

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

APPLICATION OF DJR OPERATING, LLC FOR (1) THE CREATION OF THE WHITE CROW UNIT, EFFECTIVE MAY 1, 2026; (2) TO AMEND ORDER NO. R-13931, AS AMENDED, TO FREEZE THE EXISTING BLANCO WASH UNIT, EFFECTIVE MAY 1, 2026; (3) TO AMEND ORDER NO. R-14090, AS AMENDED, TO FREEZE THE EXISTING CROW CANYON UNIT, EFFECTIVE MAY 1, 2026; (4) TO EXPAND THE BLANCO WASH MANCOS (OIL) POOL TO INCLUDE THE PROPOSED WHITE CROW UNIT AND CROW CANYON UNIT AREAS; AND (5) TO CONTRACT THE CROW CANYON UNIT; MANCOS POOL OUTSIDE THE PROPOSED WHITE CROW UNIT AND CROW CANYON UNIT AREAS, SAN JUAN COUNTY, NEW MEXICO.

CASE NO. _____

APPLICATION

DJR Operating, LLC, (“DJR”) (OGRID No. 371838) through its undersigned attorneys, files this application with the Oil Conservation Division for an order (1) seeking the creation of the proposed White Crow Unit, effective May 1, 2026; (2) amending Order No. R-13931, as amended, to freeze the existing Blanco Wash Unit to existing wells and production, effective May 1, 2026; (3) amending Order No. R-14090, as amended, to freeze the existing Crow Canyon Unit to existing wells and production, effective May 1, 2026; (4) expanding the Blanco Wash Mancos (Oil) Pool to include the proposed White Crow Unit area and the existing Canyon Crow Unit area; and (5) contracting the Crow Canyon Unit; Mancos Pool outside the boundaries of the proposed White Crow Unit area and the existing Canyon Crow Unit area. In support of its application, DJR states:

1. On November 10, 2014, the Division issued Order No. R-13931 in Case No. 15212 approving formation of the Blanco Wash Unit consisting of 4,804-acres, more or less, of Federal and Allotted Indian lands in San Juan County, New Mexico.

2. On December 15, 2015, the Division issued Order No. R-13931-A in Case No. 15335 expanding the unit area to 13,128.47-acres, more or less, of Federal, Indian Allotted, State,

and fee lands in San Juan County, New Mexico. As approved, the Blanco Wash Unit comprises the following-described acreage in San Juan County:

Township 24 North, Range 8 West

Section 6: Lots 1-7, S/2 NE/4, SE/4 NW/4, E/2 SW/4, SE/4 (All)
 Section 7: Lots 1-4, E/2 W/2, E/2 (All)
 Section 18: Lots 1-4, E/2 W/2, E/2 (All)
 Section 19: Lots 1-4, E/2 W/2, E/2 (All)

Township 24 North, Range 9 West

Section 1: Lots 1-4, S/2 N/2, S/2 (All)
 Section 2: Lots 1-2, S/2 NE/4, SE/4 (E/2)
 Section 4: Lots 3-4, S/2 NW/4, SW/4 (W/2)
 Section 5: Lots 1-4, S/2 N/2, S/2 (All)
 Sections 8-17: All
 Section 20: All
 Section 21: N/2
 Section 22: N/2
 Section 23: N/2
 Section 24: All

3. DJR is the successor-in-interest to Encana Oil and Gas (USA) Inc. and successor operator of the Blanco Wash Unit under the terms of the Blanco Wash Unit Agreement.

4. The Blanco Wash Unit's Unitized Interval is currently defined as including all formations from 100 feet below the stratigraphic equivalent of the top of the Mancos Shale (base of the Mesa Verde Group) at a true vertical depth of approximately 4,440 feet, down to the stratigraphic equivalent of the base of the Greenhorn Limestone, as defined at a true vertical depth of approximately 6,152 feet, as shown on the log run on March 22, 2012, on the Escrito P16 2409 Well No. 1H (API No. 30-045-35313) located in Section 16, Township 24 North, Range 9 West, NMPM, San Juan County, New Mexico. *See* Order No. R-13931, at Ordering ¶ 3 and Order No. R-13931-A, at Ordering ¶ 6.

5. Order No. R-13931 also created a new pool for horizontal wells "of at least 1,000 feet lateral length drilled and completed in the Mancos formation within the Unit Area after the effective date" known as the Blanco Wash Mancos (Oil) Pool (Pool Code 98173). *See* Order No.

R-13931, at Ordering ¶ 4, and Order No. R-13931-A, at Ordering ¶ 10. The vertical limits of the Blanco Wash Manco (Oil) Pool extend from the base of the Mesaverde Group to the base of the Greenhorn formation or top of the Graneros formation. *See* Order No. R-13931-A, at Ordering ¶ 10. The horizontal boundaries of the Blanco Wash Manco (Oil) Pool coincide with the boundaries of the Blanco Wash Unit, as described in Paragraph 2, above. *See* Order No. R-13931-A, at Ordering ¶ 1.

6. Order No. R-13931-A expressly provides that “[T]he Division may expand or contract the Pool without notice or hearing if the boundaries of the Unit are altered.” *See* Order No. R-13931-A, at Ordering ¶ 10.

7. Separately, on December 3, 2015, the Division issued Order No. R-14090 in Case No. 15369 approving formation of the Crow Canyon Unit, consisting of 7,212.26-acres, more or less, of Federal, Indian Allotted, and State lands in San Juan County, New Mexico.

8. On May 23, 2015, the Division issued Order No. No. R-14090-A in Case No. 15369¹ expanding the unit area to 13,604.06-acres, more or less, of Federal, Indian Allotted, and State lands in San Juan County, New Mexico. As approved, the Crow Canyon Unit comprises the following-described acreage in San Juan County:

Township 24 North, Range 8 West

| | |
|-------------|------------------------------|
| Section 3: | Lots 1-4, S/2 N/2, S/2 (All) |
| Section 4: | Lots 5-12, S/2 (All) |
| Section 5: | Lots 1-4, S/2 N/2, S/2 (All) |
| Section 8: | All |
| Section 9: | All |
| Section 10: | All |
| Section 15: | N/2 |
| Section 16: | All |
| Section 17: | All |
| Section 20: | All |
| Section 21: | All |
| Section 27: | S/2 |

¹ The Division case files reflects the same case number for both the original case and amendment case.

Section 28: All
 Section 29: All
 Section 30: Lots 1-4, W/2, E/2, E/2 (All)
 Section 34: NE/4

Township 25 North, Range 8 West

Section 25: Lots 1-8, S/2 (All)
 Section 26: All
 Section 32: All
 Section 33: All
 Section 34: All
 Section 35: All
 Section 36: All

9. The Crow Canyon Unit is contiguous with the eastern boundary of the Blanco Wash Unit. DJR is the successor-in-interest to Encana Oil and Gas (USA) Inc. and successor operator of the Crow Canyon Unit under the terms of the Crow Canyon Unit Agreement.

10. The Crow Canyon Unit's Unitized Interval is currently defined as including all formations from 100 feet below the stratigraphic equivalent of the top of the Mancos Shale (base of the Mesa Verde Group) at a measured depth of approximately 5,220 feet, down to the stratigraphic equivalent of the base of the Greenhorn Limestone, as defined at a measured depth of approximately 6,980 feet, as shown on the log run on October 21, 1982, on the Anabel C Well No. 1 (API No. 30-045-25452) located in Section 34, Township 25 North, Range 8 West, NMPM, San Juan County, New Mexico. *See* Order No. R-14090, at Ordering ¶ 5 and Order No. R-14090-A, at Ordering ¶ 6.

11. Order No. R-14090 also created a new pool for horizontal wells "of at least 1,000 feet lateral length drilled and completed in the Mancos formation within the Unit Area after the effective date" known as the Crow Canyon Unit; Mancos Pool (Pool Code 98194). *See* Order No. R-14090, at Ordering ¶ 9, and Order No. R-14090-A, at Ordering ¶ 10. The vertical limits of the Crow Canyon Unit; Mancos Pool extend from the base of the Mesaverde Group to the base of the Greenhorn formation or top of the Graneros formation. *See* Order No. R-14090-A, at Ordering ¶

10. The horizontal boundaries of the Crow Canyon Unit; Mancos Pool coincide with the boundaries of the Crow Canyon Unit, as described in Paragraph 8, above. *See* Order No. R-14090-A, at Ordering ¶ 1.

12. Order No. R-14090-A expressly provides that “[T]he Division may expand or contract the Pool without notice or hearing if the boundaries of the Unit are altered.” *See* Order No. R-14090, at Ordering ¶ 9, and Order No. R-14090-A, at Ordering ¶ 10.

