## 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

8/19/8

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

NIO.	
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 theday of	2018, by and between the
WITNESSETH:	
WHEREAS, the parties hereto are the owners of working, royalty, or other oil and gas interests in t and	he unit area subject to this Agreement;
WHEREAS, the Commissioner of Public Lands of the State of New Mexico ("Commissioner") is (NMSA 1978, §§19-10-45, 19-10-46, as amended) to consent to or approve this Agreement or operation of S lessees of State Land jointly or severally with other lessees where such agreements provide for the unit operany oil or gas pool, field, or area; and	state Lands under agreements made by
WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by at §19-10-47, as amended) to amend with the approval of lessee, evidenced by the lessee's execution of such a lease embracing State Lands so that the length of the term of said lease may coincide with the term of such development of part or all of any oil or gas pool, field or area; and	greement or otherwise, any oil and gas
WHEREAS, the Oil Conservation Division of the Energy, Minerals and Natural Resources De (hereinafter referred to as "Division", is authorized by an act of the Legislature (NMSA 1978, §70-2-1 Agreement and the conservation provisions hereof; and	
WHEREAS, the parties hereto hold sufficient interests in the Morrison San Andres Unit Area congive reasonably effective control of operations therein; and	vering the land hereinafter described to
WHEREAS, it is the purpose of the parties hereto to conserve natural resources, prevent waste through development and operation of the area subject to this Agreement under the terms, conditions, and his	
NOW, THEREFORE, in consideration of the premises and the promises herein contained, the patheir respective interests in the below-defined unit area, and agree severally among themselves as follows:	arties hereto commit to this Agreement
1. UNIT AREA. The following described land is hereby designated and recognized as constituting	ng 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	

Containing 4,317.44 total acres, more or less.

Section 14: ALL Section 15: ALL Section 16: ALL Section 21: N½

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 Agreementon 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 testa 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 royally 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 royally, 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 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.

	UNIT OPERATOR AND WORKING INTEREST OWNER
DATED:	MANZANO, LLC
	BY: TITLE: ADDRESS: 300 W. Second Street Roswell, NM 88201
DATED:	WORKING INTEREST OWNERS OXY Y-1 COMPANY
	BY: TITLE: ADDRESS:

#### ACKNOWLEDGEMENTS

STATE OF NEW MEXICO	)				
	)ss. ) was acknowledged of Manzano, LLC, on b			. 2018. b	у
			Notary Publ	ic	
	_ ))ss)was acknowledged of Oxy Y-1 Company, 6		of	2018. t	y
My commission expires:			Notary Publ	ic	

#### **EXHIBIT "A". MAP OF UNIT AREA**

	MOI	RRISON UNIT		
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,	2 5.65 Leased (90 leases) 4.45 Acres Open Trying to that heirs	VO-9721 7-1-2019 320 Acres		
8	. 9	10	273.36 neres Isd (13 leases) 11	12
*			7-1-2023 Open 6.64 (Yutrs Bros.) State	
٠	VO-9777 10-1-2019 320 Acres	VO-9746 9-1-2019 320 Acres	VC-0079 4-1-2022 160 Acres	
•	VB-2752 HBP(8-1-2021) 320 Acres	VO-8854 HBP(11-1-2015) 320 Acres	VC-0052 4-1-2022 320 Acres	
17	16	15	14	13
р и		VO-8855 HBP(11-1-2015) 280 Acres		
	V8-2761 HBP(8-1-2021) 320 Acres	,	VC-0080 4-1-2022 320 Acres	*
	VO-9712 HBP(7-1-2019) 320 Acres	38.89 acres isd (14 leav.	es), open 1.10 (Yates Brus.)	
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Exhibit "B" Schedule of Ownership Morrison San Andres Unit Roosevelt County, New Mexico

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	OVERRIDING ROYALTY OWNER	Amstrong Energy Corp., et al			Amstraug Encrgy Corp., et al.	Antstâng Eachg. Cop. et al					Armstrong Energy Corp., et al.	Armstrong Energy Cosp . व स	Amstrong Energy Corp., et al	
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	LESSEE OF RECORD	Slash Exploration Limited Partnership	Yates Petrofenin Corporation	Yares Petrolenui Corporation	Stast Exploration Limited Partiership	Stash Exploration Limited Parthership	Мыкано Ц.С	Мангано, Б.С.	Маигамо, 1.1.С	Manano 14.C	Stash Exploration Limited Partnership	Slash Exploration Cimited Partnership	Shsh Е <b>у</b> фонкон L.Р	Manzano Energy Partners II, LLC
	SERIAL NUMBER of MINERAL OWNER	IR2 LJUIDDI State of New Menes	175 Vannett Commescence of Public Lands VO-986-1	250 themanin Commissioner of Public Lands VG-0777	530 minimus Scale of New Mexico Vidoriza	ZJU BARBARI SLARO O NON MONGO VOJEZA	н өвиккөн Stale of New Meneo	Hat Dokowind State of New Mexico V("Jak?9)	130 OROGRAS State of New Menco Venesa	Un dokadbir Sarcof New Mexico V(-2018t)	130 optobris Sare of New Mexica VOarse 4 - 1180	280 DOWKNIN State of New Menco VO-38655 - HRP	330 (DOOKDON) Commessioner of Public Lands VB-2752 - ffHP	130 OCCOMBAND Commissioner of Public Lands VB-2764 - HBP
	ACRES	тка тайням	овиния 27 для	тур (инини	3.20 (BBRBB)	ХЭН СКИККИЙ	нь екикинн	IAI) (XXXXXIA)	PARKKAKA	TZH, CKK-KRPRI	PAH CKKKKKKK	ZKI OKHKKHI	Shi danakan	320 CHKHKKI
	DESCRIPTION OF Lands	COMMITTED STATE Tenushipti, South, Range 34 Eng. NMP.M. Scenor 1, Lore 1, 2, 3, 4 Rooccelt counts, New Marko	Township o, South, Range, M. East, N. M. P. M. Section + Lote 1, 2, 3, 4, (41b). Rooken elt Courin, New Mexico	Township o South Range M East, NAP M. Scatter 9 - 82.2 Roseccel Courte, New Mexeo	Township 6 South, Range 34 Fast, NA P.M. Section 10 - W.2. Rosewelf Count. New Mexico	Township (e.South, Range 24 Fabi, NAP.). Sremon (n. 82) Rassavell Comin, day Manko	Tremelije South, Range 24 East, XM.P.M. Sgenoi 11 - NW-1 SW-4 Robeckelf Comb. New Menen	Teanship Gaoth, Rings Elffist, NMPAI Section 11, 6285; Robockel Comm, New Mesko	Township 6 South Range 34 East, NAP AI Section 14 - 82. Rosescalt Comm. New Messon	Toyschip & South, Range 24 Ens. NALPA. Sezinni 14 - 8-3 Rosecchi Courte, New Mexeo	Township & South, Brigs HESS, N.M.P.M. Scatner 15 N.2. Ropewell Countr, New Mexico	Tourning o Sorth, Range 14 East, N.M.P.M. Section 15 (West NOSE), SWASE(1 Ronsecoft Comm., New Mexico	Township & South, Rings, 34 East, NAM.P.M. Section to W.2 Roese et Count, New Mexico	Township 6 South, Range 34 Estg., NALPAM Section 16 S2 Roccycl Comm. New Mexico
	TRACT.	_	લ	es	<del>-</del>	w.	S	r	3C	6	⊆	Ξ	1.2	8

