

STATE/FEE EXPLORATORY UNIT
[Revised February 12, 2004]

UNIT AGREEMENT
FOR THE DEVELOPMENT AND OPERATION
OF THE
MORRISON SAN ANDRES UNIT AREA
ROOSEVELT COUNTY, NEW MEXICO

NO. _____

OCD Case No. 16341

MANZANO
Exhibit #1

8/9/18

UNIT AGREEMENT
FOR THE DEVELOPMENT AND OPERATION
OF THE
MORRISON SAN ANDRES UNIT AREA
ROOSEVELT COUNTY, NEW MEXICO

NO. _____

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STATE/FEE EXPLORATORY UNIT

UNIT AGREEMENT
FOR THE DEVELOPMENT AND OPERATION
OF THE
MORRISON SAN ANDRES UNIT AREA
ROOSEVELT COUNTY, NEW MEXICO

NO. _____

THIS AGREEMENT, entered into as of the _____ day of _____, 2018, by and between the parties subscribing, ratifying, or consenting hereto, and herein referred to as the "parties hereto":

WITNESSETH:

WHEREAS, the parties hereto are the owners of working, royalty, or other oil and gas interests in the unit area subject to this Agreement;
and

WHEREAS, the Commissioner of Public Lands of the State of New Mexico ("Commissioner") is authorized by an Act of the Legislature (NMSA 1978, §§19-10-45, 19-10-46, as amended) to consent to or approve this Agreement or operation of State Lands under agreements made by lessees of State Land jointly or severally with other lessees where such agreements provide for the unit operation or development of part or all of any oil or gas pool, field, or area; and

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by an Act of the Legislature (NMSA 1978, §19-10-47, as amended) to amend with the approval of lessee, evidenced by the lessee's execution of such agreement or otherwise, any oil and gas lease embracing State Lands so that the length of the term of said lease may coincide with the term of such agreements for the unit operation and development of part or all of any oil or gas pool, field or area; and

WHEREAS, the Oil Conservation Division of the Energy, Minerals and Natural Resources Department of the State of New Mexico (hereinafter referred to as "Division"), is authorized by an act of the Legislature (NMSA 1978, §70-2-1 *et seq.*, as amended) to approve this Agreement and the conservation provisions hereof; and

WHEREAS, the parties hereto hold sufficient interests in the Morrison San Andres Unit Area covering the land hereinafter described to give reasonably effective control of operations therein; and

WHEREAS, it is the purpose of the parties hereto to conserve natural resources, prevent waste, and secure other benefits obtainable through development and operation of the area subject to this Agreement under the terms, conditions, and limitations herein set forth:

NOW, THEREFORE, in consideration of the premises and the promises herein contained, the parties hereto commit to this Agreement their respective interests in the below-defined unit area, and agree severally among themselves as follows:

1. UNIT AREA. The following described land is hereby designated and recognized as constituting the unit area:

Township 6 South, Range 34 East, N.M.P.M., Roosevelt County, New Mexico

Section 3: ALL
Section 4: ALL
Section 9: N½NW¼, SE¼NW¼, NE¼, S½
Section 10: ALL
Section 11: S½N½, S½
Section 14: ALL
Section 15: ALL
Section 16: ALL
Section 21: N½

Containing 4,317.44 total acres, more or less.

Exhibit "A" attached hereto is a map showing the unit area and the boundaries and identity of tracts and leases in said area to the extent known to the Unit Operator. Exhibit "B" attached hereto is a schedule showing to the extent known to the Unit Operator the acreage, percentage and kind of ownership of oil and gas interests in all lands in the unit area. However, nothing herein or in said schedule or map shall be construed as a representation by any party hereto as to the ownership of any interest other than such interest or interests as are shown on said map or schedule as owned by such party. Exhibits "A" and "B" shall be revised by the Unit Operator whenever changes in ownership in the unit area render such revisions necessary or when requested by the Commissioner of Public Lands, hereinafter referred to as "Commissioner", or the Oil Conservation Division, hereinafter referred to as "Division".

All land committed to this Agreement shall constitute land referred to herein as "Unitized Land" or "land subject to this Agreement".

2. UNITIZED SUBSTANCES. All oil, gas, natural gasoline, and associated fluid hydrocarbons in the San Andres formation, the correlative interval of which is identified as the stratigraphic equivalent of the interval between 3,181 feet and 4,523 feet as found on the Laterolog dated August 15, 2014, for the Armstrong Energy - Touch of Grey State #1 well (API No. 30-041-20960) located 1839 feet FSL and 417 feet FWL

of Section 15, Township 6 South, Range 34 East, N.M.P.M., Roosevelt County, New Mexico, of the Unitized Land are unitized under the terms of this Agreement and herein are called "Unitized Substances".

3. UNIT OPERATOR. Manzano, LLC, with an address of 300 W. Second Street, Roswell, NM 88203, is hereby designated as Unit Operator and by signature hereto commits to this Agreement all interest in Unitized Substances vested in it as set forth in Exhibit "B", and 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 the 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.

4. RESIGNATIONS OR REMOVAL OF UNIT OPERATOR. Unit Operator shall have the right to resign at any time, but such resignation shall not become effective until a successor Unit Operator has been selected and approved in the manner provided for in Section 5 of this Agreement. 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 determined in like manner as herein provided for the selection of a new Unit Operator. Such removal shall be effective upon notice thereof to the Land Commissioner and the Division.

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 equipment, materials, and appurtenances used in conducting the unit operations and owned by the working interest owners to the new duly qualified successor Unit Operator, or to the owners thereof if no such new Unit Operator is elected, 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.

5. SUCCESSOR UNIT OPERATOR. Whenever the Unit Operator shall tender its resignation as Unit Operator or shall be removed as hereinabove provided, the owners of the working interests according to their respective acreage interest in all Unitized Land shall by a majority vote select a successor Unit Operator; provided that, if a majority but less than seventy-five percent (75%) of the working interests qualified to vote is owned by one party to this Agreement, a concurring vote of sufficient additional parties, so as to constitute in the aggregate not less than seventy-five percent (75%) of the total working interests, shall be required to select a new 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 Land Commissioner. If no successor Unit Operator is selected and qualified as herein provided, the Commissioner at his election, with notice to the Division, may declare this Unit Agreement terminated.

6. ACCOUNTING PROVISIONS. The Unit Operator shall pay in the first instance all costs and expenses incurred in conducting unit operations hereunder, and such costs and expenses and the working interest benefits accruing hereunder shall be apportioned among the owners of the unitized working interests in accordance an operating agreement entered into by and between the Unit Operator and the owners of such interests, whether one or more, separately or collectively. Any agreement or agreements entered into between the working interest owners and the Unit Operator as provided in this section, whether one or more, shall herein be referred to as the "Unit Operating Agreement" or "UOA". Such Unit Operating Agreement shall also provide the manner in which the working interest owners shall be entitled to receive their respective proportionate and allocated share of the benefits accruing hereto in conformity with their underlying operating agreements, leases, or other independent contracts, and such other rights and obligations as between Unit Operator and the working interest owners as may be agreed upon by Unit Operator and the working interest owners; however, the UOA shall not be deemed either to modify any of the terms and conditions of this Unit Agreement or to relieve the Unit Operator of any right or obligation established under this Unit Agreement, and in case of any inconsistency or conflict between this Agreement and the Unit Operating Agreement, this Unit Agreement shall prevail.

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

8. DRILLING TO DISCOVERY. The Unit Operator shall, ~~within sixty (60) days after the effective date of this Agreement or before March 1, 2019,~~ commence actual drilling operations ~~with a drilling rig capable of reaching the total depth drilled in the San Andres formation upon for an adequate test a second obligation~~ well for oil and gas upon some part of the lands embraced within the Unit Area and shall drill said well with due diligence to a depth sufficient to attain the top of the San Andres formation or to such a depth as Unitized Substances shall be discovered in paying quantities at a lesser depth or until it shall, in the opinion of Unit Operator, be determined that the further drilling of said well shall be unwarranted or impracticable; provided, however, that Unit Operator shall not, in any event, be required to drill said well to a depth in excess of the base of the San Andres formation or 4,523 feet, whichever is deeper. Until a discovery of a deposit of Unitized Substances capable of being produced in paying quantities (to wit: quantities sufficient to repay the costs of drilling and producing operations with a reasonable profit) Unit Operator shall continue drilling diligently, one well at a time, allowing not more than six months between the completion of one well and the beginning of the next well, until a well capable of producing Unitized Substances in paying quantities is completed to the satisfaction of the Commissioner or until it is reasonably proven to the satisfaction of the Unit Operator that the Unitized Land is incapable of producing Unitized Substances in paying quantities in the formation drilled hereunder.

Any well commenced prior to the effective date of this Agreement upon the Unit Area and drilled to the depth provided herein for the drilling of an initial test well shall be considered as complying with the drilling requirements hereof with respect to the initial well, but shall not be

considered as complying with the drilling requirements of the second obligation well. The Commissioner may modify the drilling requirements of this section by granting reasonable extensions of time when in his opinion such action is warranted. Upon failure to comply with the drilling provisions of this article the Commissioner may, after reasonable notice to the Unit Operator and each working interest owner, lessee and lessor at their last known addresses, declare this Unit Agreement terminated, and all rights privileges and obligations granted and assumed by this Unit Agreement shall cease and terminate as of such date.

9. OBLIGATIONS OF UNIT OPERATOR AFTER DISCOVERY OF UNITIZED SUBSTANCES. Should Unitized Substances in paying quantities be discovered upon the Unit Area, the Unit Operator shall on or before six months from the time of the completion of the initial discovery well and within thirty days after the expiration of each twelve months period thereafter, file a report with the Commissioner and Division of the status of the development of the unit area and the development contemplated for the following twelve months period.

It is understood that one of the main considerations for the approval of this Agreement by the Commissioner of Public Lands is to secure the orderly development of the Unitized Lands in accordance with good conservation practices so as to obtain the greatest ultimate recovery of Unitized Substances.

After discovery of Unitized Substances in paying quantities, Unit Operator shall proceed with diligence to reasonably develop the Unitized Area as a reasonably prudent operator would develop such area under the same or similar circumstances.

If the Unit Operator should fail to comply with the above covenant for reasonable development this Agreement may be terminated by the Commissioner as to all lands of the State of New Mexico embracing undeveloped regular well spacing or proration units, but in such event, the basis of participation by the working interest owners shall remain the same as if this Agreement had not been terminated as to such lands; provided, however, the Commissioner shall give notice to the Unit Operator and the lessees of record in the manner prescribed by (NMSA 1978, §19-10-20), of intention to cancel on account of any alleged breach of said covenant for reasonable development and any decision entered thereunder shall be subject to appeal in the manner prescribed by (NMSA 1978, §19-10-23), and, provided further, in any event the Unit Operator shall be given a reasonable opportunity after a final determination within which to remedy any default, failing in which this Agreement shall be terminated as to all lands of the State of New Mexico embracing undeveloped regular well spacing or proration units.

Notwithstanding any of the provisions of this Agreement to the contrary, all undeveloped regular well spacing or proration unit tracts within the unit boundaries shall be automatically eliminated from this Agreement and shall no longer be a part of the unit or be further subject to the terms of this Agreement unless at the expiration of five (5) years after the first day of the month following the effective date of this Agreement diligent drilling operations are in progress on said tracts.

10. PARTICIPATION AFTER DISCOVERY Upon completion of a well capable of producing Unitized Substances in paying quantities the owners of working interests shall participate in the production therefrom and in all other producing wells which may be drilled pursuant hereto in the proportions that their respective leasehold interests covered hereby on an acreage basis bears to the total number of acres committed to this Unit Agreement, and such Unitized Substances shall be deemed to have been produced from the respective leasehold interests participating therein. For the purpose of determining any benefits accruing under this Agreement and the distribution of the royalties payable to the State of New Mexico and other lessors, each separate lease shall have allocated to it such percentage of said production as the number of acres in each lease respectively committed to this Agreement bears to the total number of acres committed hereto.

Notwithstanding any provisions contained herein to the contrary, each working interest owner shall have the right to take such owner's proportionate share of the Unitized Substances in kind or to personally sell or dispose of the same, and nothing herein contained shall be considered as giving or granting to the Unit Operator the right to sell or otherwise dispose of the proportionate share of any working interest owner without specific authorization from time to time so to do.

11. ALLOCATION OF PRODUCTION. All Unitized Substances produced from each tract in the Unitized Area established under this Agreement, except any part thereof used for production or development purposes hereunder, or unavoidably lost, shall be deemed to be produced equally on an acreage basis from the several tracts of the Unitized Land, and for the purpose of determining any benefits that accrue on an acreage basis, each such tract shall have allocated to it such percentage of said production as its area bears to the entire Unitized Area. It is hereby agreed that production of Unitized Substances from the Unitized Area shall be allocated as provided herein, regardless of whether any wells are drilled on any particular tracts of said Unitized Area.