13. To most efficiently and effectively develop and operate the acreage encompassing both units, DJR proposes to freeze the existing Blanco Wash Unit and Crow Canyon Unit to existing wells and production and to create a new unit, the White Crow Unit, the exterior boundaries of which will overlap the acreage currently comprising the existing Blanco Wash Unit and Crow Canyon Unit. All existing and producing wells committed to the existing Blanco Wash Unit and Crow Canyon Unit will remain committed to their respective units; however, horizontal and multi-lateral wells drilled within the Unit Area after the effective date of May 1, 2026, will be committed to the White Crow Unit. To the extent that Order Nos. R-13931, as amended, and R-14090, as amended, require amendment to accomplish this purpose, DJR requests that each order be so amended.

14. A copy of the BLM application for the proposed White Crow Unit is attached hereto as **Exhibit 1**.

15. The proposed White Crow Unit will consist of approximately 27,612.53-acres, more or less, as follows:

Township 25 North, Range 8 West

| | |
|-------------|-----------------------------------|
| Section 25: | Lots 1-8, S/2 (All) |
| Section 26: | All |
| Section 27: | All |
| Section 28: | All |
| Section 32: | NW/4, S/2 NE/4, N/2 S/2, S/2 SE/4 |
| Section 33: | All |

- Section 34: All
- Section 35: All
- Section 36: N/2, SE/4, SE/4 SW/4

Township 24 North, Range 8 West

- Section 3: Lots 1-4, S/2 N/2, S/2 (All)
- Section 4: Lots 5-12, S/2 (All)
- Section 5: Lots 1-4, S/2 N/2, S/2 (All)
- Section 6: Lots 1-7, S/2 NE/4, SE/4 NW/4, E/2 SW/4, SE/4 (All)
- Section 7: Lots 1-4, E/2 W/2, E/2 (All)
- Section 8: All
- Section 9: All
- Section 10: All
- Section 15: N/2
- Section 16: All
- Section 17: All
- Section 18: Lots 1-4, E/2 W/2, E/2 (All)
- Section 19: Lots 1-4, E/2 W/2, E/2 (All)
- Section 20: All
- Section 21: All
- Section 27: S/2
- Section 28: All
- Section 29: All
- Section 30: Lots 1-4, E/2 W/2, E/2 (All)
- Section 34: NE/4

Township 24 North, Range 9 West

- Section 1: Lots 1-4, S/2 N/2, S/2 (All)
- Section 2: Lots 1-2, S/2 NE/4, SE/4 (E/2)
- Section 4: Lots 3-4, S/2 NW/4, SW/4 (W/2)
- Section 5: Lots 1-4, S/2 N/2, S/2 (All)
- Sections 8-17: All
- Section 20: All
- Section 21: N/2
- Section 22: N/2
- Section 23: N/2
- Section 24: All

16. To effectuate its request, DJR seeks an order creating its proposed White Crow Unit and expanding the Blanco Wash Mancos (Oil) Pool, as contemplated by Order No. R-13931-A, to coincide with the proposed White Crow Unit area and the existing Crow Canyon Unit area.

14. Under the proposed White Crow Unit Agreement, the Unitized Interval will be the same as the original unitized interval for both the Blanco Wash Unit and Crow Canyon Unit, which

is defined as all oil and gas in the interval from 100 feet below the stratigraphic equivalent of the top of the Mancos Shale (base of the Mesa Verde Group) at a true vertical depth of approximately 4,440 feet, down to the stratigraphic equivalent of the base of the Greenhorn Limestone, as defined at a true vertical depth of approximately 6,152 feet, as shown on the log run on March 22, 2012, on the Escrito P16 2409 Well No. 1H (API No. 30-045-35313) located in Section 16, Township 24 North, Range 9 West, NMPM, San Juan County, New Mexico. See Exhibit C Type Log, attached to **Exhibit 1**. The proposed White Crow Unit Agreement will apply only to horizontal and multi-lateral wells drilled after the effective date of May 1, 2026, and all existing vertical wells and horizontal wells drilled prior to May 1, 2026, within the Unit Area are excluded.

15. Concurrently, DJR seeks an order approving contraction of the Crow Canyon Unit; Mancos Pool outside the exterior boundaries of the proposed White Crow Unit area and the existing Canyon Crow Unit area, as contemplated by the Division in Order Nos. R-14084 and R-14084-A.

16. DJR owns approximately 60.16% of the working interest in the proposed Unit Area and anticipates obtaining the voluntary agreement of the remaining working interest owners in the Unit Area. DJR anticipates that the remaining working interest owners in each unit will ratify amendments to freeze the Blanco Wash Unit and Canyon Crow Unit agreements to apply only to existing wells and production, effective as of May 1, 2026.

17. DJR expects to receive preliminary approval of the White Crow Unit from the Bureau of Land Management and the Federal Indian Minerals Office.

18. Approval of the proposed White Crow Unit, contraction of the Crow Canyon Unit; Mancos Pool, expansion of the Blanco Wash Mancos (Oil) Pool, and freezing the Blanco Wash Unit and Crow Canyon Wash Unit to existing wells and production, effective May 1, 2026, are in the best interests of conservation, the prevention of waste, and the protection of correlative rights.

19. Notice of this Application will be provided to the Bureau of Land Management, the Federal Indian Minerals Office, and Indian Allottees.

20. DJR will also cause notice of this application to be published in a local newspaper of general circulation in San Juan County, New Mexico.

WHEREFORE, DJR Operating, LLC requests that this Application be set for hearing before an Examiner of the Oil Conservation Division on June 4, 2026, and that after notice and hearing as required by law, the Division enter its order granting this Application, and such additional relief as the Division deems justified.

Respectfully submitted,

HOLLAND & HART LLP

By: 

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ATTORNEYS FOR DJR OPERATING, LLC

CASE _____: **Application of DJR Operating, LLC for (1) the creation of the White Crow Unit, effective May 1, 2026; (2) to amend Order No. R-13931, as amended, to freeze the existing Blanco Wash Unit, effective May 1, 2026; (3) to amend Order No. R-14090, as amended, to freeze the existing Crow Canyon Unit, effective May 1, 2026; (4) to expand the Blanco Wash Manco (Oil) Pool to include the proposed White Crow Unit and Crow Canyon Wash Unit Areas; and (5) to contract the Crow Canyon Unit; Mancos Pool outside the proposed White Crow Unit and Crow Canyon Unit Areas, San Juan County, New Mexico.** Applicant seeks an order (1) seeking the creation of the proposed White Crow Unit, effective May 1, 2026; (2) amending Order No. R-13931, as amended, to freeze the existing Blanco Wash Unit to existing wells and production, effective May 1, 2026; (3) amending Order No. R-14090, as amended, to freeze the existing Crow Canyon Unit to existing wells and production, effective May 1, 2026; (4) expanding the Blanco Wash Mancos (Oil) Pool to include the proposed White Crow Unit area and the existing Canyon Crow Unit area; and (5) contracting the Crow Canyon Unit; Mancos Pool outside the boundaries of the proposed White Crow Unit area and the existing Canyon Crow Unit area. The proposed White Crow Canyon Unit includes Federal, Allotted Indian, State and fee lands situated in:

Township 25 North, Range 8 West

- Section 25: Lots 1-8, S/2 (All)
- Section 26: All
- Section 27: All
- Section 28: All
- Section 32: NW/4, S/2 NE/4, N/2 S/2, S/2 SE/4 (All)
- Section 33: All
- Section 34: All
- Section 35: All
- Section 36: N/2, SE/4, SE/4 SW/4

Township 24 North, Range 8 West

- Section 3: Lots 1-4, S/2 N/2, S/2 (All)
- Section 4: Lots 5-12, S/2 (All)
- Section 5: Lots 1-4, S/2 N/2, S/2 (All)
- Section 6: Lots 1-7, S/2 NE/4, SE/4 NW/4, E/2 SW/4, SE/4 (All)
- Section 7: Lots 1-4, E/2 W/2, E/2 (All)
- Section 8: All
- Section 9: All
- Section 10: All
- Section 15: N/2
- Section 16: All
- Section 17: All
- Section 18: Lots 1-4, E/2 W/2, E/2 (All)
- Section 19: Lots 1-4, E/2 W/2, E/2 (All)

Section 20: All
 Section 21: All
 Section 27: S/2
 Section 28: All
 Section 29: All
 Section 30: Lots 1-4, E/2 W/2, E/2 (All)
 Section 34: NE/4

Township 24 North, Range 9 West

Section 1: Lots 1-4, S/2 N/2, S/2 (All)
 Section 2: Lots 1-2, S/2 NE/4, SE/4 (E/2)
 Section 4: Lots 3-4, S/2 NW/4, SW/4 (W/2)
 Section 5: Lots 1-4, S/2 N/2, S/2 (All)
 Sections 8-17: All
 Section 20: All
 Section 21: N/2
 Section 22: N/2
 Section 23: N/2
 Section 24: All

The proposed unitized interval includes all oil and gas in the interval from 100 feet below the stratigraphic equivalent of the top of the Mancos Shale (base of the Mesa Verde Group) at a true vertical depth of approximately 4,440 feet, down to the stratigraphic equivalent of the base of the Greenhorn Limestone, as defined at a true vertical depth of approximately 6,152 feet, as shown on the log run on March 22, 2012, on the Escrito P16 2409 Well No. 1H (API No. 30-045-35313) located in Section 16, Township 24 North, Range 9 West, NMPM, San Juan County, New Mexico. DJR also seeks an order expanding the Blanco Wash Mancos (Oil) Pool to coincide with the proposed White Crow Unit area and the existing Crow Canyon Unit area, and contracting the Crow Canyon Unit; Mancos Pool outside the exterior boundaries of the proposed White Crow Unit area and the existing Crow Canyon Unit area. The existing Blanco Wash Unit and Crow Canyon Wash Unit will be frozen, such that no additional wells or new production will be committed to those units as of May 1, 2026. The subject acreage is located approximately 5 miles south of Nageezi, New Mexico.