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

			HALIMPLE	KO (HP°s	FINE CRP"	HII (KC)	EGO CALL	POH OKY.	IONI CKP.	1001 1007	".do 000."	Jan. Orth.	FORTON'S	IIB) (KE)	FHH 000%
			Ĭ	2	Ξ.	=	٠.	£	=	×	<u> </u>	=	<u>.</u>	_	
WORKING	INTEREST AND PERCENTAGE		Marzano, 113	Маллио 1.13.	Marano 114	6.)Stant'i, Abinzano LLC	Manzano, LLC	Manzano 14.6	Маизию, Е.С.	6 экийга, Майлано, 14.С.	Manzann, ELC	Marzano 14.C	Маглаво, Е.С.	Мангано, LLC	Мангано. LLC
OVERRIDING	ROYALTY PERCENTAGE					*18895C-4				0.2808E					
	OVERRIDING ROYALTY OWNER					Amstrong Energy Corp., et al				नेताभ्यात्रमाष्ट्र सिक्ताकू रिवाम , वर् अ					
	ENPIRATION DATE		Totata	5/2/2021	1,21,202.1	4.21.2020	1325253	4.27/2031	(20232)+	0.550.50	-846.t.t	5/21/2021	1505.1%	1/4/2021	5/21/2021
	LESSEE OF RECORD		Манганд, Г.С.	Shaw freerests. Inc	Mazana, 14.C	Аптянице Елетву Сограния	Мангано. Ц.С	Манглюз, Е.Г.	Мангано, Е.С.	Аликиону Евгуру Сограганов	Майлано, Е.Б.С	Мангано, П.С.	Маплано, Ц.К.	Маюжно, Ц.С.	Маниани, Е.Г.
	SERIAL NUMBER OF MINERAL OWNER	VO-9712 - ИВР	1 SBSBSSO Bean Schulz Arrier, herein dealing in her sole and Septeate property	26 2800000 Fred Adrian Baker, becom dealing in his sole and equivals property, joined pre-formarly his wife, Dorre Uee Frinchel-Baker	n 23147a) Mapone Sue Bresti, herem dealmy, in her sole and separate property	4 n Tonnin Susan F. Bulleck, a morried woman, dealing in her sole and separate property	4 So LLFO. Glema Carer beran dealine in ber sole and separate property	<ol> <li>240.3407 Eldon Clondenne, becein dealme in liv sole and square property.</li> </ol>	3 3.40°340° Rousht Dean Clendening herein dealing in his sole and separate property	o 4266000 Danny and Vacks; Orlicels, Justimed and wife	1312/000 Gregory, Alan Diblock, keteni dealine in lin sole and sepurate property	o 984 webt Leff Difficels, berein dealing in his sole and separate property	12 833332 Randal Louis Diffrack and Hope M Diffrack, as Co-Fusices of the Diffrack Family Trust, dated July 31, 2011	13125000 Relard Net Dilbeck, berein dealing in his sole and separate property	o 9843750 Samuel Jason Dilbeck, becein dealing in his sole and separate property
	ACRES		- TRKKKK)	26.25fre(ur)	190 <u>2</u> F1X č (1	овинар <del>1</del> в 7 мини	4 Sellita	50101015	present v	о 42ения	131250480	ንያማር ተዝና II	2000 EV 21	MX)5216 H	08.43.7.50
	DESCRIPTION OF Lands	Section 21, 3v2 Rossecult County, New Mexico	COMMITTED FEE Toynologe Spath Range A ESS, SM EM Section 9 NEA NEWEST and SEANWEST ROSECAL COURTS, New Means	Township & South, Rangs 14, East, M.M.P.M. Section 9 MF/1 N. 2NW/4 and SE-1NW/4 Bowerelt County, New Mewico	Trecosting a Sentle Rengs 14, East, N.M.P.M. Scation 9 - NE-J. N/2NW/4 and SE-J.NW/4 Rossevell Counts, New Mexico.	Township o South, Range 34, E881, SALEAI Section 9 NEA, E. SAWA NW TAWY T Rowersch Contro. New Mexico	FORWARD & SORTE, RAUGE 3.4 East, N.M.P.M. Section 9. NEAL ENAWA NOTANNA RESECUTE OURS. New Mexico.	Downstip 6 South Pange 34 E30, N MPAI Section 9 MFA, F3AWA, NWANWA Rowself Court, New Mexico	from temp to Storth, Bangg, 34, East, NAM EAM Section 9 - MER, E/2NAM A NAVANIVA Rosserch Combt, New Mexica	Township 6 South, Einge 34 Eog, XM,EM. Section 9 MEA, F2XWA NW, 14 Brosec dt (20mm, See Mene)	RAMBUR E SOUL BURGE HESSLIN M P.M. Section 9 - NF.H. EDNWA, NWPINWA Rapper dt Comm. New Mexico	Founding o South, Beings, 34 East, 5M P.M. Section 9 NEA, EZYWER NWARWA Rocker of Comms, New Alexico	Formship (, Swift, Rongs, 34 Egg, N.M.P.M. Solion 9 NEA, E.2NWA NWANWA Robacchi (Zong), Nea Mexido	Tourishp.o.South.Range 34 East, N.M.P.M. Section 9 NEA, EZNAPA, NV-4NW-4 Rooke of Comm. New Mexico.	Township 6 South, Bangs, 34 East, NMPAI, Seetion 9, NEA, E22NWA, NWANWA
	TRACT NO.		<u>2</u>	2	<u></u>	15	<u>e</u>	5	23	2	2	18	2	51	15

