

**Ard Oil Ltd. & Ard Energy Group Ltd. – BOCI Nosler Fed. 12 DB4H and EG6H Well  
Proposals**

Maljamar Prospect, Eddy County, New Mexico

- December 9, 2014 – Mr. Julian Ard came to BOCI offices to meet with David Rhodes (VP of Land) and Coley Means (Landman) regarding his interest in the Maljamar Prospect. Advised BOCI he has been diagnosed with cancer. Advised is willing to consider a mutually beneficial arrangement for his interest in Maljamar either in the form of joining a JOA or a term assignment which will preclude compulsory pooling his interest if he does not want to participate in a well. Historically, he prefers not to participate in a HZ well. Suggested BOCI make him a proposal for a term assignment of his interest. In the alternative, suggested he may join an operating agreement covering his interest in the prospect. Mr. Ard notes he can be hard to get in touch with and provided his cell phone number.
- June 22, 2015 – APD's for the Nosler DB4H and EG6H wells filed with the BLM.
- August 13, 2015 – David Rhodes email to Jo Graf at Ard Energy advising Ard that BOCI would propose that Ard join in the future development of the Maljamar area and would like to set up a time to discuss a possible deal structure. Email was in response to voice mails David Rhodes left for Julian Ard on August 12 and August 13.
  - BOCI internally prepares a JOA between Ard Energy, Ard Oil, and BOCI as operator on HZ form of Joint Operating Agreement. *See emails from Coley Means to David Rhodes dated July 17 and August 6, 2015.*
- August 25, 2015 – email from Houston Kauffman, who is an old friend of Mr. Ard and going to assist him in dealing with his interest at Maljamar as Mr. Ard deals with his health issues. Email is a series of questions regarding the Maljamar Prospect.
- August 27, 2015 – response by Coley Means to Mr. Kauffman's email of August 25.
- September 1, 2015 – conference call between BOCI (David Rhodes and Coley Means) and Houston Kauffman (first call and introduction to Mr. Kauffman). States his goal is to put alternatives in front of Mr. Ard with regard to his interest in Maljamar. Proposes that Ard would enter into a JOA whereby a HZ well proposal would not be subject to a non-consent penalty, rather Ard, if it did not want to participate in the well, would go out on an ORI in the well (ORI in lieu of non-consent). Ard would also require that the number of HZ wells that could be proposed at any one time be limited to a reasonable number. Alternative is a typical term assignment with cash bonus and ORI reservation. Suggests a longer term is going to require a larger cash bonus and/or larger ORI.
- September 17, 2015 – Well proposals sent to Ard via FedEx, received September 18, 2015.