EXHIBIT 1



Enduring Resources San Juan, LLC

6300 South Syracuse Way, Suite 525, Centennial, CO 80111
Telephone 303 573-1222 Fax 303 573 0461

Via Email and Overnight Mail

March 6, 2026

Mr. Kyle Paradis
Branch Chief, Reservoir Management
Bureau of Land Management
301 Dinosaur Trail
Santa Fe, NM 87508

Attn. Angela Arviso, Acting Director
Federal Indian Minerals Office (FIMO)
304 N. Auburn Ave., Suite C
Farmington, New Mexico 87401

New Mexico State Land Office
Attn. Greg Bloom / Allison Marks / Baylen Lamkin
Assistant Commissioner of Mineral Resources
310 Old Santa Fe Trail
Santa Fe, New Mexico 87504-1148

RE: Revised Application for Designation of the Proposed White Crow Unit Area and Preliminary Approval of the Amendments to the Blanco Wash Unit Agreement, NMNM 137065X, NMNM105691320, and Crow Canyon Unit Agreement, NMNM 135203X, NMNM105375688
San Juan County, New Mexico

Ladies and Gentlemen:

DJR Operating, LLC (“DJR”), a wholly owned subsidiary of Enduring Resources San Juan, LLC hereby requests your designation of unit and preliminary approval of the proposed White Crow Unit Area, and the proposed Amendments to the Blanco Wash Unit Agreement and the Crow Canyon Unit Agreement, attached to this Application. The White Crow Unit will encompass the lands presently included in the Crow Canyon Unit and the Blanco Wash Unit, both undivided producing units with designated unit-wide Participating Areas. A plat depicting the outline of the proposed White Crow Unit Area, Exhibit “A” to the Unit Agreement, is attached to this Application as Attachment “1”.

The combination of these units will result in more efficient resource development by allowing for longer laterals, fewer pads, and the completion of portions of each lateral that would otherwise be stranded within the present unit boundary offsets. The two existing undivided units and unit-wide Participating Areas will continue to be operated by DJR, and will be "frozen" in time, with no new wells added to the Participating Areas after the effective date of the White Crow Unit.

DJR requests that 27,612.53 acres, more or less, of Federal, State, Patented and Navajo Allotted Lands within the proposed outline of the White Crow Unit be designated as a logical Unit Area pursuant to the unitization provisions of the Mineral Leasing Act and the Indian Mineral Development Act, as amended. The proposed divided type unit is composed of 22,209.9 acres (80.4341%) Federal Lands, 2,280 acres (8.2571%) State Lands, 240.08 acres (0.8695%) Patented Lands, and 2,882.55 acres (10.4393%) Navajo Allotted Lands.

The lands within the proposed White Crow Unit include the following:

Township 25 North, Range 8 West, N.M.P.M.

Section 25: Lots 1-8, S/2 (All)
Section 26: All
Section 27: All
Section 28: All
Section 32: NW/4, S/2NE/4, N/2S/2, S/2SE/4
Section 33: All
Section 34: All
Section 35: All
Section 36: N/2, SE/4, SE/4SW/4

Township 24 North, Range 8 West, N.M.P.M.

Section 3: Lots 1-4, S/2N/2, S/2 (All)
Section 4: Lots 5-12, S/2 (All)
Section 5: Lots 1-4, S/2N/2, S/2 (All)
Section 6: Lots 1-7, S/2NE/4, SE/4NW/4, E/2SW/4, SE/4 (All)
Section 7: Lots 1-4, E/2W/2, E/2 (All)
Section 8: All
Section 9: All
Section 10: All
Section 15: N/2
Section 16: All
Section 17: All
Section 18: Lots 1-4, E/2W/2, E/2 (All)
Section 19: Lots 1-4, E/2W/2, E/2 (All)
Section 20: All
Section 21: All
Section 27: S/2
Section 28: All
Section 29: All

Section 30: Lots 1-4, E/2W/2, E/2 (All)
Section 34: NE/4

Township 24 North, Range 9 West, N.M.P.M.

Section 1: Lots 1-4, S/2N/2, S/2 (All)
Section 2: Lots 1-2, S/2NE/4, SE/4
Section 4: Lots 3-4, S/2NW/4, SW/4
Section 5: Lots 1-4, S/2N/2, S/2 (All)
Section 8: All
Section 9: All
Section 10: All
Section 11: All
Section 12: All
Section 13: All
Section 14: All
Section 15: All
Section 16: All
Section 17: All
Section 20: All
Section 21: N/2
Section 22: N/2
Section 23: N/2
Section 24: All.

Exhibit "B" to the Unit Agreement is attached to this Application as Attachment "2", and describes the ownership of the various tracts and leases in the proposed unit to the extent of our present knowledge. The serial numbers of all the Federal leases and Navajo Allotted Lands within the proposed consolidation unit are set forth on the attached List of Leases, and are more fully described on Exhibit "B".

DJR proposes that the effective date of the expansion be **May 1, 2026**.

The proposed initial unit obligation wells will be the White Crow Unit #105H, #106H, #108H, #114H, #115H, #117, #118H, #130H, #131H, #134H, and #135H. They will be horizontal wells targeting the Gallup interval within Mancos Formation and the first seven (7) will be drilled from the White Crow C-20-2408 Pad beginning in May 2026. The remaining four (4) wells will be drilled from the White Crow L16-2408 Pad 1Q 2027. DJR requests that these eleven (11) wells be designated as obligation wells, and will submit an application for determination of production in paying quantities after completion to sales. The spacing units for these wells will include 10 Navajo Allottee leases.

The definition of the Unitized Interval for the proposed White Crow Unit will be the same as the unitized interval for both the Blanco Wash and Crow Canyon Units, which is the interval from 100 feet below the stratigraphic equivalent of the top of the Mancos Shale (base of Mesa Verde Group) to the stratigraphic equivalent of the base of the Greenhorn Limestone (top of the Graneros Shale) in their respective type wells.

Application for Proposed White Crow Unit
Page 4

In order to best accomplish the formation of a new unit encompassing two existing producing units, DJR proposes that the Unit Agreements for both the Crow Canyon Unit and Blanco Wash Unit be amended to freeze the current unit-wide participating areas and provide that all wells drilled after May 1, 2026, be included in the proposed divided-type White Crow Unit. A draft of the proposed Amendments to the two prior Unit Agreements are attached hereto as Attachments "4" and "5". These Amendments will only take effect if and when the White Crow Unit receives final approval from the BLM, the NM State Land Office and FIMO.


Ratifications and Joinders to the White Crow Unit Agreement will be solicited from all parties within the proposed Unit Area. A draft of the proposed Unit Agreement, including State Land Office provisions, is attached as Attachment "6". Also, those committed parties in both the Crow Canyon Unit and Blanco Wash Unit will be asked to execute to the Amendments to the two prior Unit Agreements, which will be a condition precedent to final approval of the White Crow Unit.

In support of this application, DJR is submitting a geologic report with a map showing the geologic condition within the proposed White Crow Unit Area, attached hereto as Attachment "3". It is requested that this information be held confidential. A Plan of Development is included in the geologic report, and an infrastructure map showing existing and planned infrastructure, and an estimated timeline for development, are attached to the geologic report.

Please advise if any additional information would be helpful to your review.