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

TRACT	Span 130 vOllata,2530	SHRJV	SERIAL NUMBER OF MINERAL OWNER	LESSEE OF RECORD	ENPIRATION DATE	OVERRIDING ROYALTY OWNER	OVERRIDING ROYALTY PERCENTAGE	WORKING INTEREST AND PERCENTAGE	
	Roosey elt County, New Mexico								
<u>~</u> .	Township is South, Bangs, 34, Esq. NMP.M. Schion 9 NEA, ESNN9A, NW-ANW-4 Rod-well Comit. See Mexico	1 96876-10	1 9687-040 Scott Ravinend Diffrest, betein dealting in his sole and separate property	Мыглано Е.Е.	4.42024			Мангано. Е.К.	1661 187
<u></u>	Township is South, Bongs, 34, Eng., NAR, A., Seenon W., NEA, E.D.WW-4, NW24NW3-Rosecel County, New Mexico	1 968750KI	1 9687500 Steven Lleyd Dalberds, herem dealing in his ook and expuring property	Мангано Ц.С	4/4/2/02.1			Manzaro LLC	, HO (817.
5	Tomoship & South, Benge, 34, EBM, M.P.M. Soction v. NEA, EBMWA, NWANWA Research Comm. New Mexico	ONDECTA D	1312soon Thomsene Dilveck, berein decling in her sole and separate property	Manzane 1.1.C	13/2021			Мялганы В.Д.С	11H1 (X)",
<u>~</u>	Township & South, Bangs (M.E.S., N.M.P.M. Section) - NE. J. F. NWCL, NW TAWG. Roose of Comin. New Mexico	netten	n (1914) Son Tanna Durand, beten dealing in bet sole and separate properio	Мангано, П.С.	4.2829031			Мангано. Е.К.	[180] (MC].
<u>~</u>	JOANGOPO SOUD, BEING HESS, NALPA Section 9 NES, E2NWS, NWSANWY Roosed Court, New Nexo	\$620376	Lo207304. Parits ferm Eschweiter, berein dealung in her sole and separate property	Manzino, ELC	12020201		•	Макаже 14.С	100 100 100 100 100 100 100 100 100 100
~	fewiship is South, Bangs, H.F.as, KM.P.M. Section 9. NET 192NWE, NW-FAW-1 Renescal Count, New Mexico	ए ल्यू प्रदेशित	n o943sin Doma K. Hisk. Jexem dealmis in ber sole and separate property	Marzino, LEC	10880F			Manzane, L.L.C.	
<u>r.</u>	Touriship genth, Range 14 Fast, NAPA. Section 9 - NEA, E-ENWA, NWANWA. Ronge of Comits Age Marko	I KOHE FI	1 WOLLEN Cared Jean Johnson, becent dealing in her sole and separate property	Manzano, ELC	1000-200			Manzana, Lt.C	) (K3 (H3 <sup>n</sup> ,
<u>10</u>	Township Roods, Brings M. East, NMP.M. Section 9 - N. 2007, S. F. 1000, E. NE. I. Roots, et f'ouits. Next Mexico.	6.505.0	63023 C. Kamali falinsun a milomer 2	Vates Petrobaum Corporation.  Alsa Petrobaum Corporation.  and Alsce Industries, buc	84nč929			Manzano, LEC	[335 th C.
<u>~</u>	LONDSHIPELSONIE, BARRES H. EAST, S.M.P.M. SVERIOR P. V.ZWW. F. SE-RWCE, NEST ROWS, et l'Comity. New Mexico.	*.	5.25. John Tolmson, a sangis man dealing in his sole and septing property.	Yates Petroleum Corporation.  Abe Petroleum Corporation. and Myce Industries. Inc.	922908			Manranas, LEC Ove V-1 Company	204802 204804
	Induction of South, Beings '9-Fest, NAP P. Saction 9 - N2NW-1, SETINW-1, NET Robert of Comm. New Meneo	6.3625	6 sieżs Judnik Jelinson, aska Juds Johnson, Eka Judy Cansey, Jacon dzaling in her sole and septirate property	Minzano, LLC	6.662021		•	Мануана, ЕС	100 00%
<u>v,</u>	Township & South, Bongs, 34, East, N.M.P.M. Syction 9, N.PAWY4, SE/AWW4, NEST Rooks, clf County, New Mexico	1 0203704	1 (12)13 7014. Catherine Marie Salvino-Johnson.  berein dealuig in her sole and septinie property.	Manzano ELC	4525031			Матапо, Ц.С	SIK) (N)° a
5	Township & South, Bangs, 34, Edst, XM.P.M. Scenon P. WTWW, SETAWWA, NEA Rosered County, New Mexico	0.KIB185	ORIOTS'S Loric Keeling, berein dealing in ber sole and septrate property	Mauziro, ELC	3/12/2023			Макляю, Н.С.	100 00%
13	formship o South, Renge 24 East, N.M.P.M. Socion 9 N.2NW-4, SE44NW-4, NE4 Roses of Court, New Mexico	Eff@0	0 69436 Broads Jean Klean, becom dealing in her soks and separate property	Манило. Е.Д.С	1/23/2021			Manzano, LLC	600 (80%)