12. PAYMENT OF RENTALS, ROYALTIES, AND OVERRIDING ROYALTIES. All rentals due to the State of New Mexico shall be paid by the respective lease owners in accordance with the terms of their leases.

All royalties due to the State of New Mexico under the terms of the leases committed to this Agreement shall be computed and paid on the basis of all Unitized Substances allocated to the respective leases committed hereto; provided, however, the State shall be entitled to take in kind its share of the Unitized Substances allocated to the respective leases, and in such case the Unit Operator shall make deliveries of such royalty share in accordance with the terms of the respective leases.

All rentals, if any, due under any leases embracing lands other than the State of New Mexico, shall be paid by the respective lease owners in accordance with the terms of their leases and all royalties due under the terms of any such leases shall be paid on the basis of all Unitized Substances allocated to the respective leases committed hereto.

If the Unit Operator introduces gas obtained from sources other than the Unitized Substances into any producing formation for the purpose of repressuring, stimulating or increasing the ultimate recovery of Unitized Substances therefrom, a like amount of gas, if available, with due allowance for loss or depletion from any cause may be withdrawn from the formation into which the gas was introduced royalty free as to dry gas but not as to the products extracted therefrom; provided, that such withdrawal shall be at such time as may be provided in a plan of operation consented to by the Commissioner and approved by the Division is conforming to good petroleum engineering practices; and provided further, that such right of withdrawal shall terminate on the termination of this Unit Agreement.

If any lease committed hereto is burdened with an overriding royalty, payment out of production or other charge in addition to the usual royalty, the owner of each such lease shall bear and assume the same out of the Unitized Substances allocated to the lands embraced in each such lease as provided herein.

13. LEASES AND CONTRACTS CONFORMED AND EXTENDED INsofar AS THEY APPLY TO LANDS WITHIN THE UNITIZED AREA. The terms, conditions and provisions of all leases, subleases, operating agreements and other contracts relating to the exploration, drilling development or operation for oil or gas of the lands committed to this Agreement, shall as of the effective date hereof, be and the same are hereby expressly modified and amended insofar as they apply to lands within the Unitized Area to the extent necessary to make the same conform to the provisions hereof and so that the respective terms of said leases and agreements will be extended insofar as necessary to coincide with the terms of this Agreement and the approval of this Agreement by the Commissioner and the respective lessors and lessees shall be effective to conform the provisions and extend the terms of each such lease as to lands within the Unitized Area to the provisions and terms of this Agreement; but otherwise to remain in full force and effect. Each lease committed to this Agreement, insofar as it applies to lands within the Unitized Area, shall continue in force beyond the term provided therein as long as this Agreement remains in effect, provided, drilling operations upon the initial test well provided for herein shall have been commenced or said well is in the process of being drilled by the Unit Operator prior to the expiration of the shortest term lease committed to this Agreement. Termination of this Agreement shall not affect any lease which pursuant to the terms thereof or any applicable laws would continue in full force and effect thereafter. The commencement, completion, continued operation or production on each of the leasehold interests committed to this Agreement and operations or production pursuant to this Agreement shall be deemed to be operations upon and production from each leasehold interest committed hereto and there shall be no obligation on the part of the Unit Operator or any of the owners of the respective leasehold interests committed hereto to drill offset to wells as between the leasehold interests committed to this Agreement, except as provided in Section 9 hereof.

Any lease embracing lands of the State of New Mexico of which only a portion is committed hereto shall be segregated as to the portion committed and as to the portion not committed and the terms of such leases shall apply separately as two separate leases as to such segregated portions, commencing as of the effective date hereof. Notwithstanding any of the provisions of this Agreement to the contrary, any lease embracing lands of the State of New Mexico having only a portion of its lands committed hereto shall continue in full force and effect beyond the term provided therein as to all lands embraced within the Unitized Area and committed to this Agreement, in accordance with the terms of this Agreement. If oil and gas, or either of them, are discovered and are being produced in paying quantities from some part of the lands embraced in such lease which part is committed to this Agreement at the expiration of the fixed term of such lease, such production shall not be considered as production from lands embraced in such lease which are not within the Unitized Area, and which are not committed thereto, and drilling or reworking operations upon some part of the lands embraced within the Unitized Area and committed to this Agreement shall be considered as drilling and reworking operations only as to lands embraced within the Unit Agreement and not as to lands embraced within the lease and not committed to this Unit Agreement; provided, however, as to any lease embracing lands of the State of New Mexico having only a portion of its lands committed hereto upon which oil and gas, or either of them, has been discovered is discovered upon that portion of such lands not committed to this Agreement, and are being produced in paying quantities prior to the expiration of the fixed term of such lease, such production in paying quantities shall serve to continue such lease in full force and effect in accordance with its terms as to all of the lands embraced in said lease.

14. 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 laws or regulations.

15. DRAINAGE. In the event a well or wells producing oil or gas in paying quantities should be brought in on land adjacent to the Unit Area draining Unitized Substances from the lands embraced therein, Unit Operator shall drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances.

16. 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 to 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, photocopy, or certified copy of the instrument of transfer.

17. EFFECTIVE DATE AND TERM. This Agreement shall become effective upon approval by the Commissioner and the Division and shall automatically terminate 5 years from said effective date unless (a) such date of expiration is extended by the Commissioner, or (b) a valuable discovery of Unitized Substances has been made on Unitized Land during said initial term or any extension thereof in which event this Agreement shall remain in effect so long as Unitized Substances are being produced in paying quantities from the Unitized Land and, should production cease, so long thereafter as diligent operations are in progress for the restoration of production or discovery of new production and so long thereafter as the Unitized Substances so discovered are being produced as aforesaid. This Agreement may be terminated at any time by not less than seventy-five percent (75%) on an acreage basis of the owners of the working interests, signatory hereto, with the approval of the Commissioner and with notice to the Division. Likewise, the failure to comply with the drilling requirements of Section 8 hereof, may subject this Agreement to termination as provided in said section.

18. RATE OF PRODUCTION. All production and the disposal thereof shall be in conformity with allocations, allotments, and quotas made or fixed by the Division, and in conformity with all applicable laws and lawful regulations.

19. APPEARANCES. 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 Commissioner of Public Lands and the Division, and to appeal from orders issued under the regulations of the Commissioner or Division, or to apply for relief from any of said regulations or in any proceedings on its own behalf relative to operations pending before the Commissioner or Division; provided, however, that any other interested party shall also have the right at its own expense to appear and to participate in any such proceedings.

20. NOTICES. All notices, demands, or statements required hereunder to be given or rendered to the parties hereto, shall be deemed fully given, if given in writing and sent by postpaid registered mail, addressed to such party or parties at their respective addresses, set forth in connection with the signatures hereto or to the ratification or consent hereof, or to such other address as any such party may have furnished in writing to party sending the notice, demand, or statement.

21. LOSS OF TITLE. In the event title to any tract of Unitized Land or substantial interest therein shall fail, and the true owner cannot be induced to join the Unit Agreement so that such tract is not committed to this Agreement, or the operation thereof hereunder becomes impracticable as a result thereof, such tract may be eliminated from the Unitized Area, and the interest of the parties readjusted as a result of such tract being eliminated from the Unitized Area. In the event of a dispute as to the title to any royalty, working, or other interest subject hereto, the Unit Operator may withhold payment or delivery of the allocated portion of the Unitized Substances involved on account thereof, without liability for interest until the dispute is finally settled, provided that no payments of funds due the State of New Mexico shall be withheld. Unit Operator, as such, is relieved from any responsibility for any defect or failure of any title hereunder.

22. SUBSEQUENT JOINDER. Any oil or gas interest in lands within the Unit Area not committed hereto, prior to the submission of the Agreement for final approval by the Commissioner and the Division, may be committed hereto by the owner or owners of such rights, subscribing or consenting to this Agreement, or executing a ratification thereof, and if such owner is also a working interest owner, by subscribing to the Unit Operating Agreement providing for the allocation of costs of exploration, development, and operation. A subsequent joinder shall be effective as of the first day of the month following the approval by the Commissioner and the filing with the Division of duly executed counterparts of the instrument or instruments committing the interest of such owner to this Agreement, but such joining party or parties, before participating in any benefits hereunder, shall be required to assume and pay to Unit Operator, their proportionate share of the unit expenses incurred prior to such party's or parties' joinder in the Unit Agreement, and the Unit Operator shall make appropriate adjustments caused by such joinder, without any retroactive adjustment of revenue.

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

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

DATED: _____

UNIT OPERATOR AND WORKING INTEREST OWNER

MANZANO, LLC

BY: _____
TITLE: _____
ADDRESS: 300 W. Second Street
Roswell, NM 88201

WORKING INTEREST OWNERS

DATED: _____

ONY V-1 COMPANY

BY: _____
TITLE: _____
ADDRESS: _____

ACKNOWLEDGEMENTS

STATE OF NEW MEXICO)
)ss.
COUNTY OF CHAVES)

 This instrument was acknowledged before me on this ____ day of _____, 2018, by _____,
_____ of Manzano, LLC, on behalf of said limited liability company.

Notary Public

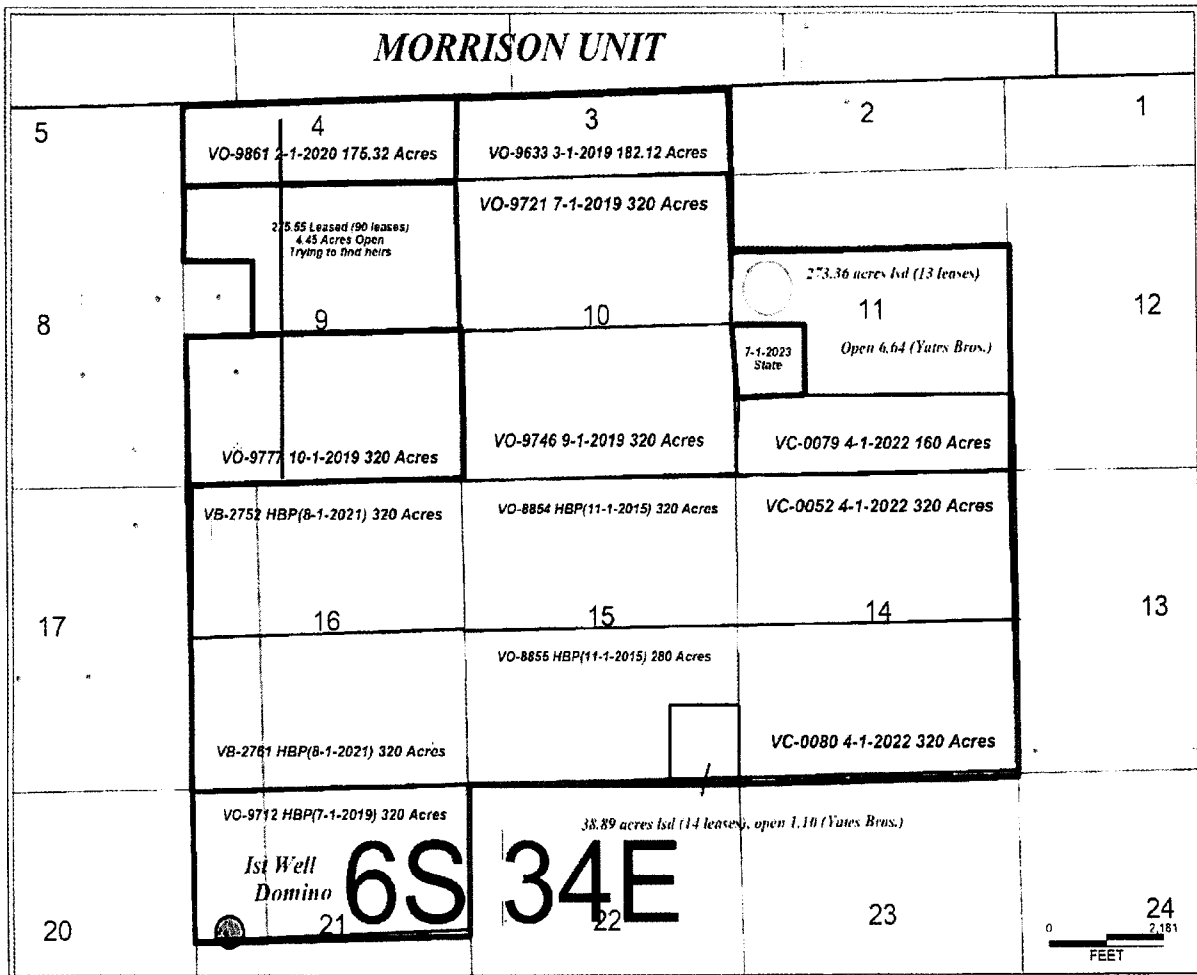
STATE OF _____)
)ss.
COUNTY OF _____)

 This instrument was acknowledged before me on this ____ day of _____, 2018, by _____,
_____ of Oxy Y-1 Company, on behalf of said company.