Sincerely,

ENDURING RESOURCES SAN JUAN, LLC / DJR OPERATING, LLC



Alex B. Campbell
Vice President - Land

- | | | |
|-------------|----------------|--|
| Enclosures: | Attachment "1" | Exhibit "A", Plat of Unit Area |
| | Attachment "2" | Exhibit "B", Description of Lease Ownership |
| | Attachment "3" | Geologic Memorandum |
| | Attachment "4" | Proposed Amendment to Crow Canyon Unit Agreement |
| | Attachment "5" | Proposed Amendment to the Blanco Wash Unit Agreement |
| | Attachment "6" | Proposed Form of Unit Agreement. |

cc: Ms. Maureen Joe, Field Manager,
BLM Farmington Field Office
6251 College Blvd., Suite A
Farmington, New Mexico 87402

**LIST OF FEDERAL AND INDIAN
LEASES**

WHITE CROW UNIT

San Juan County, New Mexico

| Unit Tract No. | Total Lease Acres | Serial Number |
|-------------------------------|----------------------------------|---|
| <u>FEDERAL LANDS:</u> | | |
| 1 | 962.11 | NMNM 002337 |
| 2 | 320.00 | NMNM 009520 |
| 3 | 640.00 | NMNM 010089 |
| 4 | 720.00 | NMNM 010755 |
| 5A | 240.00 | NMNM 014580 |
| 5B | 40.00 | NMNM 014580 |
| 6 | 320.00 | NMNM 014580A |
| 7A | 640.00 | NMNM 016589 |
| 7B | 40.00 | NMNM 016589 |
| 8 | 240.68 | NMNM 016759 |
| 9 | 680.00 | NMNM 019567 |
| 10 | 561.04 | NMNM 136063 <i>Segregated out of NMNM 019567</i> |
| 11 | 80.00 | NMNM 023742 |
| 12 | 640.00 | NMNM 025440 |
| 13 | 640.00 | NMNM 026047 |
| 14 | 318.83 | NMNM 028752 |
| 15 | 160.00 | NMNM 030854 |

| | | |
|-----|--------|--|
| 16 | 320.00 | NMNM 036473 |
| 17 | 320.00 | NMNM 036474 |
| 18 | 80.00 | NMNM 040643 |
| 19 | 320.69 | NMNM 041650 |
| 20A | 480.00 | NMNM-042421 |
| 20B | 160.00 | NMNM-042421 |
| 21A | 480.00 | NMNM-042422 |
| 21B | 160.00 | NMNM-042422 |
| 22A | 40.00 | NMNM 042424 |
| 22B | 80.00 | NMNM 042424 |
| 22C | 480.00 | NMNM 042424 |
| 23A | 40.00 | NMNM 042425 |
| 23B | 80.00 | NMNM 042425 |
| 23C | 40.00 | NMNM 042425 |
| 23D | 480.00 | NMNM 042425 |
| 24 | 320.00 | NMNM 045208 |
| 25 | 320.00 | NMNM 054980 |
| 26 | 321.16 | NMNM 054981 |
| 27 | 200.76 | NMNM 063319 |
| 28 | 560.00 | NMNM 083507 |
| 29 | 320.00 | NMNM 136062 (Segregated out of NMNM 083507) |
| 30 | 160.00 | NMNM 088074 |
| 31 | 160.00 | NMNM 093451 |

| | | |
|----|----------|--|
| 32 | 160.00 | NMNM 093774 |
| 33 | 280.56 | NMNM 137046 (Segregated out of NMNM 097108) |
| 34 | 160.00 | NMNM 097837 |
| 35 | 560.00 | NMNM 100302 |
| 36 | 400.00 | NMNM 100303 |
| 37 | 1,896.33 | NMNM 117570 |
| 38 | 981.80 | NMNM 118133 |
| 39 | 880.00 | NMNM 118136 |
| 40 | 805.94 | NMNM 119283 |
| 41 | 1,600.00 | NMNM 135989 |
| 42 | 1,280.00 | NMSF 078868 |

NAVAJO ALLOTTED LANDS:

| | | |
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| 53 | 160.00 | BIA 1420-0603-1402 |
| 54 | 160.00 | BIA 1420-0603-1404 |
| 55 | 160.04 | BIA 1420-0603-1405 |
| 56 | 160.00 | BIA NOO-C-14-20-4310 |
| 57 | 160.00 | BIA NOO-C-14-20-4312 |
| 58 | 160.00 | BIA NOO-C-14-20-4313 |
| 59 | 160.00 | BIA NO-G-0103-1464 |
| 60 | 160.00 | BIA NO-G-1401-1833 |
| 61 | 160.00 | BIA NO-G-1401-1835 |
| 62 | 160.63 | BIA NO-G-1402-1904 |
| 63 | 160.95 | BIA NO-G-1402-1906 |

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| 64 | 160.00 | BIA N0-G-1403-1909 |
| 65 | 160.00 | BIA N0-G-1403-1911 |
| 66 | 160.93 | BIA N0-G-1403-1914 |
| 67 | 160.00 | BIA N0-G-1403-1940 |
| 68 | 160.00 | BIA N0-G-1403-1947 |

Richard P. Rodriguez
Effective Date
4/1/2014
Expiration Date
HBP

Orlando Rivera
Effective Date
3/21/2014
Expiration Date
HBP

| | | |
|----|--------|--------------------|
| 69 | 160.00 | BIA N0-G-1403-1952 |
|----|--------|--------------------|

Richard P. Rodriguez
Effective Date
04/01/2014
Expiration Date
HBP

Orlando Rivera
Effective Date
3/21/2014
Expiration Date
HBP

| | | |
|----|--------|--------------------|
| 70 | 160.00 | BIA N0-G-1404-1969 |
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EXHIBIT "B"
 Schedule Showing Percentage and Kind of Ownership of Oil and Gas Interests
WHITE CROW UNIT
 DJR OPERATING LLC, OPERATOR
 San Juan County, New Mexico

The Oil and Gas Lease ownerships described in this schedule are limited to the interval from 100 feet below the stratigraphic equivalent of the top of the Mancos Shale (base of Mesa Verde Group) to the stratigraphic equivalent of the base of the Greenhorn Limestone (top of the Graneros Shale) in the Escrito P16-2409 001H well (API #3004535313) in Section 16 of Township 24 N, Range 9 W.

REV. 3/6/2026

| Unit Tract No. | Description of Land | Total Lease Acres | Number of Committed Acres | Number of Uncommitted Acres | Unit Percent of Tract Participation | Serial Number / Lessor and Expiration Date of Lease | Lessee of Record and Percentage | Basic Royalty and Percentage | Overriding Royalty and Percentage | Working Interest and Percentage | |
|-----------------------|---|-------------------|---------------------------|-----------------------------|-------------------------------------|---|---|--|---|--|--------------------------|
| FEDERAL LANDS: | | | | | | | | | | | |
| 1 | Township 24 North, Range 8 West, NMPM Section 6 Lots 1 (41.93 NENE), 2 (41.38 NWNE), 3 (40.82 NENW), 4 (39.16 NWNW), 5 (39.29 SWNW), 6 (39.69 NWSW), S2NE, SENW, NESW, SE Section 7 N2NE | 962.11 | 962.11 | | 3.4843% | NMNM 002337 Effective Date 06/01/1967 HBP | Dugan Production Corp. | 100.000000% USA - ALL (12.5%) | Dugan Production Corp. | 2.500% DJR Nominee Corporation Dugan Production Corp. | 50.0000% 50.0000% |
| 2 | Township 24 North, Range 9 West, NMPM Section 10 SE Section 12 SW | 320.00 | 320.00 | | 1.1589% | NMNM 009520 Effective Date 6/1/1969 HBP | Dugan Production Corp. | 100.000000% USA - ALL (12.5%) | TTXCO, LLC | 7.500000% DJR Nominee Corporation Dugan Production Corp. | 50.000000% 50.000000% |
| 3 | Township 24 North, Range 9 West, NMPM Section 9 All | 640.00 | 640.00 | | 2.3178% | NMNM 010089 Effective Date 10/01/1969 HBP | Dugan Production Corp. | 100.000000% USA - ALL (12.5%) (Sliding Scale) | Jim & Mary Jacobs Living Trust dtd 11/6/1997 Dugan Production Corp. | 2.000000% 2.500000% DJR Nominee Corporation Dugan Production Corp. | 50.000000% 50.000000% |
| 4 | Township 24 North, Range 9 West, NMPM Section 10 W2NE Section 20 All | 720.00 | 720.00 | | 2.6075% | NMNM 010755 Effective Date 12/1/1969 HBP | Dugan Production Corp. | 100.000000% USA - ALL (12.5%) | Grizzly Land Holdings, LLC Osprey Oil & Gas III, LLC Patrick A. Wheeler PBC Resource, LLC Rock Bottom Resources, LLC Ventura Oil & Gas, LLC | 1.687500% 3.337500% 0.300000% 0.375000% 0.112500% 1.687500% DJR Nominee Corporation Dugan Production Corp. | 50.000000% 50.000000% |
| 5A | Township 24 North, Range 8 West, NMPM Section 10 W2NW, SENW, N2SW, SESW | 240.00 | | | 0.8692% | NMNM 014580 Effective Date 04/01/1948 HBP | DJR Nominee Corporation Robert L. Bayless Producer LLC | 50.000000% 50.000000% USA - ALL (12.50%) | Frank C. Davis III Morris Oil & Gas Company, Inc. Flame Royalties, Inc. Southland Royalty Company LLC George Umbrach Robert W. Umbrach Cancer Foundation, Inc. Southland Royalty Company LLC iMinerals LLC WWR Enterprises, Inc. WCB Investments, LLC JRB Investments, LLC RHB Enterprises, LLC Ceefam, LLC Cyrene L. Inman Trust utd 1/26/1994 Pennies from Heaven LLC Karin Dale Nielsen, Trustee, R. B. Accord Dulac Partnership, LLLP | 0.078125% 0.546875% 0.955238% 0.625000% 0.068231% 0.068231% 0.344206% 0.154643% 0.060468% 0.060448% 0.030244% 0.030244% 0.067739% 0.119308% 0.119308% 0.120937% 0.115342% DJR Nominee Corporation Robert L. Bayless Producer LLC | 93.750000% 6.250000% |