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

TRACT NO.	T DESCRIPTION OF Lands	ACRES	SERIAL NUMBER OF MINERAL OWNER	LESSEE OF RECORD	ENPIRATION DATE	OVERRIDING ROYALTY OWNER	OVERRIDING ROYALTY PERCENTAGE	WORKING INTEREST AND PERCENTAGE	
2	Cogniship in South, Bange, 34 Eng., N.M.P.M. Section 9 - N.2MW-4, SE-ANW-4, NE-4 Rosecoch Comin, New Mexico.	retus či	¥	Лангано. (11.0	\$4503			Manzane, H.C.	1(X) 681°
13	Froughp & Swith, Burge 34, Eng. NAP M. Schold N. NAWET, SECRETA, NED. Robert of Count., New Mexico	0.462963	to 4629G. Analor Loratos, forcin dealing in her sole and septiane property.	Маклаю, Е.С.	17525.674			Мансива, 11.С	9 at 1 (1835
5	Irrefar and Oak Irrefar as said Leine coners the following Lands. Township is Swith, Range 24 Eng, N.M.P.M. Section 9 - N.2, Sive, and Except the SW-LNW-4. Robsecult Courts, New Mexico.	XX (nicota)?	88 (doted? I.M. Miller and liss wife. Leb. D. Miller	Makedin Garrett and Michael Garrett	5-20-19XI	Robertean Recourses, Inc.	COMMING.	6 storger, Minzane, 11.C	[48) (KF*.
<u>~</u>	Torriship in South, Bango M End, NMPM Section 9 NEAL RESNET Land SE-LAWA Roocech Comin. Near Meace	588888 T	1 3885889 Junin, I con Morrs, Berein dealing in Ins sole and separate property	Мангано. LL С	ROBASON			Manzano, E.C.	}(K) (K),"
2	Kourchp o South, Range 34 East, NM P.M. Souton 9 NEA, N/2NW-4 and SE/ANW-4 Robestell Court. Non Mondo	ot N justas	tr klit f85 Azimue, Ma ets. Jevent dealtrez in Bet sale and septime property	Мангано. 11.С	5012/2023			Manzano, U.C	(K) (K).
<u>s</u>	Tranship o South, Brings 34 East, WAP.M. Schold - NEJ, W.D.W. 4 and SE-4xW-4 Roberell Comity, New Mexico	0.810183	O KIOTSS. Raa Ogsken a wadow, baccin deciting in bef eok and esparate property.	Maireine, ELC	\$208/21/2			Макано Ц.С.	11.KD 54KP.
ir.	Township o Smith, Bango 34 End, N.M.P.M. Section 9 - N.E.4, N.ZNW-4 and SE-ANW-1 Ronco, et County, New Mexico	6 8 Rt 185	o 810188 Wilisan Muchell Ogden. berein dealmer in bis ode and separate property	Manzano, LLC	5/12/2023			Manzano, LLC	First CH12"x
 	Porinship & South, Bangs, 34 East, Section 19 18,2NW 4, SEANWA, NEA Reduced Count, New Menco	6 50.25	6 50-25 Octor Proces and Neal S Proces. Tristages of the Debroil. Process 2015 Revocable Trist dated 9-10-2015.	Manzine, LL $\mathcal{K}$	6.6242)			Manzano, 11.€	EGH+ (K.I.).
2	Treadilip is South Bange 24 East, IMLEM Station 9 - NE4, N.2NW-4 and SE4NW-4 Roosed Court, New Mento	5 JAN (194 C)	o 40,987 Gran Schulz, betein dealing in lus sale separate property	Макине-Ц.С.	12021724			Махана, Е.Г.С	[48].027"
2	Township & South, Bange 34 EBB, XM-P.M. Section 9 - NEA, N/JWW-1 and SE-4NW-4 Roses, of County, New Mexico	0,8448	0.00448c. Janes William Schulz, herem dealing in bio sole and separate property	Мателно П.К.	4,23,202)			Manzano, U.C.	[481 OF P-5
2	Township & South, Bange, 34,128, NM.P.M. Soution 9. NE4, N.1NW+4 and SE4NW4 Roose, th County, New Ments	0,462963	0.462963 Paul Schulf, Berein dealung ut lits sole and separate property	Мангаво, 11.С	3/23/2021			Maszero, LLC	(08) (87%)
2	Ionitship o, South, Bange, M. East, N. M.P. M. Section 9 NEA, N. 2NWA and SEANWA Roose of Control. New Menco	Lyksked	1.38880 Rio Hall Schultz, a widow and Ethan Mexander Scott, dealing in his sole and separate property	Manzano, LLC	1.03/201			Мангане. Е.К.	1041 O(C) <sup>2</sup> .
<u>~</u>	Township & South, Bangs, 34 East, NMP M. Scarion 9 NE4, NCDNW14 and SE4NW34 Roose of County, New Mexico	2 1875	2.1835 Douglas Wade Sumonton. berein dealing in his sole and separate property.	Маплано. L.I.C	\$41/5031			Manamo, LLC	TOR 110%.

