

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

APPLICATIONS OF TEXAS STANDARD
OPERATING NM LLC FOR COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO

CASE NOS. 23823-23824

**ARMSTRONG ENERGY CORP. AND SLASH EXPLORATION LP'S NOTICE OF
REBUTTAL EXHIBIT**

Armstrong Energy Corp. ("Armstrong") and Slash Exploration LP ("Slash") submit the attached Correction Assignment of Overriding Royalty as Exhibit A-2. The correction, which reduces the overriding royalty interest assigned to Slash and Armstrong, was discussed in Mr. Armstrong's Self-Affirmed Statement and has now been filed with the Lea County Clerk.

Respectfully submitted,

HINKLE SHANOR, LLP

/s/ Dana S. Hardy

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*Counsel for Armstrong Energy Corporation and
Slash Exploration LP*

CERTIFICATE OF SERVICE

I hereby certify that on June 20, 2024, I served a true and correct copy of the foregoing pleading on the following counsel of record by electronic mail:

James Bruce
Post Office Box 1056
Santa Fe, NM 87504
jamesbruc@aol.com

/s/ Dana S. Hardy
Dana S. Hardy

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BY ANGIE BEAUCHAMP

**CORRECTION ASSIGNMENT OF OVERRIDING ROYALTY
("Correction Assignment")**

STATE OF NEW MEXICO)

COUNTY OF LEA)

THAT **ARMSTRONG ENERGY CORPORATION** and **SLASH EXPLORATION LIMITED PARTNERSHIP**, whose mailing address is P.O. Box 1973, Roswell, NM 88202-1973, hereinafter **COLLECTIVELY** referred to as "Assignor", being the current owner of 100% of the Operating Rights and 100% Record Title in the oil and gas lease set forth on Exhibit "A" attached hereto and made a part hereof for all purposes ("Subject Lease"), for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby grant, assign, transfer and convey unto the following parties, overriding royalty interests as set forth below, insofar and only insofar as the Subject Lease covers the Subject Lands described on Exhibit "A" attached hereto;

- | | |
|--|------------------------|
| Chimney Rock Oil & Gas, LLC
PO Box 1973
Roswell, NM 88202 | 1.0% of 8/8ths |
| Armstrong Energy Corporation
PO Box 1973
Roswell, NM 88202 | 1.0% of 8/8ths |
| Slash Exploration Limited Partnership
PO Box 1973
Roswell, NM 88202 | 6.25% of 8/8ths |

hereinafter collectively referred to as "Assignee", the interest set forth above, being overriding royalty interests for all oil and gas produced, saved and sold under the provisions of said Subject Leases and the lands covered thereby.

By Assignment of Overriding Royalty dated EFFECTIVE April 1, 2024, recorded on May 7, 2024 at Volume 2224, page 4 of the Real Estate Records of the county and state named above (the "Original Assignment"), Assignor, named above, assigned to Assignee, named above, overriding royalty interests in the Subject Lease and the Subject Lands, as described on Exhibit "A" attached to the Original Assignment. Assignor and Assignee agree to, and hereby do, replace, in its entirety, the Original Assignment with this Correction Assignment. Assignor and Assignee agree this Correction Assignment shall completely replace the Original Assignment as if that Assignment had never been recorded. Assignee's ownership of the interest assigned by this Correction Assignment shall be effective as of the Effective Date set out below.

This Correction Assignment of Overriding Royalty is made without covenants of warranty, either expressed, implied or statutory.

The overriding royalty interests herein conveyed shall be free and clear of all costs of development, operation, transportation, compression and other similar

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charges, but said interest shall bear and pay currently its portion of gross production taxes, severance taxes, pipeline taxes and all other taxes assessed against the gross production subject to said overriding royalty interest. If the Subject Lease covers less than the entire mineral estate in the lands covered thereby, or if Assignor owns less than the entire leasehold estate created by the Subject Lease and the lands covered thereby as of the effective date hereof, then the overriding royalty interest herein conveyed shall be proportionately reduced.

The overriding royalty interests assigned hereby may be pooled or unitized by Assignor without the consent of Assignee herein under the same terms and conditions as the royalty under said Leases may be pooled or unitized. In the event the Subject Lease does not provide for pooling or unitization, then Assignor may pool or unitize the overriding royalty interest assigned hereby under terms and conditions as Assignor so desires.

This assignment shall not imply or require any leasehold preservation, drilling or development obligation on the part of Assignor. It is agreed however that the overriding royalty interest herein granted shall be applicable to any renewal, extension taken, acquired, or caused to be acquired by Assignor within a period of six (6) months from the termination of the Subject Lease as to the lands covered thereby and minerals covered and affected by said renewal, extension or new lease.

This Correction Assignment of Overriding Royalty shall insure to the benefit of and be binding upon each of the individual parties hereto, their respective heirs, successors, legal representatives and assigns, and the rights and obligations of the parties hereto shall be deemed to be covenants running with the Lands.


The rights and obligations of each of the individual parties hereto are several and not joint or collective, the parties Assignor and Assignee having been grouped together for convenience purposes only.

This assignment is made and accepted specifically subject to the terms and conditions of (i) each of the Subject Lease, (ii) all royalties, overriding royalties, and other similar burdens on the Subject Lease appearing of record.

This Assignment of Overriding Royalty is executed this 16th day of June, 2024, but effective for all purposes as of April 1, 2024.

ASSIGNOR:

ARMSTRONG ENERGY CORPORATION



Kyle A. Armstrong, President

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Exhibit A

Attached to and made a part of that certain Assignment of Overriding Royalty, dated effective April 1, 2024 between Armstrong Energy Corporation and Slash Exploration Limited Partnership, as Assignor, and Chimney Rock Oil & Gas, LLC, Armstrong Energy Corporation, and Slash Exploration Limited Partnership, as Assignee.

SUBJECT LEASE AND SUBJECT LANDS:

Lease No. VB-2907
Date: February 1, 2017
Lessor: The State of New Mexico
Original Lessee: Slash Exploration Limited Partnership
Recorded: Not Recorded
Covering: Township 17 South, Range 36 East, N.M.P.M.

Section 23: NE4

Containing 160 acres, more or less.