| Unit Tract No. | Description of Land | Total Lease Acres | Number of Committed Acres | Number of Uncommitted Acres | Unit Percent of Tract Participation | Serial Number / Lessor and Expiration Date of Lease | Lessee of Record and Percentage | Basic Royalty and Percentage | Overriding Royalty and Percentage | Working Interest and Percentage | | |
|----------------|--|-------------------|---------------------------|-----------------------------|-------------------------------------|---|---|------------------------------|---|--|---|--|
| | | | | | | | | | Potenziani Family Partnership Carolyn Nielsen Sedberry Revocable Trust GE Oil & Gas Pressure Control LP Richard L. McKee Richard L. McKee GE Oil & Gas Pressure Control LP | 0.004006% 0.120937% 1.875000% 1.875000% 3.750000% 2.500000% | | |
| 5B | Township 24 North, Range 8 West, NMPM Section 10 NENW | 40.00 | | | 0.1449% | NMNM 014580 Effective Date 04/01/1948 HBP | DJR Nominee Corporation Robert L. Bayless Producer LLC | 50.000000% 50.000000% | USA - ALL (12.50%) | Frank C. Davis III Morris Oil & Gas Company, Inc. Flame Royalties, Inc. Southland Royalty Company LLC George Umbrach Robert W. Umbrach Cancer Foundation, Inc. Southland Royalty Company LLC iMinerals LLC WWR Enterprises, Inc. WCB Investments, LLC JRB Investments, LLC RHB Enterprises, LLC Ceefam, LLC Cyrene L. Inman Trust uta 1/26/1994 Pennies from Heaven LLC Karin Dale Nielsen, Trustee, R. B. Accord Dulac Partnership, LLLP Potenziani Family Partnership Carolyn Nielsen Sedberry Revocable Trust GE Oil & Gas Pressure Control LP Richard L. McKee GE Oil & Gas Pressure Control LP Richard L. McKee | 0.078125% 0.546875% 0.955238% 0.625000% 0.068231% 0.068231% 0.344206% 0.154643% 0.060468% 0.060448% 0.030244% 0.030244% 0.067739% 0.119308% 0.119308% 0.120937% 0.115342% 0.004006% 0.120937% 1.875000% 1.875000% 2.500000% 3.750000% | 65.4% of Unitized Interval ⁽⁹⁾ <i>That portion of the unitized interval lying above the stratigraphic equivalent of the base of the Gallup formation as encountered in the Paquenche A #3 well located NWNE of Section 10, T24N-R8W</i> DJR Nominee Corporation 100.000000% 34.6% of Unitized Interval ⁽⁹⁾ <i>That portion of the unitized interval lying below the stratigraphic equivalent of the base of the Gallup formation as encountered in the Paquenche A #3 well located NWNE of Section 10, T24N-R8W</i> DJR Nominee Corporation 50.000000% Robert L. Bayless Producer LLC 50.000000% |
| 6 | Township 24 North, Range 8 West, NMPM Section 10 E2 | 320.00 | | | 1.1589% | NMNM 014580A Effective Date 04/01/1948 HBP | LOGOS Resources II LLC Robert L. Bayless Producer LLC | 50.000000% 50.000000% | USA - ALL (12.50%) | Flame Royalties, Inc. George Umbrach Robert W. Umbrach Cancer Foundation, Inc. GE Oil & Gas Pressure Control LP Southland Royalty Company LLC iMinerals LLC Marcia L. Berger Education Foundation WWR Enterprises, Inc. WCB Investments, LLC JRB Investments, LLC RHB Enterprises, LLC Ceefam, LLC Cyrene L. Inman Trust uta 1/26/1994 Pennies from Heaven LLC Karin Dale Nielsen, Trustee, R. B. Nielsen Trust dated 9/8/2010 Accord Dulac Partnership, LLLP Potenziani Family Partnership Carolyn Nielsen Sedberry Revocable Trust | 0.955238% 0.068231% 0.068231% 2.500000% 0.344206% 0.154643% 0.060468% 0.060468% 0.060448% 0.030244% 0.030244% 0.067739% 0.119308% 0.119308% 0.120937% 0.115342% 0.004006% 0.120937% | DJR Nominee Corporation 93.750000% Robert L. Bayless Producer LLC 6.250000% |
| 7A | Township 24 North, Range 8 West, NMPM Section 9 NW, S2 Section 15 NW | 640.00 | 640.00 | | 2.3178% | NMNM 016589 Effective Date 5/1/1973 HBP | DJR Nominee Corporation | 100.000000% | USA - ALL (12.5%) | Lonesome Dove Petroleum Company QEP Energy Company | 5.000000% 3.050000% | DJR Nominee Corporation 100.000000% |