Notary Public

My commission expires:

EXHIBIT "A". MAP OF UNIT AREA



7:07PM 6/19/2016 12:55:17 PM

**Exhibit "B" Schedule of Ownership
Morrison San Andres Unit
Roosevelt County, New Mexico**

TRACT NO.	DESCRIPTION OF LANDS COMMITTED STATE	ACRES	SERIAL NUMBER or MINERAL OWNER	LESSEE OF RECORD	EXPIRATION DATE	OVERRIDING ROYALTY OWNER	OVERRIDING ROYALTY PERCENTAGE	WORKING INTEREST AND PERCENTAGE
1	Township 6, South, Range 34 East, N.M.P.M. Section 1, Lots 1, 2, 3, 4 Roosevelt County, New Mexico	182.1000000	State of New Mexico VO-0673	Shish Exploration Limited Partnership	3/1/2019	Armstrong Energy Corp., et al	8.333333%	Manzano, LLC 100.000%
2	Township 6, South, Range 34 East, N.M.P.M. Section 4, Lots 1, 2, 3, 4 (all) Roosevelt County, New Mexico	175.2000000	Commissioner of Public Lands VO-0664	Yates Petroleum Corporation	2/1/2020			Manzano, LLC 100.000%
3	Township 6, South, Range 34 East, N.M.P.M. Section 9, S/2 Roosevelt County, New Mexico	320.0000000	Commissioner of Public Lands VO-0777	Yates Petroleum Corporation	10/1/2019			Manzano, LLC 100.000%
4	Township 6, South, Range 34 East, N.M.P.M. Section 10, S/2 Roosevelt County, New Mexico	320.0000000	State of New Mexico VO-0724	Shish Exploration Limited Partnership	7/1/2019	Armstrong Energy Corp., et al	8.333333%	Manzano, LLC 100.000%
5	Township 6, South, Range 34 East, N.M.P.M. Section 10, S/3 Roosevelt County, New Mexico	320.0000000	State of New Mexico VO-0740	Shish Exploration Limited Partnership	9/1/2019	Armstrong Energy Corp., et al	8.333333%	Manzano, LLC 100.000%
6	Township 6, South, Range 34 East, N.M.P.M. Section 11, NW 1/4 SW 1/4 Roosevelt County, New Mexico	10.0000000	State of New Mexico VO-0440	Manzano, LLC	7/1/2023			Manzano, LLC 100.000%
7	Township 6, South, Range 34 East, N.M.P.M. Section 11, S, 2S, 2 Roosevelt County, New Mexico	160.0000000	State of New Mexico VO-0879	Manzano, LLC	4/1/2022			Manzano, LLC 100.000%
8	Township 6, South, Range 34 East, N.M.P.M. Section 14, N/2 Roosevelt County, New Mexico	320.0000000	State of New Mexico VO-0652	Manzano, LLC	4/1/2022			Manzano, LLC 100.000%
9	Township 6, South, Range 34 East, N.M.P.M. Section 14, S/2 Roosevelt County, New Mexico	320.0000000	State of New Mexico VO-0680	Manzano, LLC	4/1/2022			Manzano, LLC 100.000%
10	Township 6, South, Range 34 East, N.M.P.M. Section 15, N/2 Roosevelt County, New Mexico	320.0000000	State of New Mexico VO-0854 - HBP	Shish Exploration Limited Partnership	11/1/2015	Armstrong Energy Corp., et al	8.333333%	Manzano, LLC 100.000%
11	Township 6, South, Range 34 East, N.M.P.M. Section 15, SW 1/4 N 2SE 1/4 SW 1/4 Roosevelt County, New Mexico	280.0000000	State of New Mexico VO-0855 - HBP	Shish Exploration Limited Partnership	11/1/2015	Armstrong Energy Corp., et al	8.333333%	Manzano, LLC 100.000%
12	Township 6, South, Range 34 East, N.M.P.M. Section 16, N/2 Roosevelt County, New Mexico	320.0000000	Commissioner of Public Lands VO-2752 - HBP	Shish Exploration L.P	8/1/2021	Armstrong Energy Corp., et al	6.250000%	Manzano, LLC 100.000%
13	Township 6, South, Range 34 East, N.M.P.M. Section 16, S/3 Roosevelt County, New Mexico	320.0000000	Commissioner of Public Lands VO-2761 - HBP	Manzano Energy Partners II, LLC	8/1/2021			Manzano, LLC 100.000%
14	Township 6, South, Range 34 East, N.M.P.M.	320.0000000	Commissioner of Public Lands	Shish Exploration L.P	7/1/2019	Armstrong Energy Corp., et al	8.333333%	Manzano, LLC 100.000%

**Exhibit "B" Schedule of Ownership
Morrison San Andres Unit
Roosevelt County, New Mexico**

TRACT NO.	DESCRIPTION OF LANDS	ACRES	SERIAL NUMBER OF MINERAL OWNER	LESSEE OF RECORD	EXPIRATION DATE	OVERRIDING ROYALTY OWNER	OVERRIDING ROYALTY PERCENTAGE	WORKING INTEREST AND PERCENTAGE
Section 21, N 2 Roosevelt County, New Mexico								
COMMITTED FEE								
15	Township 6 South, Range 34 East, N.M.P.M. Section 9 NE 1/4, N 2SW 1/4 and SE 1/4 NW 1/4 Roosevelt County, New Mexico	1.3883500	Reyn Schmitz, Agent, herein dealing in her sole and separate property	Manzano, LLC	3/23/2021			Manzano, LLC 100.00%
15	Township 6 South, Range 34 East, N.M.P.M. Section 9 NE 1/4, N 2SW 1/4 and SE 1/4 NW 1/4 Roosevelt County, New Mexico	26.2500000	Fred Adrian Baker, herein dealing in his sole and separate property, joined pre-mortgage by his wife, Doris Lee Prichett-Baker	Shaw Interests, Inc	5/2/2021			Manzano, LLC 100.00%
15	Township 6 South, Range 34 East, N.M.P.M. Section 9 NE 1/4, N 2SW 1/4 and SE 1/4 NW 1/4 Roosevelt County, New Mexico	0.2514700	Marjorie Sue Breaux, herein dealing in her sole and separate property	Manzano, LLC	3/23/2021			Manzano, LLC 100.00%
15	Township 6 South, Range 34 East, N.M.P.M. Section 9 NE 1/4, E 2SW 1/4 NW 1/4 NW 1/4 Roosevelt County, New Mexico	4.6700000	Susan F. Dilbeck, a married woman, dealing in her sole and separate property	Armstrong Energy Corporation	4/21/2020	Armstrong Energy Corp., et al	6.250000%	Manzano, LLC 100.00%
15	Township 6 South, Range 34 East, N.M.P.M. Section 9 NE 1/4, E 2SW 1/4 NW 1/4 NW 1/4 Roosevelt County, New Mexico	4.8011110	Glenn Carter, herein dealing in her sole and separate property	Manzano, LLC	3/23/2021			Manzano, LLC 100.00%
15	Township 6 South, Range 34 East, N.M.P.M. Section 9 NE 1/4, E 2SW 1/4 NW 1/4 NW 1/4 Roosevelt County, New Mexico	3.2407107	Edna Clendinning, herein dealing in her sole and separate property	Manzano, LLC	4/23/2021			Manzano, LLC 100.00%
15	Township 6 South, Range 34 East, N.M.P.M. Section 9 NE 1/4, E 2SW 1/4 NW 1/4 NW 1/4 Roosevelt County, New Mexico	3.2407107	Ronald Dean Clendinning, herein dealing in his sole and separate property	Manzano, LLC	4/23/2021			Manzano, LLC 100.00%
15	Township 6 South, Range 34 East, N.M.P.M. Section 9 NE 1/4, E 2SW 1/4 NW 1/4 NW 1/4 Roosevelt County, New Mexico	0.4200000	Dann and Vickie Dilbeck, husband and wife	Armstrong Energy Corporation	6/15/2020	Armstrong Energy Corp., et al	6.250000%	Manzano, LLC 100.00%
15	Township 6 South, Range 34 East, N.M.P.M. Section 9 NE 1/4, E 2SW 1/4 NW 1/4 NW 1/4 Roosevelt County, New Mexico	1.3125000	Gregory Alan Dilbeck, herein dealing in his sole and separate property	Manzano, LLC	4/4/2021			Manzano, LLC 100.00%
15	Township 6 South, Range 34 East, N.M.P.M. Section 9 NE 1/4, E 2SW 1/4 NW 1/4 NW 1/4 Roosevelt County, New Mexico	0.9842400	Jeff Dilbeck, herein dealing in his sole and separate property	Manzano, LLC	5/21/2021			Manzano, LLC 100.00%
15	Township 6 South, Range 34 East, N.M.P.M. Section 9 NE 1/4, E 2SW 1/4 NW 1/4 NW 1/4 Roosevelt County, New Mexico	12.8333330	Randall Louis Dilbeck and Hope M Dilbeck, as Co-Trustees of the Dilbeck Family Trust, dated July 31, 2011	Manzano, LLC	3/1/2021			Manzano, LLC 100.00%
15	Township 6 South, Range 34 East, N.M.P.M. Section 9 NE 1/4, E 2SW 1/4 NW 1/4 NW 1/4 Roosevelt County, New Mexico	1.3125000	Richard Noel Dilbeck, herein dealing in his sole and separate property	Manzano, LLC	4/4/2021			Manzano, LLC 100.00%
15	Township 6 South, Range 34 East, N.M.P.M. Section 9 NE 1/4, E 2SW 1/4 NW 1/4 NW 1/4 Roosevelt County, New Mexico	0.9842750	Samuel Jason Dilbeck, herein dealing in his sole and separate property	Manzano, LLC	5/21/2021			Manzano, LLC 100.00%

**Exhibit "B" Schedule of Ownership
Morrison San Andres Unit
Roosevelt County, New Mexico**

TRACT NO.	DESCRIPTION OF Lands	ACRES	SERIAL NUMBER or MINERAL OWNER	LESSEE OF RECORD	EXPIRATION DATE	OVERRIDING ROYALTY OWNER	OVERRIDING ROYALTY PERCENTAGE	WORKING INTEREST AND PERCENTAGE
Roosevelt County, New Mexico								
15	Township 6, South, Range 34 East, N.M.P.M. Section 9 NE 1/4 E 2NW 4, NW 4NW 4 Roosevelt County, New Mexico	1.9687640	Scott Raymond Dilbeck, herein dealing in his sole and separate property	Manzano, LLC	4/4/2021	Manzano, LLC	100.00%	100.00%
15	Township 6, South, Range 34 East, N.M.P.M. Section 9 NE 1/4 E 2NW 4, NW 4NW 4 Roosevelt County, New Mexico	1.9687500	Steven Lloyd Dilbeck, herein dealing in his sole and separate property	Manzano, LLC	4/4/2021	Manzano, LLC	100.00%	100.00%
15	Township 6, South, Range 34 East, N.M.P.M. Section 9 NE 1/4 E 2NW 4, NW 4NW 4 Roosevelt County, New Mexico	1.3125000	Thomasine Dilbeck, herein dealing in her sole and separate property	Manzano, LLC	4/4/2021	Manzano, LLC	100.00%	100.00%
15	Township 6, South, Range 34 East, N.M.P.M. Section 9 NE 1/4 E 2NW 4, NW 4NW 4 Roosevelt County, New Mexico	0.0944560	Tamara Dittand, herein dealing in her sole and separate property	Manzano, LLC	4/23/2021	Manzano, LLC	100.00%	100.00%
15	Township 6, South, Range 34 East, N.M.P.M. Section 9 NE 1/4 E 2NW 4, NW 4NW 4 Roosevelt County, New Mexico	1.6203704	Paula Jean Fischweiler, herein dealing in her sole and separate property	Manzano, LLC	4/23/2021	Manzano, LLC	100.00%	100.00%
15	Township 6, South, Range 34 East, N.M.P.M. Section 9 NE 1/4 E 2NW 4, NW 4NW 4 Roosevelt County, New Mexico	0.0944560	Donna K. Hale, herein dealing in her sole and separate property	Manzano, LLC	3/23/2021	Manzano, LLC	100.00%	100.00%
15	Township 6, South, Range 34 East, N.M.P.M. Section 9 NE 1/4 E 2NW 4, NW 4NW 4 Roosevelt County, New Mexico	1.8011110	Carol Jean Johnson, herein dealing in her sole and separate property	Manzano, LLC	3/27/2021	Manzano, LLC	100.00%	100.00%
15	Township 6, South, Range 34 East, N.M.P.M. Section 9 N 2NW 4, SE 4NW 4, NE 1/4 Roosevelt County, New Mexico	6.3625	C. Kenneth Johnson a widower	Yates Petroleum Corporation, Also Petroleum Corporation, and Mico Industries, Inc.	6/6/2018	Manzano, LLC	100.00%	100.00%
15	Township 6, South, Range 34 East, N.M.P.M. Section 9 N 2NW 4, SE 4NW 4, NE 1/4 Roosevelt County, New Mexico	5.25	John Johnson, a single man, dealing in his sole and separate property	Yates Petroleum Corporation, Also Petroleum Corporation, and Mico Industries, Inc.	9/2/2018	Manzano, LLC Oss V-T Company	80.00% 20.00%	80.00% 20.00%
15	Township 6, South, Range 34 East, N.M.P.M. Section 9 N 2NW 4, SE 4NW 4, NE 1/4 Roosevelt County, New Mexico	6.5625	Judith Johnson, aka Judy Johnson, aka Judy Consey, herein dealing in her sole and separate property	Manzano, LLC	6/6/2021	Manzano, LLC	100.00%	100.00%
15	Township 6, South, Range 34 East, N.M.P.M. Section 9 N 2NW 4, SE 4NW 4, NE 1/4 Roosevelt County, New Mexico	1.6203704	Catherine Marie Salerno-Johnson, herein dealing in her sole and separate property	Manzano, LLC	4/23/2021	Manzano, LLC	100.00%	100.00%
15	Township 6, South, Range 34 East, N.M.P.M. Section 9 N 2NW 4, SE 4NW 4, NE 1/4 Roosevelt County, New Mexico	0.810185	Lorrie Keeling, herein dealing in her sole and separate property	Manzano, LLC	3/12/2023	Manzano, LLC	100.00%	100.00%
15	Township 6, South, Range 34 East, N.M.P.M. Section 9 N 2NW 4, SE 4NW 4, NE 1/4 Roosevelt County, New Mexico	0.694456	Brenda Jean Klein, herein dealing in her sole and separate property	Manzano, LLC	3/23/2021	Manzano, LLC	100.00%	100.00%