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

NTEREST AND PERCENTAGE	Herricker		ונאז (מאר.	ומזשג."		HOTHLE.	100 mm." 1100 mm."			160 1007"			"
	УБисано. СЛ.С	Мандана, Г.И.С.		Marrano LLC	Manzane, LLC Manzane, LLC	Marcane, LLC Marcane, LLC Marcane, LLC	Manzane, LLC  Manzane, LLC  Manzane, LLC  GORREIP, Manzane, LLC	Manzana, LLC Manzana, LLC Manzana, LLC GORBITT, Manzana, LLC G 28DBIT, Manzana, LLC	Manzana, LLC Manzana, LLC S corent", Manzana, LLC G 280at", Manzana, LLC	Manzane, LLC Manzane, LLC GORRIPA, Manzane, LLC G 250 at Para Manzane, LLC G 250 at Para Manzane, LLC G 250 at Para Manzane, LLC G 150 at Para Manzane, LLC	Mancano, LLC Mancano, LLC Admira, Mancano, LLC G 28paira, Mancano, LLC	Manzano, LLC Manzano, LLC STORITE, Manzano, LLC G. 2800176, Manzano, LLC STORITE, Manzano, LLC STORITE, Manzano, LLC STORITE, Manzano, LLC G. 2800176, Manzano, LLC	Мангано, 1.1.С. Мангано, 1.1.С. Мангано, 1.1.С. 1.250мг°, Мангано, 1.1.С. 1.250мг°, Мангано, 1.1.С. 1.250мг°, Мангано, 1.1.С. Мангано, 1.1.С. Мангано, 1.1.С. Мангано, 1.1.С.
							Алимове Евете (Эар., сі я	Amstrong Energy (70p. et al.	Amstong Energy (50p. ct al Amstong Energy (50p. ct al	12.1  Athristong Engry Corp. et al. 17.2017. Athristong Engry Corp. et al. 17.2017. Athristong Engry Corp. et al. 18.17.2017. Athristong Engry Corp. et al. 18.17.2017.	Armstrong Energy Corp. et al.  Armstrong Energy Corp. et al.  3.17, 2017. Armstrong Energy Corp. et al.  5.23, 2017. Armstrong Energy Corp., et al.  5.23, 2017. Armstrong Energy Corp., et al.	12   Athritish Engles (50p - 6 al   117   Athritish Engles (50p - 6 al   117   Athritish Engles (50p - 6 al   5 2) 2017 Athritish Engles (50p - 6 al   5 2) 2017 Athritish Engles (50p - 6 al   12 2015 Athritish E	Amistong Energy Corp. et al. Amistong Energy Corp. et al. 117 Amistong Energy Corp. et al. 118 Amistong Energy Corp. et al. 119 Amistong Energy Corp. et al. 119 Amistong Energy Corp. et al.
5.11.30211.5	1507/14-5		5 11:2023	\$200 CF %		4.4:2021				4.42021 \$232017 \$282017	4.4.2021 4.38.2017 4.28.2017 8.17.2017	4.42021 \$342017 \$172017 \$342017 \$342017	4.42021 428.2017 8.23.2017 4.12.2018 4.12.2018
Shaw interests Inc. Shaw interests inc	Shaw Interests the		Shaw Interests. Inc	Madzano, ELC		Максию 11 с	Marcino, 110 Azinstonię Eriega Cerporation	Marcars, U.C. Aztristong Linees, Corporation Aztristong Frank, Corporation	Marcaro, 11 C. Activationg Energy, Corporation Activationg Energy, Corporation Activationg Energy, Corporation	Marcaro, 110 Attrictiong Energy Corporation Attrictiong Energy Corporation Attrictiong Energy Corporation	Marains, 110. Amstorig Energy Corporation Amstorig Energy Corporation Amstorig Energy Corporation Amstorig Energy Corporation	Maradong Energy Corporation Attristiong Energy Corporation Attristiong Energy Corporation Attristiong Energy Corporation Attristiong Energy Corporation	Marcans, 11 C. Ambriong Energy Corporation
2 1875 Garry Neal Strawnston between dealing m by sole and separate property 2 1875 Karen Lynn Strawnston, Pk'n Koren	Karen Lynn Simonton, f.k.a Karen	Lynn Simonton Gunerrez, berein dealing in her sole and separate property	19 (AST) Nea Statement and hackand. Devel Statement, herein deshop in their sells and expense property	Logive Kenh Brynn Tarlor, hereni dealung in Nis	sole and separate property	sole and separate property.  1.125/Bent Daviar Trenatur, becom deslong in her sole and separate property.	sole and separate property  1 3128thin Davia Treneur, becen decling in her sole and separate property  23 2400000 Chey Harrson, ax Co-Trivites of the Bername H. Bowen Laving Trist dated Apul 24, 1990 - 1480	sole and separate property sole and separate property sole and separate property sole and separate property bettamout H. Bowen Lyang Trest dated April 24, 1996 - HBP 17208330 Welliam O. Bowee III, and Volette Beger, Inschand and wife - HBP	sole and separate property  1 3128000 David Tremain, beacon dealing in her sole and separate property  23 2 marini Chen Harrison, as Co-Friedes of the Remome H Bowen Lyang Trast dated April 24, 1996 - 1489  1 7208330 Welliam O Bower H, and Valenc Bayes, Insteamed and vale - 1489  13 tommore Com W. Cox, a smele men dealing.  in his sole and septime property - 1189	Sole and Separate property sole and Separate property sole and Separate property Barhanne Heaven as Co-Frostee of the Barhanne H. Boven Lyang Trost dated April 24. 1996 - HRP 1-2908334 Weldman O. Baxee H. and Valence Bayee, Jushand and volfe - HRP in his sole and separate property - HRP in his sole and separate property - HRP women Gently as her sole and separate property - HRP	Solicand Separate property solicand Separate property solicand Expands property solicand Charl Barrason, as Co-Trodece of the Bertamone H. Brown Lering Treat dated April 24, 1990; 1489  1 7208333 Michelle Boyce HL and Valerie Bayes, hashand and wife - HBP in his solicand Separate property - HBP in his solicand Separate property - HBP	solicinal Septente property solicinal Septente property solicinal Septente property solicinal Charl Barrane property dated Mari 24, 1996 - 1489  1 7208330 William O Barce III, and Valence Bernamac II Boven Letting Trust dated Mari 24, 1996 - 1489  13 Submari O Barce III, and Valence Beyen, hashind and wife - 1489  14 7208333 Machelle Bovce Hord, a martical werman dealmer in his solicinal septence property - 1489  23 3 Submari John T. & Emd J. Harkle, As Trustices of the Hinkle Letting Trust dated 1 20 Property 1489  24 15 19 19 19 19 19 19 19 19 19 19 19 19 19	sole and separate property  1 2 Januarian Davia Treaturi, bacon deching in her sole and separate property Bernamie II Brower Lenier Trost dated April 24, 1996 - HBP  1 72/083 to Welfam O Boxer Lenier Trost dated April 24, 1996 - HBP  1 12/083 to Welfam O Boxer III and Valence Boxer Instead of the and Valence Boxer Instead of the and Separate property - HBP  2 2 determin John T. & Linds J. Hinkle, AcTrostoss of the Hinkle Leving Trost dated 1 2/1996 - HBP  3 2 determin John T. & Linds J. Hinkle, AcTrostoss of the Hinkle Leving Trost dated 1 2/1996 - HBP  3 3 meterial Instead of Leverich Partnership, LLP, successor in interest to Board and Act. Leverich Partnership.
2 1875 Gal hts 2 1875 Kar Lys	2 1875 Kan Lys	des	19 6875 Ne Sm Sok	1 ozna Ker sok		13.1250 HVS	1.1128mm Dasching Ch. 2.3.2.100mm Ch. Bei dan	1.125thm Dassift	STANDON Ch. P. STANDO	1.1128000 Dassible Da	1.125800 D35  Street D35  1.72183340 W1  1.72183341 W1  1.72183334 W1  1.7218334 W1  1.721834 W1  1.7	1.1.258000 Day  S.S. 2.1000000 Ch  B.S. 100000000 Ch  S.S. 100000000 Ch  P.S. 2.4000000 Ch  P.S. 2.4000000 Ch  P.S. 2.40000000 Ch  P.S. 2.40000000 Ch  P.S. 2.40000000 Ch  P.S. 2.400000000 Ch  P.S. 2.4000000000 Ch  P.S. 2.40000000000 Ch  P.S. 2.4000000000 Ch  P.S. 2.40000000000 Ch  P.S. 2.4000000000000 Ch  P.S. 2.4000000000000 Ch  P.S. 2.40000000000000 Ch  P.S. 2.400000000000000000000000000000000000	1.1.258000 Day St. 2.1280210 Wh St. 17288213 Wh T. 23.24000000 Tol. T. 24.000000 Tol. T. 24.0000000 Tol. T. 24.00000000 Tol. T. 24.00000000 Tol. T. 24.00000000 Tol. T. 24.000000000 Tol. T. 24.00000000 Tol. T. 24.000000000 Tol. T. 24.0000000000 Tol. T. 24.000000000 Tol. T. 24.00000000000000000000000000000000000
Fownship 6 South, Rangs, M. East, N.M.P. M. Section 9 - MF4 N/2NW/4 and ME4NW/4 Rodeney, New Mevico		Townehip to South, Roingo M Jast, JN M P M Scatton 9—NEA, N 2NW 4 and SE-1NW 4 Rosewell Counte, Not Mexico	Tourship o South, Range 34 East, N.M.P.M. Section 9 - NF-4, N.2NW-4 and SE-18NW-4 Roden of Commit, New Mesko	Tay whip 6 South, Range 33, East, WALP M. Section 9. NEG, NYAWY-Land SE ANW-4. Rodeney, New Menko.		Township o South, Range 3a Enst, N.M.P.M. Segment - NET IN 2NW-Land SE-ENW-I Roocach Court - New Mewes	Township o South, Brings 34 East, N.M.P.M. Steam v. NEPL N/2NW-Land SE-TAWE1 Rootselt Courts. New Mission Township o South, Range 34, East, S.M.E.M. Section 11 - \$2302, N.2SE-1, NE-4SW-4 Roose-eff Courts. New Mission	Pavardipi, South, Beinge 34 East, N.M.P.M. Section 9. NET, N.2NW-f and SP-4 NW-3. Beinge Comm. New Mexical Towarding or South, Range 34, East, N.M.P.M. Section 11. SC2NC3, N.18E, 4. NE-4 SW-4. Roose-self Country, New Mexical Part II. New Mexical Country, New Me	Township o South, Brings 34 East, N.M.P.M. Section 9. NELL N.Y.W. Tand SF-TAWE1 Rosecoeft Courts. New Mexico Township o South, Ronge 34 East, N.M.P.M. Section 11. S.29/2, N.28/E.4. NE. 48W-4 Rosecoeft Courts. New Mexico Section 11. NE. 48W-1, S.20/2, N.28/-3 Rosecoeft Courts, New Mexico Township o South, Range 34 East, N.M.P.M. Section 11. NE. 48W-1, S.20/2, N.28/-3 Rosecoeft Courts, New Mexico South, Range 34 East, N.M.P.M. Section 11. NE/SW-1, S.20/2, N.28/-3 Rosecoeft Courts, New Mexico	Traviship o South, Brings 34 East, N.M.P.M. Segton v. SECL N. N.W.Y. and SE-TAWE.  Rosered Countr. New Mexic.  Township o South, Range 34 East, N.M.P.M. Section 11. SE2N2, N.1SE-4, NE-LSW-4.  Rosered Countr. New Mexic.  Textship o South, Range 34 East, N.M.P.M. Segton 11. NE-48W-4, S.N.D. N. 2SE-4.  Rosered Countr. New Mexic.  Textship o South, Range 34 East, N.M.P.M. Section 11. NE-48W-4, S.N.D. N. 2SE-4.  Howevell Countr. New Mexic.  Textship o South, Range 34 East, N.M.P.M. Section 11. NE-48W-4, S.N.D. N. 2SE-4.  Rosered Countr. New Mexic.  Textship of South, Range 34 East, N.M.P.M. Section 11. NE-48W-4, S.N.D. N. 2SE-4.  Rosered Countr. New Mexico.	Proceedings of South, Bringe 34 East, N.M.P.M. Section 9. SELL, N.Z.NW-F. and SE-F.WW-F. Rocket, Country, N.W. Mayor, M. Section 11. SELVE, N. N.SE-L. N. M. E. Section 11. SELVE, N. N. Meyer, Booses, eff. Country, New Meyer, D. Section 11. New Meyer, N.	Township 6 South, Bange 34 East, N.M.P.M. Segton 9. SELL N. SANCAT and SE-TAWA3 Roccard Country, New Mexico.  Instrabig 6 South, Range 34 East, N.M.P.M. Secton 11. SE 24/2, N. 186. 4. No. 4 Secton 11. Se 24/2, N. 186. 4. No. 4 Secton 11. No. 4 Secton 12. Secton 13. Secton 14. No. 4 Secton 15. No. 4 Secton 14. No. 4 Secton 14. No. 4 Secton 15. No. 4 Secton 15. No. 4 Secton 16. N	Township o South, Bange 34 East, N.M.P.M. Section 9. SELL N. N.W.* and SE-LWEA. Recent County, New Mexico.  Township o South, Range 34 East, N.M.P.M. Section 11. SENRY, N. N.SE-L N. M. P.M. Section 11. NE 48W-1, S. N. N. N. N. N. Section 11. NE 48W-1, S. N. N. N. N. N. Section 11. NE 48W-1, S. N. N. N. N. Section 11. NE 48W-1, S. N. N. N. N. Section 11. NE-18W-1, S. N. N. N. N. Section 11. Section 12. N. Section 11. Section 12. N. Section 13. Section 11. Section 13. Section 13. Section 13. Section 13. Section 14. Section 1
15 Township 6 Section 9 2 Rooseelt C		15 Township.6 Section 9 7 Rooseveli C	15 Township o Section 9 1 Rosecelt C	15 Township 6 Section 9 3 Roosevelt C		15 Township of Section 9 Booseach C							