| Unit Tract No. | Description of Land | Total Lease Acres | Number of Committed Acres | Number of Uncommitted Acres | Unit Percent of Tract Participation | Serial Number / Lessor and Expiration Date of Lease | Lessee of Record and Percentage | Basic Royalty and Percentage | Overriding Royalty and Percentage | Working Interest and Percentage | | |
|----------------|---|-------------------|---------------------------|-----------------------------|-------------------------------------|--|---------------------------------|---|---|--|--|--------------------------|
| 7B | Township 24 North, Range 8 West, NMPM Section 15 NE | 40.00 | 40.00 | | 0.1449% | NMNM 016589 Effective Date 5/1/1973 HBP | DJR Nominee Corporation | 100.000000% USA - ALL (12.5%) | Lonesome Dove Petroleum Company 65.4% of Unitized Interval ⁽¹⁾ That portion of the unitized interval lying above the stratigraphic equivalent of the base of the Gallup formation as encountered in the Shoofly #2 well located NENE of Section 15, T24N-R8W QEP Energy Company 34.6% of Unitized Interval ⁽³⁾ That portion of the unitized interval lying below the stratigraphic equivalent of the base of the Gallup formation as encountered in the Shoofly #2 well located NENE of Section 15, T24N-R8W QEP Energy Company | 5.000000% 7.500000% 3.050000% | DJR Nominee Corporation | 100.000000% |
| 8 | Township 24 North, Range 9 West, NMPM Section 5 Lots 3 (40.35 NENW), 4 (40.33 NWNW), S2NW, N2SW | 240.68 | 240.68 | | 0.8716% | NMNM 016759 Effective Date 10/01/1972 HBP | DJR Nominee Corporation | 100.000000% USA - ALL (12.5%) | Rosemarie Ostiller Jerome Paul Maltz Flame Royalties, Inc. Dugan Production Corp. | 0.500000% 4.500000% 7.500000% 0.005000% | DJR Nominee Corporation Dugan Production Corp. | 50.250000% 49.750000% |
| 9 | Township 24 North, Range 8 West, NMPM Section 8 All Section 10 SWSW | 680.00 | 680.00 | | 2.4627% | NMNM 019567 Effective Date 12/01/1973 HBP | Dugan Production Corp. | 100.000000% USA - ALL (12.5%) | Union Petroleum Corporation C.B. Harrison, Jr., Trustee for Southern Bankers Investment Company Union Petroleum Corporation ⁽¹⁾ Paul E. Cash J.W. Heflin J.W. Heflin | 3.250000% 1.750000% 2.500000% 0.875000% 0.875000% 1.750000% | DJR Nominee Corporation Dugan Production Corp. | 50.000000% 50.000000% |
| 10 | Township 24 North, Range 8 West, NMPM Section 7 Lots 1 (40.27 NWNW), 2 (40.26 SWNW), 3 (40.26 NWSW), 4 (40.25 SWSW), S2NE,E2W2, SE | 561.04 | 561.04 | | 2.0318% | NMNM 136063 <i>Segregated out of NMNM 019567</i> Effective Date 12/01/1973 HBP | Dugan Production Corp. | 100.000000% USA - ALL (12.5%) | Union Petroleum Corporation Union Petroleum Corporation C.B. Harrison, Jr., Trustee for Southern Bankers Investment Company Paul E. Cash J.W. Heflin J.W. Heflin | 3.250000% 2.500000% 1.750000% 0.875000% 0.875000% 1.750000% | DJR Nominee Corporation Dugan Production Corp. | 50.000000% 50.000000% |
| 11 | Township 24 North, Range 9 West, NMPM Section 5 S2SW | 80.00 | 80.00 | | 0.2897% | NMNM 023742 Effective Date 02/01/1975 HBP | Hilcorp San Juan, LP | 100.000000% USA - ALL (12.5%) | Guy Wade Willis Vicky Sue Hoover LOGOS Resources II, LLC Dugan Production Corp. | 3.250000% 1.750000% 2.500000% 0.005000% | DJR Nominee Corporation Dugan Production Corp. | 50.250000% 49.750000% |
| 12 | Township 24 North, Range 9 West, NMPM Section 8 All | 640.00 | 640.00 | | 2.3178% | NMNM 025440 Effective Date 07/01/1975 HBP | Dugan Production Corp. | 100.000000% USA - ALL (12.5%) (Sliding Scale) | Jim & Mary Jacobs Living Trust dtd 11/6/1997 Dugan Production Corp. | 1.500000% 2.500000% | DJR Nominee Corporation Dugan Production Corp. | 50.000000% 50.000000% |
| 13 | Township 24 North, Range 8 West, NMPM Section 17 All | 640.00 | 640.00 | | 2.3178% | NMNM 026047 Effective Date 09/01/1975 HBP | Dugan Production Corp. | 100.000000% USA - ALL (12.50%) | Alexander S. Bowers ⁽²⁾ Seco Energy Corporation ⁽²⁾ Dugan Production Corp. | 3.250000% 1.750000% 1.250000% | DJR Nominee Corporation Dugan Production Corp. | 50.000000% 50.000000% |
| 14 | Township 24 North, Range 8 West, NMPM Section 4 Lots 5 (41.51 NENE), 6 (41.49 NWNE), 11 (37.97 SWNE), 12 (37.86 SENE), SE | 318.83 | | | 1.1547% | NMNM 028752 Effective Date 10/1/1976 HBP | LOGOS Resources, LLC | 100.000000% USA - ALL (12.50%) (Sliding Scale) | Graham Royalty, Ltd. Prudential-Bache Energy Income Production Partnership II P-4 Merriion Oil & Gas Corporation Robert L. Bayless Bolack Minerals Company Hugh J. Mitchell and Raimonda Mitchell Revocable Trust, Hugh J.Mitchell, Trustee | 2.750000% 2.750000% 4.620000% 1.120000% 1.085000% 0.175000% | DJR Nominee Corporation Tommy Bolack Minerals Corporation | 69.000000% 31.000000% |

| Unit Tract No. | Description of Land | Total Lease Acres | Number of Committed Acres | Number of Uncommitted Acres | Unit Percent of Tract Participation | Serial Number / Lessor and Expiration Date of Lease | Lessee of Record and Percentage | Basic Royalty and Percentage | Overriding Royalty and Percentage | Working Interest and Percentage | | |
|----------------|--|-------------------|---------------------------|-----------------------------|-------------------------------------|---|--|--|---|--|---|---------------------------------------|
| 21A | Township 25 North, Range 8 West, NMPM Section 28 N2, SW | 480.00 | | | 1.7383% | NMNM-042422 Effective Date 12/16/1980 HBP | Dugan Production Corp. James B. Fullerton | 99.5000% 0.5000% (12.50%) | Grizzly Trading Co. Tucker Attebery Family LLC Dugan Production Corp. | 3.0000% 2.0000% 4.243750% | Dugan Production Corp. DJR Nominee Corporation Riva Oil & Gas LLC | 49.7500% 49.7500% 0.5000% |
| 21B | Township 25 North, Range 8 West, NMPM Section 28 SE | 160.00 | | | 0.5794% | NMNM-042422 Effective Date 12/16/1980 HBP | Dugan Production Corp. Riva Oil & Gas LLC | 99.0099% 0.9901% (12.50%) | Grizzly Trading Co. Tucker Attebery Family LLC Dugan Production Corp. | 3.0000% 2.0000% 1.237623% | Dugan Production Corp. DJR Nominee Corporation Riva Oil & Gas LLC | 49.5050% 49.5050% 0.9901% |
| 22A | Township 25 North, Range 8 West, NMPM Section 33 NENE | 40.00 | | | 0.1449% | NMNM 042424 Effective Date 01/01/1981 HBP | Dugan Production Corp. | 100.000000% (12.50%) (Sliding Scale) | Tucker Attebery Family LLC Grizzly Trading Co. Dugan Production Corp. McHugh Companies | 2.000000% 3.000000% 0.625000% 1.485000% | DJR Nominee Corporation Dugan Production Corp. Riva Oil & Gas LLC | 49.504951% 49.504951% 0.990099% |
| 22B | Township 25 North, Range 8 West, NMPM Section 33 W2NE, SENE | 120.00 | | | 0.4346% | NMNM 042424 Effective Date 01/01/1981 HBP | Dugan Production Corp. | 100.000000% (12.50%) (Sliding Scale) | Tucker Attebery Family LLC Grizzly Trading Co. Dugan Production Corp. | 2.000000% 3.000000% 1.237624% | DJR Nominee Corporation Dugan Production Corp. Riva Oil & Gas LLC | 49.504951% 49.504951% 0.990099% |
| 22C | Township 25 North, Range 8 West, NMPM Section 33 NW, S2 | 480.00 | | | 1.7383% | NMNM 042424 Effective Date 01/01/1981 HBP | Dugan Production Corp. | 100.000000% (12.50%) (Sliding Scale) | Tucker Attebery Family LLC Dugan Production Corp. | 2.000000% 4.237624% | DJR Nominee Corporation Dugan Production Corp. Riva Oil & Gas LLC | 49.750000% 49.750000% 0.500000% |
| 23A | Township 25 North, Range 8 West, NMPM Section 34 SWSW | 40.00 | | | 0.1449% | NMNM 042425 Effective Date 01/01/1981 HBP | Dugan Production Corp. James B. Fullerton | 99.500000% 0.500000% (12.50%) (Sliding Scale) | Tucker Attebery Family LLC Grizzly Trading Co. Dugan Production Corp. McHugh Companies | 2.000000% 3.000000% 0.625000% 1.485000% | DJR Nominee Corporation Dugan Production Corp. Riva Oil & Gas LLC | 49.504951% 49.504951% 0.990099% |
| 23B | Township 25 North, Range 8 West, NMPM Section 34 E2SW | 80.00 | | | 0.2897% | NMNM 042425 Effective Date 01/01/1981 HBP | Dugan Production Corp. James B. Fullerton | 99.500000% 0.500000% (12.50%) (Sliding Scale) | Tucker Attebery Family LLC Grizzly Trading Co. Dugan Production Corp. | 2.000000% 3.000000% 1.237624% | DJR Nominee Corporation Dugan Production Corp. Riva Oil & Gas LLC | 49.504951% 49.504951% 0.990099% |
| 23C | Township 25 North, Range 8 West, NMPM Section 34 NWSW | 40.00 | | | 0.1449% | NMNM 042425 Effective Date 01/01/1981 HBP | Dugan Production Corp. James B. Fullerton | 99.500000% 0.500000% (12.50%) (Sliding Scale) | Tucker Attebery Family LLC Grizzly Trading Co. Dugan Production Corp. | 2.000000% 3.000000% 1.237624% | DJR Nominee Corporation Dugan Production Corp. Riva Oil & Gas LLC | 49.504951% 49.504951% 0.990099% |
| 23D | Township 25 North, Range 8 West, NMPM Section 34 E2, NW | 480.00 | | | 1.7383% | NMNM 042425 Effective Date 01/01/1981 HBP | Dugan Production Corp. James B. Fullerton | 99.500000% 0.500000% (12.50%) (Sliding Scale) | Tucker Attebery Family LLC Grizzly Trading Co. McHugh Companies | 2.000000% 3.000000% 1.485000% | DJR Nominee Corporation Dugan Production Corp. Riva Oil & Gas LLC | 49.750000% 49.750000% 0.500000% |
| 24 | Township 24 North, Range 9 West, NMPM Section 17 E2 | 320.00 | 320.00 | | 1.1589% | NMNM 045208 Effective Date 8/1/1981 HBP | Dugan Production Corp. | 100.000000% (12.5%) (Sliding Scale) | Dugan Production Corp. | 2.500000% | DJR Nominee Corporation Dugan Production Corp. | 50.000000% 50.000000% |
| 25 | Township 24 North, Range 8 West, NMPM Section 30 E2 | 320.00 | 320.00 | | 1.1589% | NMNM 054980 Effective Date 3/1/1983 HBP | Dugan Production Corp. | 100.000000% (12.5%) (Sliding Scale) | Dugan Production Corp. | 1.250000% | DJR Nominee Corporation Dugan Production Corp. | 50.000000% 50.000000% |
| 26 | Township 24 North, Range 8 West, NMPM Section 30 Lots 1 (40.28 NWNW), 2 (40.29 SWNW), 3 (40.29 NWSW), 4 (40.30 SWSW), E2W2 | 321.16 | 321.16 | | 1.1631% | NMNM 054981 Effective Date 03/01/1983 HBP | Dugan Production Corp. | 100.000000% (12.50%) (Sliding Scale) | Dugan Production Corp. | 1.250000% | DJR Nominee Corporation Dugan Production Corp. | 50.000000% 50.000000% |