**Exhibit "B" Schedule of Ownership
Morrison San Andres Unit
Roosevelt County, New Mexico**

TRACT NO.	DESCRIPTION OF LANDS	ACRES	SERIAL NUMBER or MINERAL OWNER	LESSEE OF RECORD	EXPIRATION DATE	OVERRIDING ROYALTY OWNER	OVERRIDING ROYALTY PERCENTAGE	WORKING INTEREST AND PERCENTAGE
15	Township 6 South, Range 34 East, N.M.P.M. Section 9, N/2NW/4, SE/4NW/4, NE/4 Roosevelt County, New Mexico	12.8333333	Tom David Kunkin, herein dealing in her sole and separate property	Manzano, LLC	5/1/2021			Manzano, LLC 100.00%
15	Township 6 South, Range 34 East, N.M.P.M. Section 9, N/2NW/4, SE/4NW/4, NE/4 Roosevelt County, New Mexico	0.462963	Amber Lories, herein dealing in her sole and separate property	Manzano, LLC	5/1/2021			Manzano, LLC 100.00%
15	Insetia and Onit, Insofar as said Lease covers the following Units: Township 6 South, Range 34 East, N.M.P.M. Section 9, N/2, SW/4 and Except the SW/4NW/4 Roosevelt County, New Mexico	88.666667	Tom Miller and his wife, Lela D. Miller	Markelin Garrett and Michael Gotsch	5/20/2021	Robertson Resources, Inc.	6.500000%	Manzano, LLC 100.00%
15	Township 6 South, Range 34 East, N.M.P.M. Section 9, NE/4, S/2NW/4 and SE/4NW/4 Roosevelt County, New Mexico	1.388889	Travis L. and Maria, herein dealing in his sole and separate property	Manzano, LLC	5/23/2021			Manzano, LLC 100.00%
15	Township 6 South, Range 34 East, N.M.P.M. Section 9, NE/4, S/2NW/4 and SE/4NW/4 Roosevelt County, New Mexico	0.810185	Jeanne M. Davis, herein dealing in her sole and separate property	Manzano, LLC	5/12/2023			Manzano, LLC 100.00%
15	Township 6 South, Range 34 East, N.M.P.M. Section 9, NE/4, N/2NW/4 and SE/4NW/4 Roosevelt County, New Mexico	0.810185	Rita Ogden, a widow, herein dealing in her sole and separate property	Manzano, LLC	5/12/2023			Manzano, LLC 100.00%
15	Township 6 South, Range 34 East, N.M.P.M. Section 9, NE/4, N/2NW/4 and SE/4NW/4 Roosevelt County, New Mexico	0.810185	William Mitchell Ogden, herein dealing in his sole and separate property	Manzano, LLC	5/12/2023			Manzano, LLC 100.00%
15	Township 6 South, Range 34 East, N.M.P.M. Section 9, N/2NW/4, SE/4NW/4, NE/4 Roosevelt County, New Mexico	6.5625	Debra Pascoe and Neal S. Pascoe, Trustees of the Debra L. Pascoe 2015 Revocable Trust dated 9/10/2015	Manzano, LLC	6/6/2021			Manzano, LLC 100.00%
15	Township 6 South, Range 34 East, N.M.P.M. Section 9, NE/4, N/2NW/4 and SE/4NW/4 Roosevelt County, New Mexico	0.462963	Grant Schultz, herein dealing in his sole separate property	Manzano, LLC	5/23/2021			Manzano, LLC 100.00%
15	Township 6 South, Range 34 East, N.M.P.M. Section 9, NE/4, N/2NW/4 and SE/4NW/4 Roosevelt County, New Mexico	0.694456	James William Schultz, herein dealing in his sole and separate property	Manzano, LLC	5/23/2021			Manzano, LLC 100.00%
15	Township 6 South, Range 34 East, N.M.P.M. Section 9, NE/4, N/2NW/4 and SE/4NW/4 Roosevelt County, New Mexico	0.462963	Paul Schultz, herein dealing in his sole and separate property	Manzano, LLC	5/23/2021			Manzano, LLC 100.00%
15	Township 6 South, Range 34 East, N.M.P.M. Section 9, NE/4, N/2NW/4 and SE/4NW/4 Roosevelt County, New Mexico	1.388889	Rita Hall Schultz, a widow, and Elham Alexander Scott, dealing in his sole and separate property	Manzano, LLC	5/23/2021			Manzano, LLC 100.00%
15	Township 6 South, Range 34 East, N.M.P.M. Section 9, NE/4, N/2NW/4 and SE/4NW/4 Roosevelt County, New Mexico	2.19575	Daphne Wade Simonson, herein dealing in his sole and separate property	Manzano, LLC	5/11/2021			Manzano, LLC 100.00%

**Exhibit "B" Schedule of Ownership
Morrison San Andres Unit
Roosevelt County, New Mexico**

TRACT NO.	DESCRIPTION OF Lands	ACRES	SERIAL NUMBER or MINERAL OWNER	LESSEE OF RECORD	EXPIRATION DATE	OVERRIDING ROYALTY OWNER	OVERRIDING ROYALTY PERCENTAGE	WORKING INTEREST AND PERCENTAGE
15	Township 6 South, Range 34 East, N 31 P 1 M Section 9 NE 1/4, N 28 NW 1/4 and SE 1/4 NW 1/4 Roosevelt County, New Mexico	2.1875	Gary Neal Simonson, herein dealing in his sole and separate property	Shaw Interests, Inc.	5/11/2021			Manzano, LLC
15	Township 6 South, Range 34 East, N 31 P 1 M Section 9 NE 1/4, N 28 NW 1/4 and SE 1/4 NW 1/4 Roosevelt County, New Mexico	2.1875	Karen Lynn Simonson, fka Karen Lynn Simonson Gutierrez, herein dealing in her sole and separate property	Shaw Interests, Inc.	5/11/2021			Manzano, LLC
15	Township 6 South, Range 34 East, N 31 P 1 M Section 9 NE 1/4, N 28 NW 1/4 and SE 1/4 NW 1/4 Roosevelt County, New Mexico	19.0875	Neva Simonson and husband, David Simonson, herein dealing in their sole and separate property	Shaw Interests, Inc.	5/11/2021			Manzano, LLC
15	Township 6 South, Range 34 East, N 31 P 1 M Section 9 NE 1/4, N 28 NW 1/4 and SE 1/4 NW 1/4 Roosevelt County, New Mexico	1.6207	Keith Bryan Factor, herein dealing in his sole and separate property	Manzano, LLC	3/13/2023			Manzano, LLC
15	Township 6 South, Range 34 East, N 31 P 1 M Section 9 NE 1/4, N 28 NW 1/4 and SE 1/4 NW 1/4 Roosevelt County, New Mexico	1.7125000	Diana Trevino, herein dealing in her sole and separate property	Manzano, LLC	4/4/2021			Manzano, LLC
16	Township 6 South, Range 34 East, N 31 P 1 M Section 11 S 28 1/2, N 28 E 1/4 NE 1/4 NW 1/4 Roosevelt County, New Mexico	23.2400000	Cheryl Harrison, as Co-Trustee of the Debraanne H. Bowen Living Trust dated April 24, 1996 - HBP	Armstrong Energy Corporation	5/23/2017	Armstrong Energy Corp., et al	5.000000%	Manzano, LLC
16	Township 6 South, Range 34 East, N 31 P 1 M Section 11 NE 1/4 NW 1/4, S 28 1/2, N 28 E 1/4 Roosevelt County, New Mexico	1.7208336	William O. Baece III, and Valerie Baece, husband and wife - HBP	Armstrong Energy Corporation	4/25/2017	Armstrong Energy Corp., et al	6.250000%	Manzano, LLC
16	Township 6 South, Range 34 East, N 31 P 1 M Section 11 NE 1/4 NW 1/4, S 28 1/2, N 28 E 1/4 Roosevelt County, New Mexico	35.0000000	Tom W. Cox, a single man dealing in his sole and separate property - HBP	Armstrong Energy Corporation	4/25/2017	Armstrong Energy Corp., et al	6.250000%	Manzano, LLC
16	Township 6 South, Range 34 East, N 31 P 1 M Section 11 NE 1/4 NW 1/4, S 28 1/2, N 28 E 1/4 Roosevelt County, New Mexico	1.7208333	Michele Baece Ford, a married woman dealing in her sole and separate property - HBP	Armstrong Energy Corporation	5/17/2017	Armstrong Energy Corp., et al	5.000000%	Manzano, LLC
16	Township 6 South, Range 34 East, N 31 P 1 M Section 11 S 28 1/2, N 28 E 1/4 NE 1/4 NW 1/4 Roosevelt County, New Mexico	23.2400000	John T. & Linda J. Huskle, As Trustees of the Huskle Living Trust dated 1/9/1996 - HBP	Armstrong Energy Corporation	5/23/2017	Armstrong Energy Corp., et al	5.000000%	Manzano, LLC
16	Township 6 South, Range 34 East, N 31 P 1 M Section 11 NE 1/4 NW 1/4, S 28 1/2, N 28 E 1/4 Roosevelt County, New Mexico	105.0000000	Richard C. Lambirth and Renee Lee Lambirth, husband and wife - HBP	Armstrong Energy Corporation	4/12/2015	Armstrong Energy Corp., et al	6.250000%	Manzano, LLC
16	Township 6 South, Range 34 East, N 31 P 1 M Section 11 S 28 1/2, N 28 E 1/4 & NE 1/4 NW 1/4 Roosevelt County, New Mexico	3.0975000	Levench & Levench Partnership, LLP, successor in interest to Bourland & Levench Partnership	Manzano, LLC	4/12/2020			Manzano, LLC
16	Township 6 South, Range 34 East, N 31 P 1 M Section 11 S 28 1/2, N 28 E 1/4 & NE 1/4 NW 1/4 Roosevelt County, New Mexico	1.4740000	Michelle Reynolds, a Limited Partnership	Manzano, LLC	5/24/2021			Manzano, LLC