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

						***************************************			
TRACT	DESCRIPTION OF Lands	ACRES	SERIAL NUMBER OF MINERAL OWNER	LESSEE OF RECORD	ENPIRATION DATE	OVERRIDING ROYALTY OWNER	OVERRIDING ROYALTY PERCENTAGE	WORKING INTEREST AND PERCENTAGE	
	API No. 30-041-20952 - 240 Pgt088 acres Robescel Courty, New Mexico								
91	Coverbip e-Spoth_Roung ALESG, NALPA, Section 11 S2N2, N2SE, 1 and NE-4SW; RONCO eff County, New Mexico	7.7466670	7 Jakos Ja Prism Emetga, Inc	Shaw Interests, the	4.28/2019			Manzane, U.C.	lus (su)* a
91	Tourship 6 South, Bangs 34, Esst, N. M.P.M. Scenor 11 - NE 4SW-4, 8-2W-2, N. 28/E-4 Robested County New Mexico	CHARLEST ST	15 Journal John Famachdl, a narried man desling in his suit, and separate property - HBP	Armstrong Energy Corporation	4.21.2015	421 2015 Amstrong Energy Corp. et al.	. <sup>1</sup>	6 "State", Marzano, ELC	HAP CALIF
7	Township o Senth, Bangs, 34 East, N.M.P.M. Section 15 - SE-4SE-4 Roosesch County, New Mexico	TRADANA 1	3 Aginimi Cheal Harrson, as Co-Trastez of the Bername H. Bowen Louis Trust dated April 24, 1996 - 1189	Arnstrone Energy Corporation	21020128	Атиятову Епетру Согр., ет аб	A HAMMET	S danne". Merceiro, E.L.C.	HRI CAP
17	Township is South, Raings 3. Fost, S.M.P.M. Scation 15. SE 48E-4. Rapseacht Counts, New Mexico.	инимет 1	L'Armont Alkeit G. Bovec, Jr. as l'instee of the Alkeit G. Bovec l'inst-tillel	Shaw Interests, Inc	4-26-2049			Мангано, Ц.С.	(X )
7	Township is South, Range, 34 East, N.M.P. M. Scenou 13. 8F-48F-4. Rooms, Commis. New Manuel.	(1 (1 (1 (1 (1 (1 (1 (1 (1 (1 (1 (1 (1 (	1 123332 Albert G Boyce, Jr., Individuelly, and as Co-Trostee of the Boyce, 2012 Frust, and Virginia L. Boyce, Individually, and as Co-Trustee of the Boyce, 2012 Trust - 11819	Shar Interests fire	4:24/2049			Мансино, П.С.	1 1 1 1 CK1
	feworling South, Range, 3, fast, NAP M Section 15 SE 480-3 Research Count, New Mexico	6.2458333	0.2498333 William Quancy Boyoz [1] - HRP	Shaw Interests, Inc	6195958			Мънгане. Н. С	100 (81)
7	Tworship to South, Bangs 34 East, NALCM, Scinor 15 SE 48E-4. However cli Crunts. New Merco.	N (N) KKKKK	STONOROU FORM Cox, as his sole and separate property	Shaw Interests, Inc.	67.2669			Мылата Е.Б.С	F-,(14) 1945
<u></u>	fownship to South, Rango 34 East, NM-PAL Souton 18° SE4SE4 Roose Of Comb, New Mexen	16 18 18 18 18 18 18 18 18 18 18 18 18 18	0.248833 Medelle Bovee Flood dormeth known as Meltelle Tamedill Bovee Vinfedo - HBP	Shaw Interests, fre	4,26.3019			Митани "Ц.С	lon extr.
<u></u>	Yownship o South, Bungo, M Epst., NM P M Section 15. SEASE4. Reoccash Count., New Mexico.	ранко 1	1 жжэмия Нару, Hill Northern Boldangs U.C HBP	Shaw baterests, Inc	4262019			Manzino LLC	[ekt (KP);;
11	Toxushin o South, Rouge 34 Eret, S.M.P.M. Scenum 15 - SP/18P/1 Rooce of Chento, New Mexico	7 32/88/BM	3 ээлими John T. & Linda J. Hinkle. As Trustees of the Hinkle Liong Trust direct 1-91996 - ИПР	Алиятоне Енегру Сограситол	\$5242013	Amstroug Energy Corp. टा व	5 (RREGES)	ў шиниу, Мангана 14.C	E/94.00
1.7	Towarding 6 Seath, Range 3) East, N.M.P.M. Seation 15 SE4SE4 Reose eli Connty, New Maxie	15 TOTAKROO	15 moneon Report Lambords, dealing in her sole and separate property - EIDP	Shaw Interests Inc	1:20:3031			Макаво I.I.С	TOWN TROPTS
17	Towarshp 6 South, Range 34 End. N.M.P.M. Section 15 SE/4SE/4 Reneared Countr. New Mexico	0.442550	n 44283tw Levench & Levench Partnership, LLP. sneesser in universi to Bourland & Levench Partnership	Marzano, LLC	4412/2020			Менулю Ц.С.	100) (00% S
1.7	Township 6 South, Range, 34 East, NAIPAL Scenor 15 SE/ASE/A	0.2458tt	0.2438333 Mitchell Royalty, a Limited Partnership - HDP	Микано. П.С	4/12/2826			Marcano, LLC	Jex)(KPC)