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|----------------|---|-------------------|---------------------------|-----------------------------|-------------------------------------|--|---------------------------------|--|---|--|---|--------------------------|
| 27 | Township 24 North, Range 9 West, NMPM Section 5 Lots 1 (40.39 NENE), 2 (40.37 NWNE), SWNE, W2SE | 200.76 | 200.76 | | 0.7271% | NMNM 063319 Effective Date 11/01/1985 HBP | Dugan Production Corp. | 100.000000% USA - ALL (12.5%) (Sliding Scale) | Dugan Production Corp. | 2.500000% DJR Nominee Corporation Dugan Production Corp. | 50.000000% 50.000000% | |
| 28 | Township 24 North, Range 8 West, NMPM Section 20 N2, SE Section 21 W2NW | 560.00 | 560.00 | | 2.0281% | NMNM 083507 Effective Date 04/01/1990 HBP | Dugan Production Corp. | 100.000000% USA - ALL (12.50%) | Dugan Production Corp. | 2.500000% DJR Nominee Corporation Dugan Production Corp. | 50.000000% 50.000000% | |
| 29 | Township 24 North, Range 8 West, NMPM Section 18 E2 | 320.00 | 320.00 | | 1.1589% | NMNM 136062 <i>(Segregated out of NMNM 083507)</i> Effective Date 04/01/1990 HBP | Dugan Production Corp. | 100.000000% USA - ALL (12.5%) | Dugan Production Corp. | 2.500000% DJR Nominee Corporation Dugan Production Corp. | 50.000000% 50.000000% | |
| 30 | Township 24 North, Range 8 West, NMPM Section 19 NE | 160.00 | 160.00 | | 0.5794% | NMNM 088074 Effective Date 03/01/1992 HBP | Dugan Production Corp. | 100.000000% USA - ALL (12.5%) | Dugan Production Corp. | 2.500000% DJR Nominee Corporation Dugan Production Corp. | 50.000000% 50.000000% | |
| 31 | Township 24 North, Range 8 West, NMPM Section 21 SE | 160.00 | 160.00 | | 0.5794% | NMNM 093451 Effective Date 09/01/1994 HBP | Dugan Production Corp. | 100.000000% USA - ALL (12.50%) | Dugan Production Corp. | 2.500000% DJR Nominee Corporation Dugan Production Corp. | 50.000000% 50.000000% | |
| 32 | Township 24 North, Range 8 West, NMPM Section 21 NE | 160.00 | 160.00 | | 0.5794% | NMNM 093774 Effective Date 11/1/1974 Expiration Date HBP | Dugan Production Corp. | 100.000000% USA - ALL (12.50%) | Kathleen Roman David Payne & Julie Katherine Hamilton Co-Trustees, Joint Revocable Inter Viros Trust u/d/t 3/25/1 Andrikopoulos Heirs Dugan Production Corp. | 0.250000% 0.375000% 2.750000% 2.062500% | DJR Nominee Corporation Dugan Production Corp. | 50.000000% 50.000000% |
| 33 | Township 24 North, Range 9 West, NMPM Section 4 Lots 3 (40.22 NENW), 4 (40.34 NWNW), S2NW4, N2SW, SESW | 280.56 | 280.56 | | 1.0161% | NMNM 137046 <i>(Segregated out of NMNM 097108)</i> Effective Date 9/1/1996 HBP | Dugan Production Corp. | 100.000000% USA - ALL (12.5%) | Dugan Production Corp. | 2.500000% DJR Nominee Corporation Dugan Production Corp. | 50.000000% 50.000000% | |
| 34 | Township 24 North, Range 8 West, NMPM Section 5 SW | 160.00 | 160.00 | | 0.5794% | NMNM 097837 Effective Date 12/01/1996 HBP | Dugan Production Corp. | 100.000000% USA - ALL (12.50%) | Dugan Production Corp. | 2.500000% DJR Nominee Corporation Dugan Production Corp. | 50.000000% 50.000000% | |
| 35 | Township 24 North, Range 9 West, NMPM Section 10 E2NE, W2 Section 15 SW | 560.00 | 560.00 | | 2.0281% | NMNM 100302 Effective Date 12/01/1997 HBP | Dugan Production Corp. | 100.000000% USA - ALL (12.5%) | Dugan Production Corp. | 2.500000% DJR Nominee Corporation Dugan Production Corp. | 50.000000% 50.000000% | |
| 36 | Township 24 North, Range 9 West, NMPM Section 12 NW4, S2NE, SE | 400.00 | 400.00 | | 1.4486% | NMNM 100303 Effective Date 12/01/1997 HBP | Dugan Production Corp. | 100.000000% USA - ALL (12.5%) | Dugan Production Corp. | 2.500000% DJR Nominee Corporation Dugan Production Corp. | 50.000000% 50.000000% | |

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|----------------|--|-------------------|---------------------------|-----------------------------|-------------------------------------|---|---------------------------------|--------------------------------------|--|---|
| 37 | Township 25 North, Range 8 West, NMPM Section 25 Lots 1 (36.90 NENE), 2 (36.71 NWNE) 3 (36.53 NENW), 4 (36.35 NWNW), 5 (37.19 SWNW), 6 (37.37 SENW), 7 (37.55 SWNE), 8 (37.73 SENE), S2 Section 26 All Section 35 All | 1,896.33 | 1,896.33 | | 6.8676% | NMNM 117570 Effective Date 03/01/2007 HBP | DJR Nominee Corp. | 100.000000% USA - ALL (12.50%) | Coronado Resources 2013, LLC Concho Royalty Company, LP 6.750000% 0.750000% | DJR Nominee Corporation 100.000000% |
| 38 | Township 24 North, Range 8 West, NMPM Section 3 Lots 1 (44.04 NENE), 2 (44.12 NWNE), 3 (44.20 NENW), 4 (44.28 NWNW), S2N2, S2 Section 5 Lots 3 (42.77 NENW), 4 (42.39 NWNW), S2NW4 Section 34 NE | 981.80 | 981.80 | | 3.5556% | NMNM 118133 Effective Date 06/01/2007 HBP | DJR Nominee Corp. | 100.000000% USA - ALL (12.50%) | None DJR Nominee Corporation 100.000000% | |
| 39 | Township 24 North, Range 9 West, NMPM Section 11 NE Section 12 N2NE Section 14 NW Section 15 N2, SE | 880.00 | 880.00 | | 3.1870% | NMNM 118136 Effective Date 06/01/2007 HBP | DJR Nominee Corporation | 100.000000% USA - ALL (12.5%) | None DJR Nominee Corporation 100.000000% | |
| 40 | Township 24 North, Range 8 West, NMPM Section 4 Lots 7 (41.48 NENW), 8 (41.47 NWNW), 9 (38.21 SWNW), 10 (38.10 SENW), SW Section 5 Lots 1 (43.53 NENE), 2 (43.15 NWNE), S2NE, SE Section 9 NE | 805.94 | | | 2.9187% | NMNM 119283 Effective Date 12/01/2007 HBP | R & R Royalty Ltd. | 100.000000% USA - ALL (12.50%) | Ahuja Children 2012 Long Term Trust Unified Assets, Ltd. 9.375000% 3.125000% | R & R Royalty Ltd. 100.000000% |
| 41 | Township 24 North, Range 9 West, NMPM Section 13 SW Section 14 S2 Section 22 N2 Section 23 N2 Section 24 NW, S2 | 1,600.00 | 1,600.00 | | 5.7945% | NMNM 135989 Effective Date 05/01/1948 HBP | Dugan Production Corp. | 100.000000% USA - ALL (12.5%) | Preston Hollow United Methodist Church DHB Partnership Ben Patterson R. I., Ltd. Hardin-Simmons University Dugan Production Corp. 0.375000% 5.000000% 0.250000% 0.250000% 2.500000% | DJR Nominee Corporation Dugan Production Corp. 50.000000% 50.000000% |
| 42 | Township 24 North, Range 8 West, NMPM Section 28 All Section 29 All | 1,280.00 | 1,280.00 | | 4.6356% | NMSF 078868 Effective Date 4/1/1948 HBP | Dugan Production Corp. | 100.000000% USA - ALL (12.50%) | Mary Sapp Fischer, Trustee of the John Dillon Sapp 1993 Trust Carl Francis Fischer, Trustee of the Mary Margaret Sapp 1993 Trust Donald R. Horton Marty Horton Home-Burtis LTD., LP Wells Fargo Bank, National Association, Trust of the Wesley T. House Testamentary Trust FBO Eunice H. Cloud Heirs or devisees of Alberta Sloan Nancy Sealy Thompson Patti Jo Peck Wakefield Emerson Family LLC COG Oil & Gas LP Barron U. Kidd Inabeth Phillips Jack B. Wilkinson, Jr. H. J. Phillips Heirs or devisees of W. H. Sloan James D. Sadler C. B. Yarbrough Katherine B. Yarbrough The Fasken Family Limited Partnership 0.333333% 0.333333% 0.166667% 0.166667% 0.387689% 0.259887% 0.259764% 0.195429% 0.178850% 0.173321% 0.130002% 0.129952% 0.129949% 0.129947% 0.129816% 0.129864% 0.129864% 0.090359% 0.090359% 0.050113% | DJR Nominee Corporation Dugan Production Corp. 50.000000% 50.000000% |