**Exhibit "B" Schedule of Ownership
Morrison San Andres Unit
Roosevelt County, New Mexico**

TRACT NO.	DESCRIPTION OF LANDS	ACRES	SERIAL NUMBER OF MINERAL OWNER	LESSEE OF RECORD	EXPIRATION DATE	OVERRIDING ROYALTY OWNER	OVERRIDING ROYALTY PERCENTAGE	WORKING INTEREST AND PERCENTAGE
	API No. 30-041-29952 - 2.1010 gross acres Roosevelt County, New Mexico							
16	Township 6 South, Range 34 East, N.M.P.M., Section 11, S.28N.2, N.28E.4 and SE.4SW.4 Roosevelt County, New Mexico	7.246676	Pratt Energy, Inc.	Shaw Interests, Inc.	4/28/2019			100.00%
16	Township 6 South, Range 34 East, N.M.P.M. Section 11, NE.4SW.4, S.28N.2, N.28E.4 Roosevelt County, New Mexico	15	John Tannehill, a married man, dealing in his sole and separate property - HBP	Armstrong Energy Corporation	4/21/2015	Armstrong Energy Corp. et al	6.25000%	100.00%, Manzano LLC
17	Township 6 South, Range 34 East, N.M.P.M. Section 15, SE.4SE.4 Roosevelt County, New Mexico	3.120000	Cheryl Harrison as Co-Trustee of the Estate of H. Brown Evans; Trust dated April 24, 1996 - HBP	Armstrong Energy Corporation	5/24/2017	Armstrong Energy Corp. et al	5.00000%	100.00%, Manzano LLC
17	Township 6 South, Range 34 East, N.M.P.M. Section 15, SE.4SE.4 Roosevelt County, New Mexico	1.770000	Albert G. Boyce, Jr. as Trustee of the Albert G. Boyce Trust - HBP	Shaw Interests, Inc.	4/26/2019			100.00%, Manzano LLC
17	Township 6 South, Range 34 East, N.M.P.M. Section 15, SE.4SE.4 Roosevelt County, New Mexico	1.123333	Albert G. Boyce, Jr. Individually, and as Co-Trustee of the Boyce 2012 Trust and Virginia L. Boyce, Individually, and as Co-Trustee of the Boyce 2012 Trust - HBP	Shaw Interests, Inc.	4/26/2019			100.00%, Manzano LLC
17	Township 6 South, Range 34 East, N.M.P.M. Section 15, SE.4SE.4 Roosevelt County, New Mexico	0.216833	William Quincy Boyce III - HBP	Shaw Interests, Inc.	4/26/2019			100.00%, Manzano LLC
17	Township 6 South, Range 34 East, N.M.P.M. Section 15, SE.4SE.4 Roosevelt County, New Mexico	5.000000	Fern W. Cox, as his sole and separate property	Shaw Interests, Inc.	6/3/2019			100.00%, Manzano LLC
17	Township 6 South, Range 34 East, N.M.P.M. Section 15, SE.4SE.4 Roosevelt County, New Mexico	0.248333	Michelle Boyce, Floed formerly known as Michelle Lamedell Boyce Marfield - HBP	Shaw Interests, Inc.	4/26/2019			100.00%, Manzano LLC
17	Township 6 South, Range 34 East, N.M.P.M. Section 15, SE.4SE.4 Roosevelt County, New Mexico	1.850000	Happ Hill Northern Holdings LLC - HBP	Shaw Interests, Inc.	4/26/2019			100.00%, Manzano LLC
17	Township 6 South, Range 34 East, N.M.P.M. Section 15, SE.4SE.4 Roosevelt County, New Mexico	3.230000	John T. & Linda J. Hinkle, As Trustees of the Hinkle Living Trust dated 1-9-1996 - HBP	Armstrong Energy Corporation	5/24/2017	Armstrong Energy Corp. et al	5.00000%	100.00%, Manzano LLC
17	Township 6 South, Range 34 East, N.M.P.M. Section 15, SE.4SE.4 Roosevelt County, New Mexico	15.000000	Betsy Lambuth, dealing in her sole and separate property - HBP	Shaw Interests, Inc.	4/26/2021			100.00%, Manzano LLC
17	Township 6 South, Range 34 East, N.M.P.M. Section 15, SE.4SE.4 Roosevelt County, New Mexico	0.442500	Levench & Levench Partnership, LLP, successor in interest to Bighand & Levench Partnership	Manzano, LLC	4/12/2020			100.00%, Manzano LLC
17	Township 6 South, Range 34 East, N.M.P.M. Section 15, SE.4SE.4 Roosevelt County, New Mexico	0.248333	Michelle Roath, a Limited Partnership - HBP	Manzano, LLC	4/12/2020			100.00%, Manzano LLC

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Morrison San Andres Unit
Roosevelt County, New Mexico**

TRACT NO.	DESCRIPTION OF Lands	ACRES	SERIAL NUMBER or MINERAL OWNER	LESSEE OF RECORD	EXPIRATION DATE	OVERRIDING ROYALTY OWNER	OVERRIDING ROYALTY PERCENTAGE	WORKING INTEREST AND PERCENTAGE
Roosevelt County, New Mexico								
17	Township 6 South, Range 34 East, N 41 P 4 M Section 15 SE 4 SE 4 Roosevelt County, New Mexico	1.000000	Prison Facility, Inc.	Shaw Interests, Inc.	4/28/2019			Manzano, LLC 100.00%
17	Township 6 South, Range 34 East, N 41 P 4 M Section 15 SE 4 SE 4 Roosevelt County, New Mexico	2.213333	John W. Y. Tammell, herein dealing in his sole and separate property - HBP	Shaw Interests, Inc.	4/26/2019			Manzano, LLC 100.00%
17	Township 6 South, Range 34 East, N 41 P 4 M Section 15 SE 4 SE 4 Roosevelt County, New Mexico	1.770000	Yates Petroleum Corporation, Tammell, dealing in his sole and separate property - HBP	Yates Petroleum Corporation, Also Petroleum Corporation, and Alyco Industries, Inc.	6/26/2018			Manzano, LLC Oxy Y-1 Company 80.00% 20.00%
17	Township 6 South, Range 34 East, N 41 P 4 M Section 11 NE 4 SW 4, S 28 N, 2 SE 4 Roosevelt County, New Mexico	15.493333	Yates Petroleum Corporation, Tammell, dealing in his sole and separate property - HBP	YPC, et al to Circle H Resources	6/26/2013			Manzano, LLC 100.00%
17	Township 6 South, Range 34 East, N 41 P 4 M Section 11 NE 4 SW 4, S 28 N, 2 SE 4 Roosevelt County, New Mexico	13.195000	Harp, HRP Northern Holdings, LLC, a Washington Limited Liability Company - HBP	YPC, et al to Circle H Resources	6/6/2013			Manzano, LLC 100.00%
17	Township 6 South, Range 34 East, N 41 P 4 M Section 11 NE 4 SW 4, S 28 N, 2 SE 4 Roosevelt County, New Mexico	12.000000	Albert B. Boyce, Trustee of the Albert G. Boyce Trust - HBP	YPC, et al to Circle H Resources	6/6/2013			Manzano, LLC 100.00%
17	Township 6 South, Range 34 East, N 41 P 4 M Section 11 NE 4 SW 4, S 28 N, 2 SE 4 Roosevelt County, New Mexico	11.000000	Albert G. Boyce, sole and separate property - HBP	YPC, et al to Circle H Resources	6/6/2013			Manzano, LLC 100.00%
UNLEASED FEE								
15	Township 6 South, Range 34 East, N 41 P 4 M Section 9 NE 4, N 28 W 4 and SE 4 NE 4 Roosevelt County, New Mexico	34.509704	Unleased to locate - Approximate number of acres	Unleased				
16	Township 6 South, Range 34 East, N 41 P 4 M Section 11 SW 4 SW 4 Roosevelt County, New Mexico	9.245833	Mitchell Royalty Limited Partnership	Unleased - Except as to a WFO in Rockin Robin #1 - SW 4 NW 4				
16	Township 6 South, Range 34 East, N 41 P 4 M Section 11 NE 4 SW 4, S 28 N, 2 SE 4 Roosevelt County, New Mexico	7.746667	Yates Brothers, a Partnership	Unleased - Except as to a WFO in Rockin Robin #1 - SW 4 NW 4				
17	Township 6 South, Range 34 East, N 41 P 4 M Section 15 SE 4 SE 4 Roosevelt County, New Mexico	1.000000	Yates Brothers, a Partnership	Unleased				
UNCOMMITTED FEE								
15	Township 6 South, Range 34 East, N 41 P 4 M Section 9 N 28 W 4, SE 4 NW 4, NE 4 Roosevelt County, New Mexico	1.1125	John Johnson, a single man, dealing in his sole and separate property	Uncommitted as to Oxy Y-1 Company's 20% share	9/2/2018			Manzano, LLC Oxy Y-1 Company 80.00% 20.00%

TRACT NO.	DESCRIPTION OF Lands	ACRES	SERIAL NUMBER or MINERAL OWNER	LESSEE OF RECORD	EXPIRATION DATE	OVERRIDING ROYALTY OWNER	OVERRIDING ROYALTY PERCENTAGE	WORKING INTEREST AND PERCENTAGE
17	Tract 17, Section 15, SE 4SE/4, Township 6, South, Range 34, East, N.M.P.M. Boreas Creek, New Mexico	0.442667	Leslie Tammill & Karl Lusk Quincey Tammill (dealing in his sole and separate property) - HUB	Uncommitted as to Oxy V-4 Company's 20% share	6/26/2018			Manzano LLC 80.00% 20.00%
RECAPITULATION								
		3,717.44	Acres State Land				86.10288%	
		00.0	Acres Federal Land				0.00000%	
		554.5506963	Acres Fee Land				12.84443%	
		00.0	Acres Unleased State Land				0.00000%	
		43.694137	Acres Unleased Fee				1.01204%	
		1.7551667	Acres Uncommitted Fee Land				0.04065%	
	TOTAL	4317.44					100.00000%	

EXHIBIT "C". SCHEDULE OF TRACT PARTICIPATION
Within the Morrison SAN ANDRES UNIT
Lea County, New Mexico

TRACT NUMBER	DESCRIPTION OF LANDS	ACRES	TRACT PARTICIPATION
1	<u>Township 6 South, Range 34 East, NMPM</u> Section 3: Lots 1, 2, 3, 4. Roosevelt County, New Mexico	182.12	4.21824%
2	<u>Township 6 South, Range 34 East, N.M.P.M.</u> Section 4: Lots 1, 2, 3, 4, (All) Roosevelt County, New Mexico	175.32	4.06074%
3	<u>Township 6 South, Range 34 East, N.M.P.M.</u> Section 9: S/2 Roosevelt County, New Mexico	320.00	7.41180%
4	<u>Township 6 South, Range 34 East, N.M.P.M.</u> Section 10: N/2 Roosevelt County, New Mexico	320.00	7.41180%
5	<u>Township 6 South, Range 34 East, N.M.P.M.</u> Section 10: S/2 Roosevelt County, New Mexico	320.00	7.41180%
6	<u>Township 6 South, Range 34 East, N.M.P.M.</u> Section 11: NW/4 SW/4 Roosevelt County, New Mexico	40.00	0.92647%
7	<u>Township 6 South, Range 34 East, N.M.P.M.</u> Section 11: S/2S/2 Roosevelt County, New Mexico	160.00	3.70590%
8	<u>Township 6 South, Range 34 East, N.M.P.M.</u> Section 14: N/2 Roosevelt County, New Mexico	320.00	7.41180%

EXHIBIT "C". SCHEDULE OF TRACT PARTICIPATION
Within the Morrison SAN ANDRES UNIT
Lea County, New Mexico

TRACT NUMBER	DESCRIPTION OF LANDS	ACRES	TRACT PARTICIPATION
9	<u>Township 6 South, Range 34 East, N.M.P.M.</u> Section 14: S/2 Roosevelt County, New Mexico	320.00	7.41180%
10	<u>Township 6 South, Range 34 East, N.M.P.M.</u> Section 15: N/2 Roosevelt County, New Mexico	320.00	7.41180%
11	<u>Township 6 South, Range 34 East, N.M.P.M.</u> Section 15: SW/4, N/2SE/4, SW/4SE/4 Roosevelt County, New Mexico	280.00	6.48532%
12	<u>Township 6 South, Range 34 East, N.M.P.M.</u> Section 16: N/2 Roosevelt County, New Mexico	320.00	7.41180%
13	<u>Township 6 South, Range 34 East, N.M.P.M.</u> Section 16: S/2 Roosevelt County, New Mexico	320.00	7.41180%
14	<u>Township 6 South, Range 34 East, N.M.P.M.</u> Section 21: N/2 Roosevelt County, New Mexico	320.00	7.41180%
15	<u>Township 6 South, Range 34 East, N.M.P.M.</u> Section 9: NE/4, N/2NW/4 and SE/4NW/4 Roosevelt County, New Mexico	280.00	6.48532%
16	<u>Township 6 South, Range 34 East, N.M.P.M.</u> Section 11: S/2N/2, N/2SE/4, NE/4SW/4 Roosevelt County, New Mexico	280.00	6.48532%
17	<u>Township 6 South, Range 34 East, N.M.P.M.</u> Section 15: SE/4SE/4 Roosevelt County, New Mexico	40.00	0.92647%
TOTALS		4,317.44	100.00000%



Aubrey Dunn
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

July 6, 2018

Manzano, LLC
c/o Hinkle Shanor LLP
ATTN: Mr. Jared Hembree
PO Box 10
Roswell, NM 88202

Re: Preliminary Approval
Morrison San Andres Unit
Roosevelt County, New Mexico

Dear Mr. Hembree:

This office has received the unexecuted copy of the unit agreement, which you have submitted for the proposed Morrison San Andres Unit area, Roosevelt County, New Mexico. This agreement meets the general requirements of the Commissioner of Public Lands, and preliminary approval is granted this date as to form and content.

Preliminary approval shall not be construed to mean final approval of this agreement in any way and will not extend any short-term leases until final approval and an effective date have been given.

When submitting your agreement for final approval, please include the following:

1. Application letter requesting final approval and setting forth the tracts that have been committed and the tracts that have not been committed.
2. Pursuant to Rule 19.2.100.51, a statement of facts showing that:
 - a. The agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy.
 - b. Under the proposed unit operation, the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas in place under its lands in the proposed unit area.
 - c. Each beneficiary institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the unit area.
 - d. The unit agreement is in other respects for the best interest of the Trust.