Oil Conservation Division  
Case No. 15404 + 15401  
Exhibit No. 4

- September 21, 2015 – Revised AFE sent to Ard for the DB4H well. AFE was revised to set forth the correct division of interest in the well for Ard and COG Operating LLC. Pursuant to reassignment from COG to Ard, Ard will have its interest in 80 of the 120 acre proration unit, COG will have the interest, as earned by drilling the Nosler 5 well, in 40 acres (NWNW) of the 120 acre proration unit.
- September 21, 2015 – conference call with Houston Kauffman regarding the Article XVI.E provision. Discuss contractual limitation on BOCI to enter into an assignment (term or otherwise) the the Ard interest. Any earning of the interest by BOCI will breach the provision, entering into a JOA where Ard goes out on an ORI is same result. Ard seems willing to go to COG and request a waiver of the provision. Requests that BOCI provide him copy of the JOA. Notes Mr. Ard is out of town until October 5 or 6. Suggests the provision diminishes the value of Ard interest (lost revenue or lost business opportunities) – suggestion is possible BOCI lawsuit exposure to Ard for entering into the provision. Ard questions whether the provision is even enforceable.
- September 21, 2015 – email to Kelly Hart (BOCI outside counsel) to set up call to discuss likelihood BOCI may be sued by Ard over the Article XVI.E provision. Discussion with attorney on September 23, 2015. *Privileged.*
- September 24, 2015 – Coley Means sends copy of the 1/20/2012 JOA to Houston Kauffman pursuant to his request so that Ard can assess the Article XVI.E provision and discuss options with BOCI. See email dated September 24, 2015. FedEx receipt.
- September 25, 2015 – David Rhodes and Coley Means go to lunch with Houston Kauffman to discuss options for the Ard interest. Told Mr. Kauffman that BOCI believes Chase Oil may be interested in the Ard interest and we would like to put Mr. Kauffman in touch with Brad Bartek of Chase Oil. See emails of September 25.
- September 25, 2015 – David Rhodes puts Houston Kauffman in touch with Brad Bartek. See email dated September 25, 2015.
- September 28, 2015 – BOCI (Coley Means via email) advises Chase that Houston Kauffman may be contacting them about the Ard interest. See email dated September 28, 2015
- September 29, 2015 – Sent offer to Ard asking it to join the 1/20/2012 JOA. Received September 30, 2015 via FedEx. Offer is to join on same terms as all other parties to the JOA.
- September 30, 2015 – BOCI understands Ard (through Mr. Kauffman) and Chase Oil have initial conversation about a deal for the Ard interest, understand Chase is willing to work on a potential deal. Mr. Kauffman apparently is going to visit with Mr. Robert Chase as Mr. Chase has a personal relationship with Mr. Julian Ard and that may be beneficial in getting Mr. Ard to agree to s deal.
- October 1, 2015 – BOCI sends letter requesting all parties to the January 20, 2012, JOA agree to amend the same to delete Article XVI.E. Purpose is to allow another party to the

JOA to pursue a deal with Ard for its interest as it appears that COG no longer desires to take an assignment of the interest.

- October 13, 2015 – On or about this date BOCI understands that representatives of Chase Oil Corporation have breakfast with Mr. Houston Kauffman to discuss the status of a deal for the Ard interest. Advised that Ard intends to get an independent valuation of the interest from a petroleum engineer in Midland. Status of the deal is pending.
- October 13, 2015 – compulsory pooling applications for the Nosler 12 DB4H and EG6H filed with NMOCD.
- October 16, 2015 – call from Mr. Joseph Scott at COG Operating LLC regarding the request to amend the 1/20/12 JOA to delete Article XVI.E. COG willing to discuss the amendment if BOCI will agree to move the surface location for the Nosler 12 DB4H (and perhaps also 6H well) out of Section 11. States COG needs that surface location as they are hard to come by in the area and COG does not want the well there, also states there may be a 'correlative rights' issue with BOCI placing well in Section 11.
- October 25, 2015 – Time expired (30 days from receipt) to respond to Nosler 12 DB4H AFE for COG Operating LLC, notice deemed non-consent in the well sent to COG October 29, 2015.
- October 30, 2015 – approved APD's for both Nosler DB4H and EG6H wells received from BLM. Taken to NMOCD for issuance of API number.
- November 1, 2015 – All parties to the 1/20/2012 JOA have agreed to amend the operating agreemen to delete Article XVI.E therein except for Ard Oil, Ltd, Ard Energy Group, Ltd. and COG Operating, LLC.
- November 3, 2015 – call from Rita Buress at COG Operating LLC (outside operated land group manager) stating COG has issue with the surface location of the Nosler wells in Section 11 and will be protesting at the upcoming hearing on November 12, 2015. States it is difficult to get surface locations in the area and COG wants that one. States COG was unaware of the APD until now, failed to catch it on the BLM posting.
- November 4, 2015 – call with Houston Kauffman to advise BOCI that Ard intends to protest its pooling application on the grounds that no good faith offer / negotiation was made with respect to its interest in the wells.
- November 5, 2015 – letter sent to COG Operating LLC again requesting it agree to amend the JOA for Article XVI.E. Also suggest that it could be waived on a well by well basis. *See letter and FedEx receipt.*