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

	FOR CATE.	TOKE OK 10.5.	80 HP.	IM off".	KM) (II)".	LURE CRE'-	(ER1 (R)°.,	-						80.00% 20.00%
WORKING INTEREST AND PERCENTAGE	Manzano, LLC	Мансию, ЦЕС	Marzano, LLC Oxy Y-1 Company	Мапеано, Е.Г.С	Макане 11.С	Мякано, П.К.	Мяненю 1.1 С							Manzino, LLC Oxy Y-I Company
OVERRIDING ROYALTY PERCENTAGE														
OVERRIDING ROYALTY OWNER														
EXPIRATION DATE	4/2K2014	4262889	6/26/2018	6/26/2013	£107.999	5 10701 5	o in 2013							9/3/2018
LESSEE OF RECORD	Shaw Interests loc	Shaw Interests. Inc	Yates Perroleum Corporation.  Also Perroleum Corporation, and Alyce Industries, Inc.	YPC, et al to Circle H Resources	MPC, et al to Circle II Resources	YPC, et al to Circle H'Resources	YPC et al to Citcle H Resources		Untersed	Unleased - Except as to at WIO in Roskin Robin #1 - SWA NWA	Unterest - Ewept as to a WIO m Rockiit Robin #1 - SW4 nW4	Unkned		Uncommuted as to Ovy Y-1 Company's 20° estate
SERIAL NUMBER OF MINERAL OWNER	l Diederd? Prem Energy, Juc	2.213333 John Wyk Tonnehill, berein dealung in his sole and separate properts - HBP	f 708666. Este Famichill a k.a. Liske Quines Tamehill, dechig in his sole and separate property. ABP	depties ( ok Quine, Tomobil, deiling in his sole and square property : 118P	13 19SOON Bapp Hill Sarthern Holdings, E.U.; a Washington Limited I rability Company - HBP	12 VORBORD Afford B. Boxes, Trigges of the Afford G. Poxes Trigs - 11940	11 fostumas Albert G. Boxee, sole and separate property - HBP	The state of the s	14 SOLETOLE Usende for Locate - Approximate trember of the tactes	0.2458332. Machell Royalts Lamted Partnership	7 Suggest Yates Brothers a Partnership	ł Inniciół? Vales Brothers, a Partnerskięp		13125 John Johnson, a single man, dealing in his sole and separate property
ACRES	[ BR65t6?	umili i	1 730MMM	222267 ST	13 19500RB	(водина)	II fosinum	1	1026H05 Ft	CV-8845 0	7 Plukha7	ł Polición?		13125
DESCRIPTION OF Lands	Rosen of County, New Mexico Township fi South, Range 34 East, N M P M Scientiff S Rosen 15 S Reference 15 S Reserved to County States and	FOOGSTELL COMING, NOW ACCOLO.  THOUSTON IS SELECTED BY	Township 6 North, Range 34 ferst, NMLM. Section 15 SE 48F9 Roses ell Comm. New Mexico	Powietie is South Rangs, 34 Eco., KMP.M. Seaten 11. NE-48W 4, 8/2N.2, N.2SE 4. Roesevelt County, New Mexico.	Javuship o Squib, Rango St Erel, NAJPAJ Section 11. NETANY S 2802, N28Est Roesvelf, Connt, New Mexico.	Township o South Rangs 34 East, NALPAI Section 11 METAWALS, N. S. N. S. N. SEG Rosenell Counts. New Mexico	Township o Studi. Rangs 34 East, XMPM. Scenon 11. ME 18W(4), S2N(2), N.2SE 4. Reynord) Comm. New Mexico.	UNLEASED FEE	Foreighp (South, Range M-East, W.M.P.M.). Section 9 - WE-B, N.ZMV-4 and SE-BNW-4. Rookeelt Gomits, New Mexico.	Township o Sauft, Bunge, M.East, N.M.P.M. Section 11: SW-4VW-4 Recessed (Comity, New Mexico	Toxindin 6 South Rang; 34 East, NMP,M Sochon 11. NE/48W/4, S/2N? N/28E/4 Research Comin, New Mexico	Towarship 6 South, Range, 34, Eust., NALP.M. Scotton 15. SE/18E/4 Rossexell Comm., New Mexico	ENCOMMITTED FEE	Township 6 South, Range, 34 Eng., N.M.P.M. Section 9 - N/2NW/4, SE/4NW/4, NE/4
TRACT NO.	1	2	11	<u>-</u>	<u></u>		<u>-</u>		<u> 125.</u>	9	91	2		15