OCD Case No. 16341

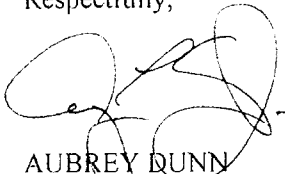
MANZANO
Exhibit #2

Manzano, LLC
c/o Hinkle Shanor LLP
July 6, 2018
Page 2

3. All ratifications from the Lessees of Record and Working Interest Owners. All signatures should be acknowledged by a notary and must contain original signatures.
4. Approval order from the New Mexico Oil Conservation Division. State Land Office approval is conditioned upon approval by the New Mexico Oil Conservation Division.
5. One copy of the Unit Operating Agreement (if applicable).
6. A \$900 total filing fee. The filing fee is \$100 for each section or partial section included in the unit, whether state or privately owned.

If you have any questions or if we may be of further assistance, please contact Units Manager Marilyn Gruebel at 505.827.5791 or mgruebel@slo.state.nm.us.

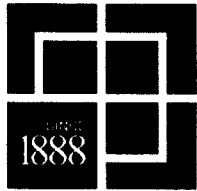
Respectfully,



AUBREY DUNN
COMMISSIONER OF PUBLIC LANDS

AD/mg

cc: NMOCD, Attn: Mr. Daniel Sanchez
RMD, Attn: Mr. Danny Martinez
BLM CFO - Attn: Mr. Chris Walls
OGMD and Units Reader Files



HINKLE SHANOR LLP

ATTORNEYS AT LAW

PO BOX 2068

SANTA FE, NEW MEXICO 87504

505-982-4554 (FAX) 505-982-8623

WRITER

Gary W. Larson
glarson@hinklelawfirm.com

July 17, 2018

Via Certified Mail

Betty Schultz Arnett
161 E. Snowmass Drive
Yukon, OK 73099

Re: *Manzano, LLC NMOCD Application*

Dear Ms. Arnett:

Enclosed is a copy of an application for approval of the Morrison San Andres State Exploratory Unit that Manzano, LLC ("Manzano") has filed with the New Mexico Oil Conservation Division ("the Division"). The proposed unit is comprised of the following lands in Roosevelt County, New Mexico:

Township 6 South, Range 34 East, N.M.P.M.

Section 3: All
Section 4: All
Section 9: N/2 NW/4, SE/4 NW/4, NE/4, and S/2
Section 10: All
Section 11: S/2 N/2 and S/2
Section 14: All
Section 15: All
Section 16: All
Section 21: N/2

OCD Case No. 16341

**MANZANO
Exhibit #3**

Containing 4,317.44 total acres, more or less.

This matter (Case No. 16341) is scheduled for hearing at 8:15 a.m. on Thursday, August 9, 2018 in Porter Hall at the Division's offices located at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by Manzano's application, you may appear at the hearing and present testimony. If you do not appear at that time and become a party of record, you will be precluded from contesting the matter at a later date.

A party appearing in a Division case is required by the Division's Rules to file a Pre-Hearing Statement, which in this matter must be filed no later than Thursday, August 2, 2018. The Pre-Hearing Statement must be filed with the Division's Santa Fe office at the address above, and should include: the name of the party and the party's attorney; a concise statement of the case; the name(s) of the witness(es) the party will call to testify at the hearing; the

approximate amount of time the party will need to present the party's case; and an identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to me.

Thank you for your attention to this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read "Gary W. Larson". The signature is fluid and cursive, with the first name "Gary" and last name "Larson" clearly distinguishable.

Gary W. Larson

GWL: smi
Enclosure

**JENNIFER PROSPECT -
MORRISON SAN ANDRES UNIT
Roosevelt County, NM
Mailing List for Notice of Unit**

7/12/2018

MINERAL OWNERS/LESSORS

Betty Schultz Arnett
161 E. Snowmass Drive
Yukon, OK 73099

Fred Adrian Baker, joined pro forma by his wife
Doris Lee Pritchett-Baker
5506 Bonnie Brook Road
Cambridge, MD 21613-3436

Marjorie Sue Bitetti
2220 Olcott Avenue
Ardmore, PA 19003

Susan F. Bullock
1065 Oak Hill
Roseberg, OR 97470

Jackie Lynn Byrd
P. O. Box 550
Myrtle Creek, OR 97457

Dempsey Cargill
Dempsey Cargill, Inmate #514186
OCCC 5Nth, 216 West Murray Street
Helena, OK 73741

Address on Lease Form:
8607 SE Flower Mound Road
Lawton, OK 73501

Martin Cargill
13942 State Highway 56
Sasakwa, OK 74867

Lanona Ruth Carney
138041 Manzanita Street
Gilchrist, OR 97737

Glenna Carter
547 Liesure World
Mesa, AZ 85206

Eldon Clendening
5615 Rockwell Drive

Bakersfield, CA 93308

Ronald Dean Clendening
7465 E. 68th Street
Tulsa, OK 74133

Danny and Vickie Dilbeck
2229 Maxey Drive
Harrah, OK 73045

Gregory Alan Dilbeck
20555 E. Wilshire
Harrah, OK 73045

Jeff Dilbeck
14101 NE 63rd Street
Choctaw, OK 73020

Randall Louis Dilbeck and Hope M.
Dilbeck, as Co-Trustees of the
Dilbeck Family Trust, dated July 31, 2011
9585 E. Poinsettia Drive
Scottsdale, AZ 85260

Richard Niel Dilbeck
4505 Lake Forest Court
Charlestown, IN 47111

Samuel Jason Dilbeck
2513 E. Egbert Street
Brighton, CO 80601

Scott Raymond Dilbeck
5129 Debi Road
Panama City, FL 32404

Steven Lloyd Dilbeck
28472 Highway 102
Macomb, OK 74852

Thomasene Dilbeck
329770 E. 1048 Road
Harrah, OK 73045

Tamara Durand
13535 Joshua Way
Sonoro, CA 95370

Paula Jean Eschweiler
525 E. 14th Street #8C
New York, NY 10009

Donna K. Hale
1309 Oakridge Drive
Modesto, CA 95351

Carol Jean Johnson
2455 U.S. Highway 17 South #27
Bartow, FL 33830

C. Kenneth Johnson
7411 South 85th East Avenue
Tulsa, OK 74133-3155

John Harvey Johnson
602 Country Drive
Tuttle, OK 73089

Judith Johnson, a/k/a Judy Johnson,
f/k/a Judy Causey
1303 South Lawton #B
Tulsa, OK 74127

Catherine Marie Salerno-Johnson
1233 18 1/2 Road
Fruita, CO 81521

Lorrie Keeling
7208 Tour Trail
Benbrook, TX 76126

Brenda Jean Klein
5885 Blue Gum Avenue
Modesto, CA 95358

Terry Dawn Knudsen
10114 Woodview Circle
Charlotte, NC 28277

Amber Lemley
716 North Buckingham Way
Mustang, OK 73064

Dwight Lively

518 East Benson Street
Wetumka, OK 74883

Bonnie Leann Redding Martin
311 Club House Drive
Shawnee, OK 74801-7563

J.M. Miller and his wife, Lela D. Miller
Route 1
Elida, NM 88116

Jimmy Leon Morris
4995 North 150 Road
Beggs, OK 74421

Jeannie Myers
110 Woodcrest Street
Weatherford, TX 76087

Rita Ogden
1925 Basswood Court
Weatherford, TX 76087

William Mitchell Ogden
396222 East 1130 Road
Henryetta, OK 74437

Debra Pascoe and Neal S. Pascoe, Trustees
of the Debra L. Pascoe 2015 Revocable
Trust dated 9/10/2015
908 W. Fargo Street
Broken Arrow, OK 74012

Grant Schultz
921 North Air Depot Blvd.
Edmond, OK 73034

James William Schultz
11096 Currey Drive
Sonora, CA 95370

Paul Schultz
89 Eagle Crest Loop
Canyon City, CO 81212

Rita Hall Schultz and
Ethan Alexander Scott

108 West Brooken Mt. Road
Stigler, OK 74462

Douglas Wade Simonton
21027 Kelliwood Arbor Lane
Katy, TX 77450

Garry Neal Simonton
1335 Silverado Drive, Apt. 2214
Houston, TX 77077

Karen Lynn Simonton, f/k/a Karen
Lynn Simonton Guitierrez
22307 Fincastle Drive
Katy, TX 77450

Neva & David Simonton
22319 Elsinore Drive
Katy, TX 77450-1634

Jimmie Stafford
611 North Burns Street
Holdenville, OK 74848

Keith Bryan Taylor
15708 South 449 West Avenue
Bristow, OK 74010

Dayna Tremain
12339 East Stuart
Choctaw, OK 73020

Cheryl Harrison, as Co-Trustee of the
Bettianne H. Bowen Living Trust
238 Beverly Court
King City, CA 93930

William Q. Boyce III & Valerie Boyce
2666 Crestview Drive
Woodland, UT 84036

Tom W. Cox
P. O. Box 90
Elida, NM 88116

Michelle Boyce Floyd
P. O. Box 253

Villa Rica, GA 30180

John T. & Linda J. Hinkle, As Trustees
of the Hinkle Living Trust
P. O. Box 1793
Roswell, NM 88202

Richard C. Lambirth & Bettye Lee Lambirth
2107 West Cherry Street
Portales, NM 88130

Leverich & Leverich Partnership, LLP
P. O. Box 2315
Pampa, TX 79066

Mitchell Royalty
17878 West 77th Street North
Haskell, OK 74436

Prism Energy, Inc.
P. O. Box 190
Glenpool, OK 74033

John Tannehill
P. O. Box 819
Paso Robles, CA 93447

Albert G. Boyce, Jr., as Trustee of the
Albert G. Boyce Trust
P. O. Box 1870
Manteca, CA 95336

Albert G. Boyce, Jr., Individually, and as
Co-Trustee of the Boyce 2012 Trust,
and Virginia L. Boyce, Individually, and
as Co-Trustee of the Boyce 2012 Trust
P. O. Box 1870
Manteca, CA 95336

Happy Hill Northern Holdings, LLC
601 North 39th Avenue
Yakima, WA 98902

Albert G. Boyce
P. O. Box 1870
Manteca, CA 95336

Yates Brothers, a Partnership
P. O. Box 1394
Artesia, NM 88211-1394

Lisle Tannehill
2511 Garden Road, Suite A-180
Monterey, CA 93940

**OIL & GAS LEASES IN
CIRCULATION-As of 7-13-18**

Robert Chan Byrd
22911 Fossil Peak
San Antonio, TX 78261

Jennifer Jai Baadsgaard
810 Avalon Court
Cleburne, TX 76033

Lynda Byrd
648 SE Rosewood Lane
Dallas, OR 97338

Susan Dilbeck
10808 N E 16th Street
MidWest City, OK 73130

Johnnie Elizabeth Flint Redding
c/o Flint Edwin Redding
113 Morrow Drive
Slidell, LA 70461

Flint Edwin Redding
113 Morrow Drive
Slidell, LA 70461

Johnny Edwin Redding
4959 N 372 Road
Allen, OK 74825

Anna Lee Redding
327 E 9th Street
Wewoka, OK 74884-3704

Marilyn Kay Calvert
220 E. Monroe Street
Maud, OK 74854

Terry DeWayne Wolfe
P. O. Box 335
Washington, OK 73093

Ed Allen Wolfe
7738 Jackson Road
Krum, TX 76249

Trisha Lynn Rouse
P. O. Box 423
Gordonville, TX 76245

Robin Lynn Redding
2872 Highway 93
Sunset, LA 70584-5729

Steven Charles Redding
602 Cottonwood Lane
Tecumseh, OK 74873-1826

Mitchell K. Cargill
Box 300
Sasakwa, OK 74867

Kristee Lively Seeley
605 E. Saint Louis
Wetumka, OK 74883

Mary Lou Shepherd
P. O. Box 534
Okemah, OK 74859

Stuart Michael Chisholm
Fasanvagen 7
Jarfalla 174 64
Stockholm, Sweden

lilbvo@gmail.com

Marion Danny Dilbeck
2916 Sandstone Drive
Norman, OK 73071

John Louis Dilbeck
14042 Pearl Pointe Drive
Caldwell, ID 83607

Janette Lee Schmitt

2067 Alta Vista Drive
Vista, CA 92084

Edwin Dilbeck
4868 South 525 West
Riverdale, UT 84405

Janette Walker
2951 Branciforte Drive
Santa Cruz, CA 95065

James Mince
2389 Langholm Drive
Colorado Spring, CO 80920

ROYALTY & OVERRIDING ROYALTY INTEREST OWNERS

Armstrong Energy Corporation, et al
P. O. Box 1973
Roswell, NM 88202-1973

Robertson Resources, Inc.
P. O. Box 9415
Midland, TX 79708

LESSEES

Armstrong Energy Corporation, et al
P. O. Box 1973
Roswell, NM 88202-1973

Manzano, LLC
P. O. Box 1737
Roswell, NM 88201

Oxy Y-1 Company
5 Greenway Plaza, Suite 110
Houston, TX 77046-0521

AFFIDAVIT OF LEGAL PUBLICATION

LEGAL 72996
July 19, 2018

LEGAL # 72996

STATE OF NEW MEXICO
COUNTIES OF CURRY & ROOSEVELT:

