aforesaid.

Section 14.5 Headings. The headings in this Agreement are inserted for convenience only and are in no way intended to describe, interpret, define, or limit the scope, extent, or intent of this Agreement or any provision hereof.

Section 14.6 Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under the present or future laws effective during the term of this Agreement, such provision will be fully severable and the remaining provisions of this Agreement will remain in full force and effect.

Section 14.7 Heirs, Successors, and Assigns. Each and all of the covenants, terms, provisions, and agreements herein contained shall be binding upon and inure to the benefit of the parties hereto and the parties' respective heirs, legal representatives, successors, and assigns.

Section 14.8 Counterparts. This Agreement may be executed in one or more counterparts each of which shall for all purposes be deemed an original, and all of such counterparts, taken together, shall constitute one and the same Agreement.

Section 14.9 Interpretation. In construing this Agreement, (a) the singular includes the plural and *vice versa*, (b) the masculine gender includes the feminine and neuter genders and *vice versa*, (c) reference to any document means such document as amended, restated, or otherwise modified from time to time, (d) "include" or "including" means including without limiting the generality of any description preceding such term, (e) the word "or" is not exclusive, and (f) references to this Agreement or Sections or paragraphs of this Agreement refer to this entire Agreement including all exhibits, schedules, and addendum attached hereto, as the same may be amended from time to time.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned have duly executed this Operating Agreement of Blanco Real Estate Holdings, LLC effective as of the date first set forth above.

MEMBERS:

LOGOS Capital Management EP, LLC

By: 

Name: Jay Paul McWilliams

Title: ~~Manager~~ *Sole Member*

CEJ San Juan Holdings, LLC

By: 

Name: Christopher J. Jeffus

Title: Manager


Robert Bixler


Bryan Lovato

Vanessa Fields

W.S.S., L.L.C.

By: 

Name: Peggy McWilliams

Title: Member

Signature Page to Operating Agreement of
Blanco Real Estate Holdings, LLC

IN WITNESS WHEREOF, the undersigned have duly executed this Operating Agreement of Blanco Real Estate Holdings, LLC effective as of the date first set forth above.

MEMBERS:

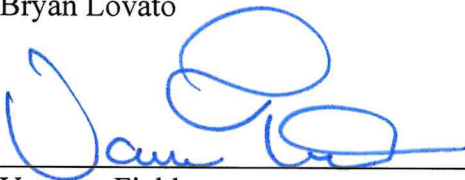
LOGOS Capital Management EP, LLC

By: _____
Name: Jay Paul McWilliams
Title:

CEJ San Juan Holdings, LLC

By: _____
Name: Christopher J. Jeffus
Title: Manager

Robert Bixler

Bryan Lovato


Vanessa Fields

W.S.S., L.L.C.

By: _____
Name: Peggy McWilliams
Title: Member

SCHEDULE A

MEMBERS

Name and Address	Capital Contribution	Sharing Ratio
LOGOS Capital Management EP, LLC 5901 Del Rio Ct. Farmington, NM 87402 Jmcwilliams55@protonmail.com		
CEJ San Juan Holdings, LLC 3930 Marlowe St. West University Place, TX 77005 christopher.jeffus@gmail.com		
Robert Bixler 23 Road 2929 Aztec, NM 87401 bixler2@outlook.com		
Bryan Lovato 1116 S. Bluffview Farmington, NM 87401 bryan.lovato@yahoo.com		
Vanessa Fields 5001 Monteagle Dr. Farmington, NM 87402 tvmfields@msn.com		
W.S.S., L.L.C. P.O. Box 427 Flora Vista, NM 87415 davemacado@yahoo.com		
TOTALS		

SCHEDULE B

OFFICERS

Jay Paul McWilliams – President

Christopher Jeffus – Vice President

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District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 354295

CONDITIONS

Operator: Crowe Blanco Properties, LLC 1015 W 54th Street Kansas City, MO 64112	OGRID: 329965
	Action Number: 354295
	Action Type: [C-137] SWMF Minor Modification (C-137A)

CONDITIONS

Created By	Condition	Condition Date
bjones	The Oil Conservation Division has completed the review of the minor modification request and hereby approves the transfer of surface waste management facility Permit NM1-50 from Crowe Blanco Properties LLC to Blanco Real Estate Holdings LLC. If you have any additional questions, please contact me.	6/18/2024