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

TAND	XO HIP. No mire								
INTEREST AND PERCENTAGE	Manzano, LEC			· ¢		. 0	.e	. 0	æ
ROYALTY			86,10288%	0.00000%	12.84443%	(1.00000%)	1.01204%	0.04065%	100,000000%
OVERRIDING ROYALTY OWNER									
EXPIRATION DATE	6.262018								
LESSEE OF RECORD	Uncommitted as to Oxy Y-4 Company's 20", share								
SERIAL NUMBER OF MINERAL OWNER	n 4426667 Easte Tannefull a Kea Liefe Omine, Tannefull, dealing in fivs sole and	Separate property - HBP  RECAPITALLATION	3,717.44 Acres State Land	00.0 Acres Federal Land	554,5506963 Acres Fee Land	00.0 Acres Unleased State Land	43,694137 Acres Unleased Fee	1.7551667 Acres Uncommitted Fee Land	4317.44
ACRES	1979/241-41								FOTAL.
DESCRIPTION OF Lands	Township G. South, Bangs, 34, East, N.M.P.M. Section 15. SEASE34	Raceral County New Mexico							
TRACT NO.	17 T	=							

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

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

Page 1 of 2 18

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

Page 2 of 2 19



#### 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.

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.statc.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.

Gary W. Larson

GWL: smi Enclosure

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

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

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

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

Marion Danny Dilbeck 2916 Sandstone Drive Norman, OK 73071

John Louis Dilbeck 14042 Pearl Pointe Drive Caldwell, ID 83607

Janette Lee Schmitt

lilbvo@gmail.com

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 PUBLICAT 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

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

Notary Public Leslie Nagy

OFFICIAL SEAL LESLIE NAGY

NOTARY PUBLIC STATE OF NEW MEXICO

My commission expires

My Commission Expires: 05/24/2019

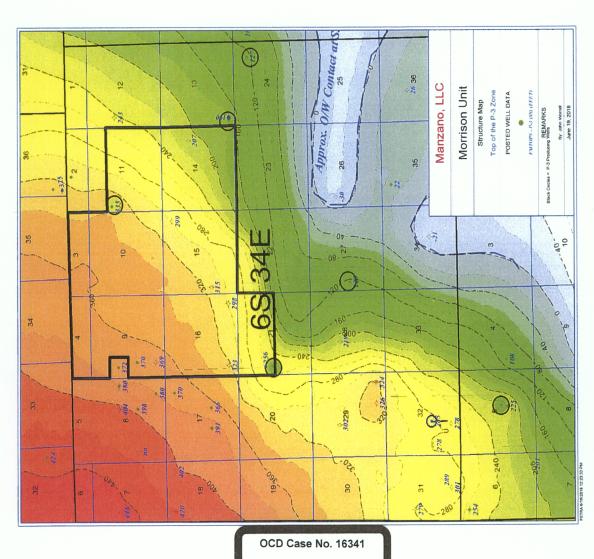
#### **PUBLICATION NOTICE**

This is to notify all interested parties, including the New Mexico State Land Office, Bettv 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 Clendening, Ronald Dean Clendening, Danny Dilbeck, Vickie Dilbeck, Gregory Alan Dilbeck, Jeff Dilbeck, Randall Louis Dilbeck and Hope M. Dilbeck, Co-Trustees of Dilbeck the Family Trust dated July 31-2011, Richard Niel Diibeck, Samuel Jason Dilbeck, Scott Ray-mond 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, Bon-Redding Leann Martin, J.M. Miller, Lela D. Miller, Jimmy Leon Morris, Jeannie Myers. 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, 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, Bettye 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-Trustèe 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 De-Wayne 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, Mar-Danny ion 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 signs, 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 miles southwest Dora, New Mexico.

**OCD Case No. 16341** 

**MANZANO** Exhibit #4

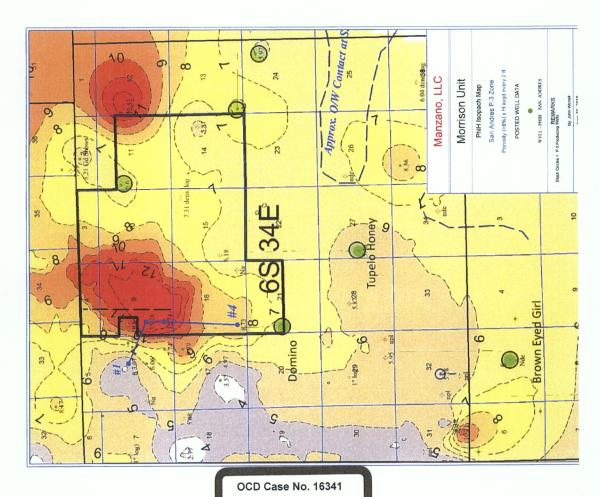


MANZANO
Exhibit #5

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.



MANZANO
Exhibit #6

# PhiH Isopach Map:

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

# Horizontal Wells:

- Brown Eyed Girl 5 Fee 2H, Avg 5.5 PhiH,
   23,311 BO, producing 50 BOPD on day 370.
   EUR = 117,500 MBOE
- Tupelo Honey 27-21 com #5H, Avg 6 PhiH, prod. 9128 BO, making 6 BOPD on day 329, EUR = 20 MBOE
- 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:

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

was fraced with 5.106 MM# sand, 98% 20/40 better well because (1) sand. We believe the sand in our frac, than we drilled where the and (2) we use larger considerably thicker Domino is a much horizontal wells. in the 1st two reservoir is Gd Shows 7.31 dens. log #

P-3 PhiH Map Zoomed In

and was fraced with an average of 8.5 PhiH. It encountered 8.5 PhiH Location of the Cross Section Wells #1-#4 The Domino

OCD Case No. 16341 MANZANO Exhibit #7

sand in our frac, than and (2) we use larger horizontal wells. Location of the in the 1st two (5.81) Gd Shows 7.31 dens. log Na ま ##

P-3 PhiH Map Zoomed In

and was fraced with an better well because (1) MM# sand, 98% 20/40 average of 8.5 PhiH. It was fraced with 5.106 encountered 8.5 PhiH sand. We believe the we drilled where the considerably thicker Domino is a much Cross Section Wells #1-#4 The Domino reservoir is

OCD Case No. 16341

MANZANO Exhibit #8