The undersigned, being duly sworn, says:
That she is a Legal Clerk of
The EASTERN NEW MEXICO NEWS, a daily
Newspaper of general circulation,
published in English at Clovis & Portales,
said counties and state, and that the
hereto attached

PUBLICATION NOTICE
LEGAL 72996 JULY 19, 2018

was published in said EASTERN NEW MEXICO NEWS,
a daily newspaper duly
qualified for that purpose within
the meaning of Chapter 167 of the
1937 Session Laws of the State of
New Mexico for 1 consecutive
days/weeks on the same days as follows:

07/19/2018

Jimmy Newby
Legal Clerk

Subscribed and sworn to before me
19th day of July, 2018

Leslie Nagy
Notary Public
Leslie Nagy



OFFICIAL SEAL
LESLIE NAGY
NOTARY PUBLIC STATE OF NEW MEXICO

My commission expires _____

My Commission Expires: 05/24/2019

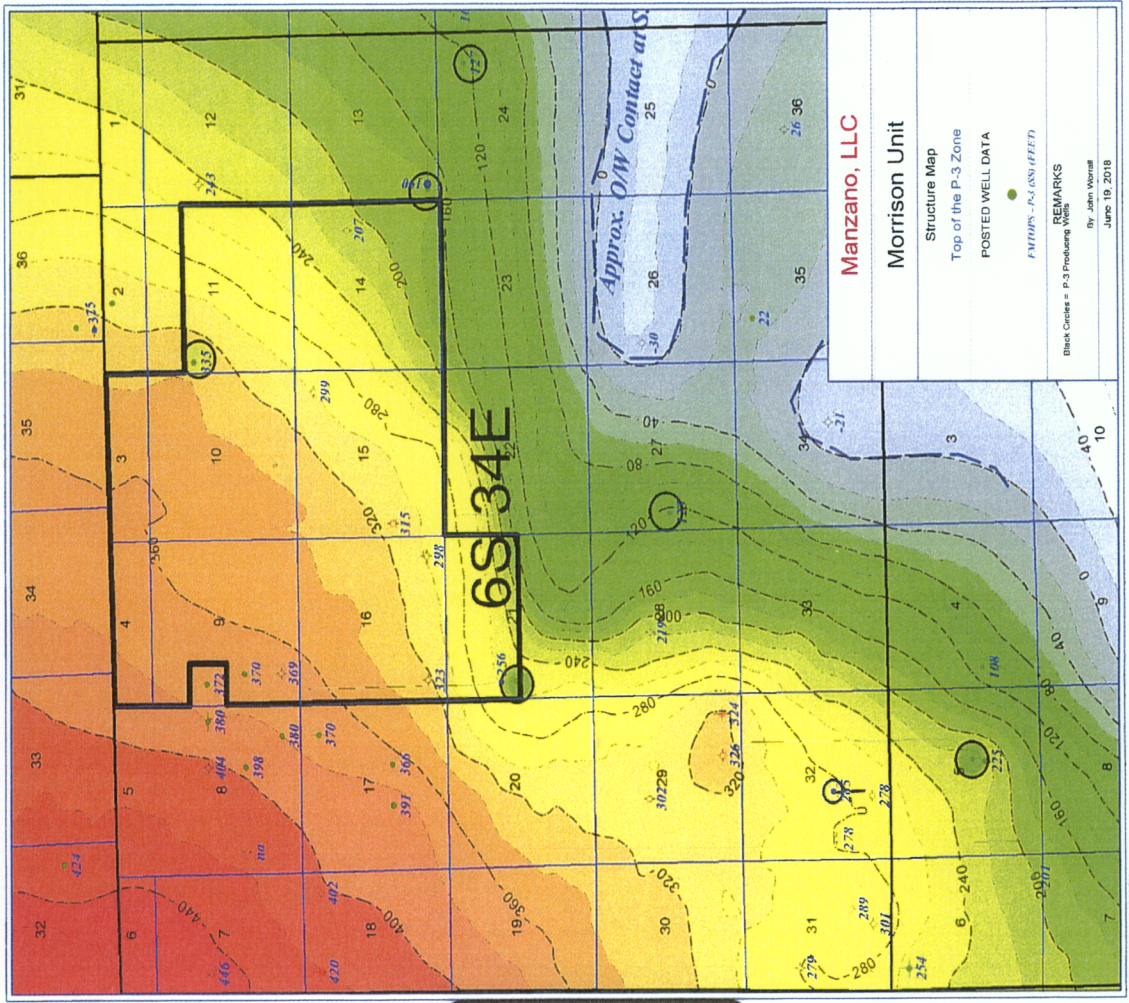
PUBLICATION NOTICE

This is to notify all interested parties, including the New Mexico State Land Office, Betty Schultz Arnett, Fred Adrian Baker, Doris Lee Pritchett-Baker, Marjorie Sue Bitetti, Susan F. Bullock, Jackie Lynn Byrd, Dempsey Cargill, Martin Cargill, Lanona Ruth Carney, Glenna Carter, Eldon Clendenning, Ronald Dean Clendenning, Danny Dilbeck, Vickie Dilbeck, Gregory Alan Dilbeck, Jeff Dilbeck, Randall Louis Dilbeck and Hope M. Dilbeck, Co-Trustees of the Dilbeck Family Trust dated July 31, 2011, Richard Niel Dilbeck, Samuel Jason Dilbeck, Scott Raymond Dilbeck, Steven Lloyd Dilbeck, Thomasene Dilbeck, Tamara Durand, Paula Jean Eschweiler, Donna K. Hale, Carol Jean Johnson, C. Kenneth Johnson, John Harvey Johnson, Judith Johnson, Catherine Marie Salemo-Johnson, Lorrie Keeling, Brenda Jean Klein, Terry Dawn Knudsen, Amber Lemley, Dwight Lively, Bonnie Leann Redding Martin, J.M. Miller, Lela D. Miller, Jimmy Leon Morris, Jeannie Myers, Rita Ogden, William Mitchell Ogden, Debra Pascoe and Neal S. Pascoe, Trustees of the Debra L. Pascoe 2015 Revocable Trust dated 9/10/2015, Grant Schultz, James William Schultz, Paul Schultz, Rita Hall Schultz, Ethan Alexander Scott, Douglas Wade Simonton, Garry Neal Simonton, Karen Lynn Simonton, Neva Simonton, David Simonton, Jimmie Stafford, Keith Bryan Taylor, Dayna Tremain, Cheryl Harrison, Co-Trustee of the Bettianne H. Bowen Living Trust, William Q. Boyce III, Valerie Boyce, Tom W. Cox, Michelle Boyce Floyd, John T. Hinkle

and Linda J. Hinkle, Trustees of the Hinkle Living Trust, Richard C. Lambrith, Betty Lee Lambrith, Leverich & Leverich Partnership, LLP, Mitchell Royalty, Prism Energy, Inc., John Tannehill, Albert G. Boyce, Jr., individually, as Trustee of the Albert G. Boyce Trust, and as Co-Trustee of the Boyce 2012 Trust, Virginia L. Boyce, individually and as Co-Trustee of the Boyce 2012 Trust, Happy Hill Northern Holdings, LLC, Albert G. Boyce, Yates Brothers, a Partnership, Lisle Tannehill, Robert Chan Byrd, Jennifer Jai Baadsgaard, Lynda Byrd, Susan Dilbeck, Johnnie Elizabeth Flint Redding, Flint Edwin Redding, Johnny Edwin Redding, Ann Lee Redding, Marilyn Kay Calvert, Terry DeWayne Wolfe, Ed Allen Wolfe, Trisha Lynn Rouse, Robin Lynn Redding, Steven Charles Redding, Mitchell K. Cargill, Kristee Lively Seeley, Mary Lou Shepherd, Stuart Michael Chisholm, Marion Danny Dilbeck, John Louis Dilbeck, Janette Lee Schmitt, Edwin Dilbeck, Janette Walker, James Mince, Armstrong Energy Corporation, Robertson Resources, Inc., and Oxy Y-1 Company and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Manzano, LLC (Case No. 16341) at 8:15 a.m. on August 9, 2018 in Porter Hall at 1220 South St. Francis Drive, Santa Fe, New Mexico. Manzano seeks an order approving its Morrison San Andres State Exploratory Unit. The proposed Unit Area for the Unit comprises 4,317.44 acres, more or less, described as all of Sections 3, 4, 10, 14, 15, and 16, the N/2 NE/4, SE/4 NW/4, NE/4, and S/2 of Section 9, the S/2 N/2 and S/2 of Section 11, and the N/2 of Section 21, Township 6 South, Range 34 East, N.M.P.M., in Roosevelt County, New Mexico. The proposed Unit Area is located approximately eight (8) miles southwest of Dora, New Mexico.

OCD Case No. 16341

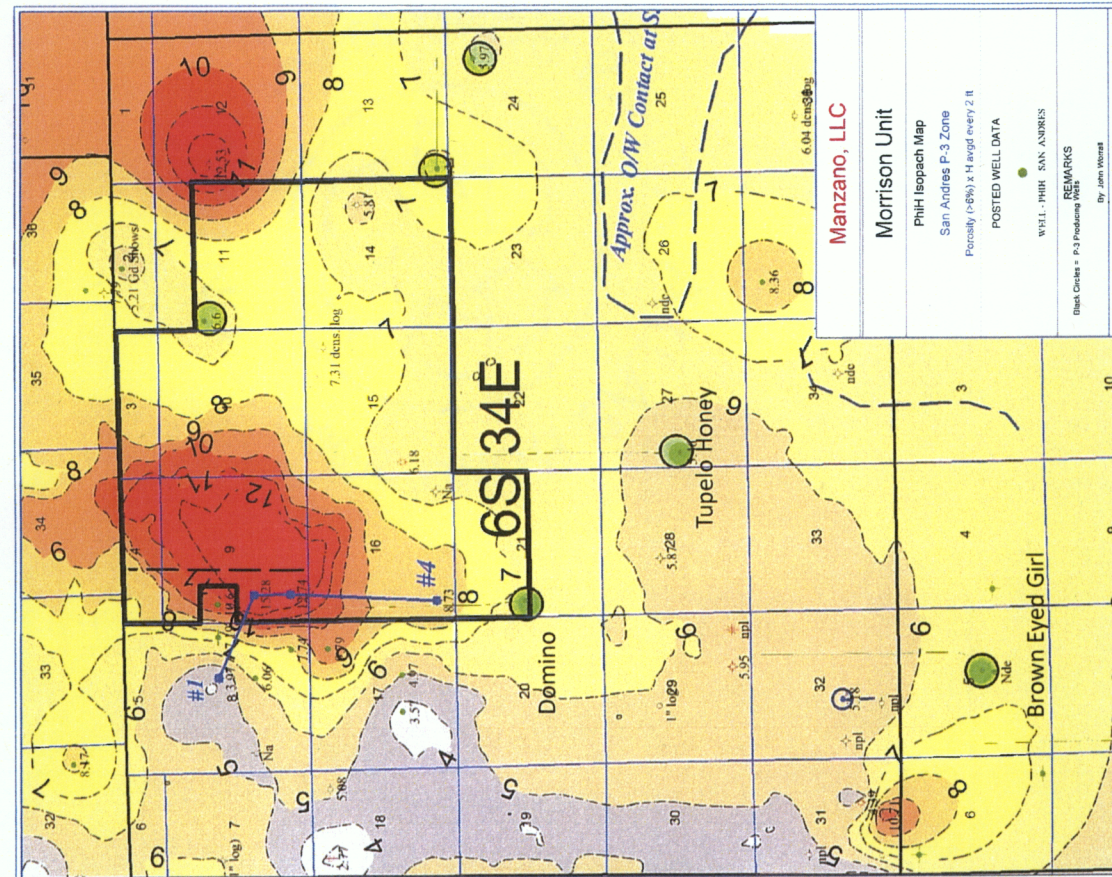
MANZANO
Exhibit #4



Structure Map: Top of the San Andres P-3 Dolomite, 20 Ft Contours

Key Points:

- Structure at the top of the P-3 zone is not apparently faulted. It drapes over deeper structure. Structure generally dips away at 90 ft per mile (1 degree) from the big deep structure of the Peterson field to the NW of the map.
- Prior well tests and log analysis suggest the P-3 zone is wet below sea level (+0 ft).
- Manzano's Tupelo Honey lateral was drilled in the area of a prominent structural sag (over a deeper hole), which was determined by drilling results and third party 3D seismic. This structural low contributed to the poor performance of this well.



PhiH Isopach Map:

Ft>6% Porosity x Thickness averaged every two feet over the P-3 zone.

Horizontal Wells:

1. Brown Eyed Girl 5 Fee 2H, Avg 5.5 PhiH, 23,311 BO, producing 50 BOPD on day 370. EUR = 117,500 MBOE
2. Tupelo Honey 27-21 com #5H, Avg 6 PhiH, prod. 9128 BO, making 6 BOPD on day 329, EUR = 20 MBOE
3. Domino 16-21 #5H Avg 8.5 PhiH, 105 BOPD on day 169 (June 19, 2018), has produced 27,483 BO to date. EUR = 366 MBOE.

Vertical wells:

1. Sec.24 NENE 5.97 PhiH, Acid Job Only, 15,178 BO, 36,440 BW, 30% oil cut
2. Sec.5 NWSE Approx. 6 PhiH, Acid Job Only, 28,810 BO + 37,241 BW, 44% Oil Cut.
3. Sec.11 SWNW 6.6 PhiH, Manzano Rockin Robin test July, 2018, Plan to see what will happen with a sand frac completion

OCD Case No. 16341

MANZANO
Exhibit #6

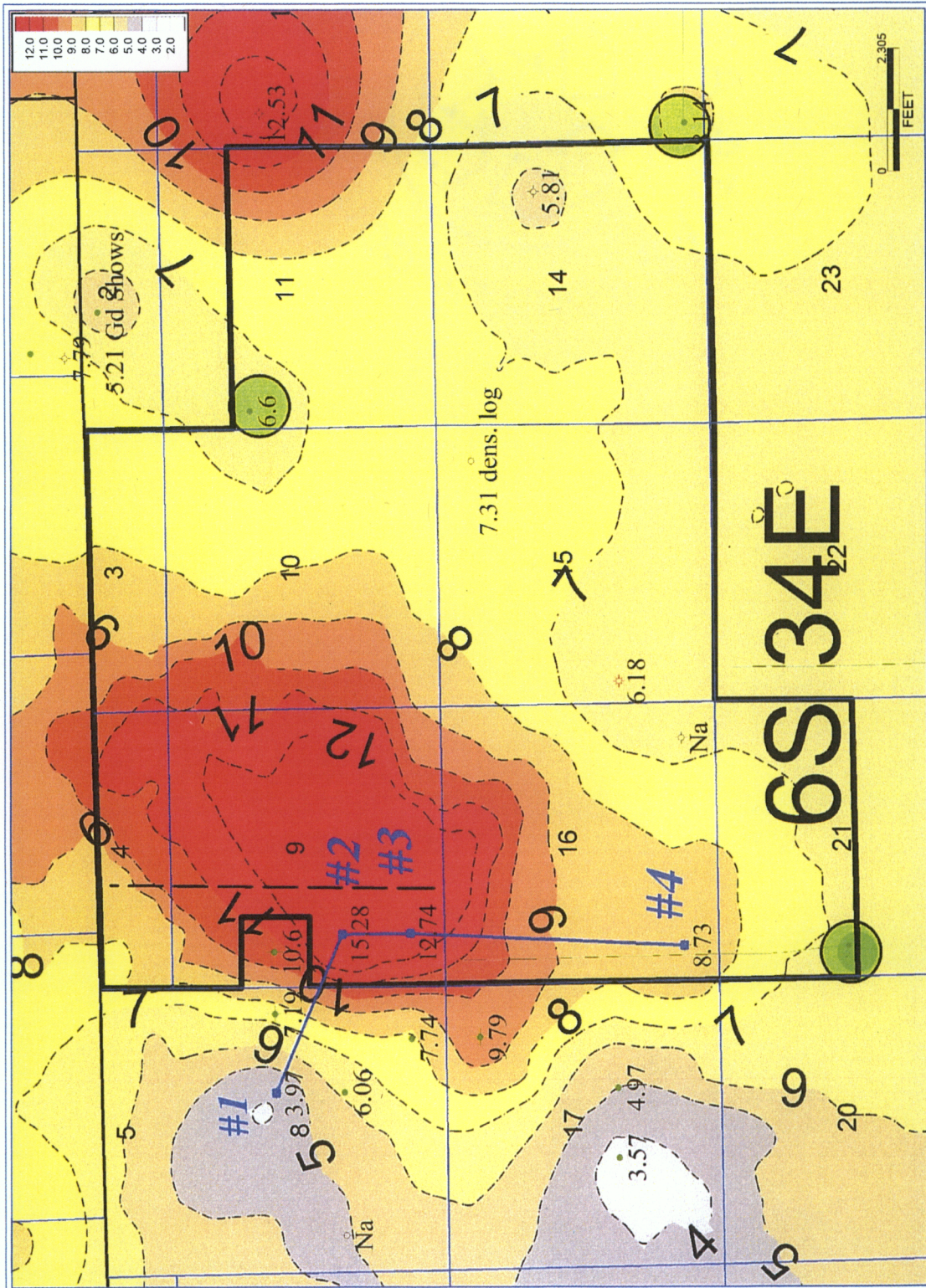
P-3 PhiH Map
Zoomed In

Location of the
Cross Section
Wells #1-#4

The Domino
encountered 8.5 PhiH
and was fraced with an
average of 8.5 PhiH. It
was fraced with 5.106
MM# sand, 98% 20/40
sand. We believe the
Domino is a much
better well because (1)
we drilled where the
reservoir is
considerably thicker
and (2) we use larger
sand in our frac, than
in the 1st two
horizontal wells.

OCD Case No. 16341

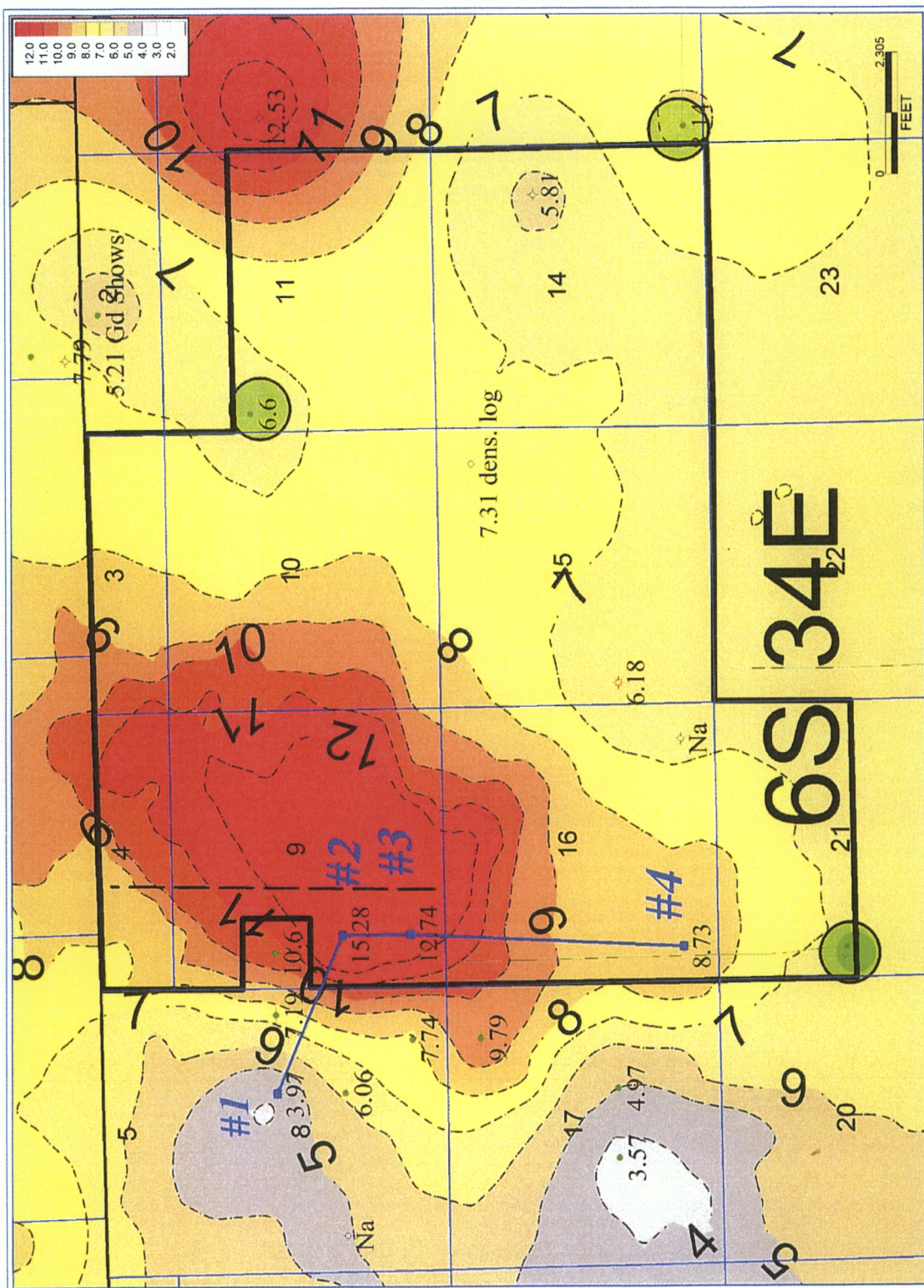
MANZANO
Exhibit #7



Location of the
Cross Section
Wells #1-#4

The Domino encountered 8.5 PhiH and was fraced with an average of 8.5 PhiH. It was fraced with 5.106 MM# sand, 98% 20/40 sand. We believe the Domino is a much better well because (1) we drilled where the reservoir is considerably thicker and (2) we use larger sand in our frac, than in the 1st two horizontal wells.

MANZANO
Exhibit #8

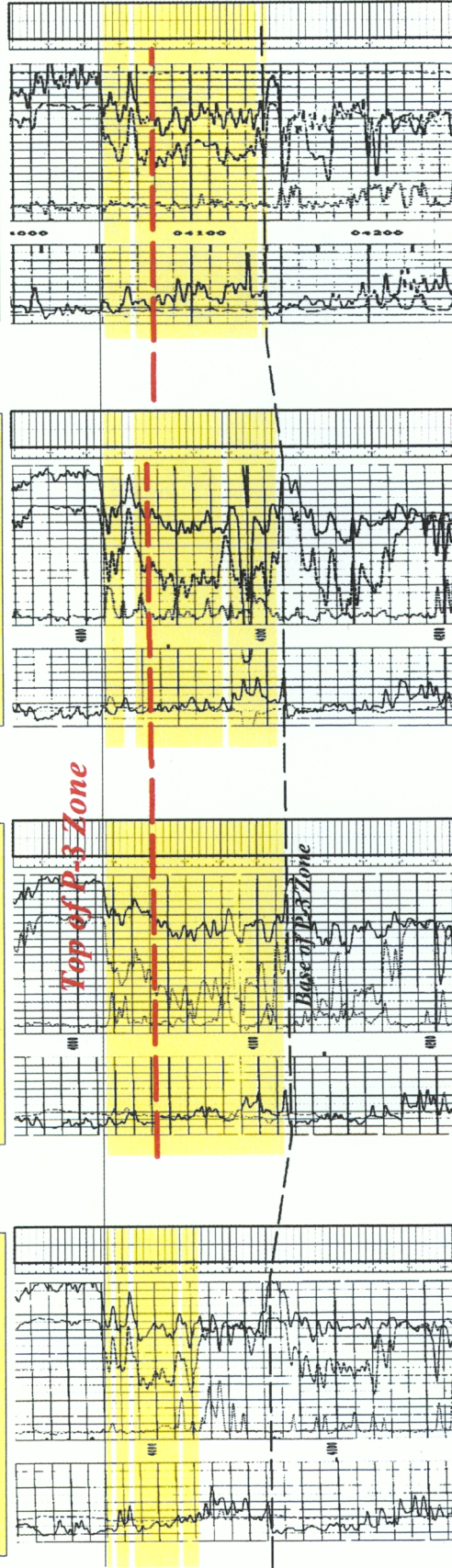


#1
 ENERGY RES GROUP
 EL PASO STATE
 3
 41
 2.07
41 Ft, 9.7% Avg Por. = 3.97 PhiH

#2
 OGS OPERATING COMPANY INCORPORATED
 ROOSEVELT 9 STATE
 1
 97
 15.28
97 Ft, 15.7% Avg Por. = 15.28 PhiH

#3
 OGR OPER
 ROOSEVELT 9 STATE
 2
 85
 12.74
85 Ft, 15% Avg Por. = 12.74 PhiH

#4
 AMOCO PROD
 ROOSEVELT STATE 1
 1
 85
 8.73
85 Ft, 10.3% Avg Por. = 8.73 PhiH



This well shows the lower half of the P-3 zone is a limestone with low porosity. This well does not have enough porosity for economic production with horizontal drilling.

The next proposed well in the state unit will be drilled in the E2W2 of Sections 9 and 4, a 1.25 mile lateral. It will be drilled adjacent to wells #3 and #4 and should encounter an average of 12 PhiH of reservoir, 40% more than in the Domino well.

The Domino 16-21 State #5H targeted the P-3 zone approx. 35 feet below the top. It was drilled past well#4 with an EOL 1/4 mile short of well#3. It encountered an average of 8.5 PhiH along the lateral.