| Unit Tract No. | Description of Land | Total Lease Acres | Number of Committed Acres | Number of Uncommitted Acres | Unit Percent of Tract Participation | Serial Number / Lessor and Expiration Date of Lease | Lessee of Record and Percentage | Basic Royalty and Percentage | Overriding Royalty and Percentage | Working Interest and Percentage | | | |
|---|--|-------------------|---------------------------|-----------------------------|-------------------------------------|---|--------------------------------------|------------------------------|---------------------------------------|---|--|---|----------------------|
| Frank Andrew Fasken, Trustee of the Frank Fasken Trust u/t/a 7/28/2000 Steven Price Fasken, Trustee of the Steven Price Fasken Child's GST Trust under Restated Trust Agreement dated July 28, 2000, as amended Wells Fargo Bank, National Association, Trust The Stubbeman Family Foundation Steven Price Fasken, Trustee of the Steven Price Fasken Revocable Trust created by Trust Indenture dated December 30, 1992 Northern Trust, N.A., Trustee of the Susan M Fasken Hartin Revocable Trust C. S. Longcope Oil, LLC Frank Andrew Fasken Fredda Louise Black Elizabeth Black Montgomery Longscope Energy, LLC Evelyn S. Graham Desert Partners V, LP The Fasken Foundation RAM Foundation G. R. Fasken Cathy Mortensen Lisa Gerloff Megan Rotter Jessica M. Stewart Black Gold Energy, LLC Kathleen Graham, Agent for Robert Harvison Ilios Exploration, Inc. Southern Royalties, LLC Dugan Production Corp. ABC Oil & Gas Properties | | | | | | | | | | | | | |
| 42 Federal Tracts totalling 22,209.90 acres or 80.4341% of the Unit Area | | | | | | | | | | | | | |
| STATE LANDS: | | | | | | | | | | | | | |
| 43 | Township 24 North, Range 9 West, NMPM Section 16 NWSE | 40.00 | 40.00 | | 0.1449% | B-10889 Effective Date 12/22/1943 Expiration Date HBP | Penrock Oil Koch Industries, Inc. | 25.0000% 75.0000% | State of New Mexico (12.5%) | Al Greer Timothy G. Foster, successor to George Foster Sharon M. Foster Lane, successor to George Foster John W. Harris Michael A. Harris Robert E. Harris Suzanne Anarde Stephanie DeHerrera Sabrina Blood Rebecca Sharpe Micaela Leffler Marva B. Joplin, Trustee Intervivos Revocable Trust of Marva B. Joplin dated July 20, 1987, successor to W. L. Brimhall Marva Joplin First Restated Intervivos Revocable Trust of Marva B. Joplin, executed July 28, 2006, successor to W. L. Brimhall Russell Stanfield QEP Energy Company Koch Exploration & Production | 0.6250% 0.3125% 0.3125% 0.1563% 0.1563% 0.1563% 0.0313% 0.0313% 0.0313% 0.0313% 0.0313% 0.2083% 0.2083% 0.2083% 2.5000% 5.6250% | DJR Assets, LLC Dugan Production Corp. | 50.0000% 50.0000% |
| 44 | Township 25 North, Range 8 West, NMPM Section 32 N2SW, NWSE, SENE | 160.00 | | | 0.5794% | E-3148 Effective Date 12/10/1949 Expiration Date | Speerech | 100.0000% | State of New Mexico - ALL (12.50%) | Herbert L. Marchman & James H.B. Wilson Jr, Co-Trustees, The Burroughs Family Trust u/t/d 11/11/1993 Jane A. Downs | 2.5000% 0.6250% | Speerech Limited Partnership | 100.0000% |

| Unit Tract No. | Description of Land | Total Lease Acres | Number of Committed Acres | Number of Uncommitted Acres | Unit Percent of Tract Participation | Serial Number / Lessor and Expiration Date of Lease | Lessee of Record and Percentage | Basic Royalty and Percentage | Overriding Royalty and Percentage | Working Interest and Percentage | | |
|----------------|--|-------------------|---------------------------|-----------------------------|-------------------------------------|--|---------------------------------|---|---|--|----------------------------|-----------|
| | | | | | | HBP | | | Nan Burroughs Karen Marchman Belinda Burroughs Wilson | 0.6250% 0.6250% 0.6250% | | |
| 45A | Township 24 North, Range 9 West, NMPM Section 16 NW | 160.00 | | | 0.5794% | E-6644 Effective Date 11/14/1952 Expiration Date HBP | Kaiser Francis Oil Company | 100.0000% State of New Mexico (12.5%) | Sal Lee Oz Anderson Anderson Living Trust U/A/D 4/29/2003, James H. & Jacqueline L. Anderson, Trustees Prichett Living Trust, U/A/D 5/3/2001 Estate of Mary E. Catterson, Paul F. Catterson, PR David Paul Catterson & Shelly Ann Catterson Heirs Paul F. Catterson Estate of O. J. Lilly, Dec'd, Michael Joe Lilly, PR & Franklin P. Lilly William Cutter First Security Bank of Albuquerque, Trustee F/B/O Barbara E. Koons Revocable Trust First National Bank in Albuquerque, Trustee F/B/O Miriam N. Washburn Cathryn Elise Gholson Estate of Ronald D. Tingley, Deceased, Sole Heir of Willa Ethel Giomi, T.J. Tingley, PR Charles Giomi Mona Sue Haddad Deborah M McKenna E. L. Fundingsland Flame Royalties, Inc. Estate of Oliver Marianetti, Dec'd Dorothy E. Marianetti, PR | 0.0208% 0.0208% 0.0208% 0.0313% 0.0313% 0.8750% 0.4000% 0.8000% 0.8000% 0.4000% 0.4000% 0.4000% 0.5000% 7.0000% 5.0000% 0.4000% | Kaiser Francis Oil Company | 100.0000% |
| 45B | Township 24 North, Range 9 West, NMPM Section 16 NE | 160.00 | | | 0.5794% | E-6644 Effective Date 11/14/1952 Expiration Date HBP | Kaiser Francis Oil Company | 100.0000% State of New Mexico (12.5%) | Sal Lee Oz Anderson Anderson Living Trust U/A/D 4/29/2003, James H. & Jacqueline L. Anderson, Trustees Prichett Living Trust, U/A/D 5/3/2001 Estate of Mary E. Catterson, Paul F. Catterson, PR David Paul Catterson & Shelly Ann Catterson Heirs Paul F. Catterson Estate of O. J. Lilly, Dec'd, Michael Joe Lilly, PR & Franklin P. Lilly William Cutter First Security Bank of Albuquerque, Trustee F/B/O Barbara E. Koons Revocable Trust First National Bank in Albuquerque, Trustee F/B/O Miriam N. Washburn Cathryn Elise Gholson Estate of Ronald D. Tingley, | 0.0208% 0.0208% 0.0208% 0.0313% 0.0313% 0.8750% 0.4000% 0.8000% 0.8000% 0.4000% 0.4000% | Kaiser Francis Oil Company | 100.0000% |

| Unit Tract No. | Description of Land | Total Lease Acres | Number of Committed Acres | Number of Uncommitted Acres | Unit Percent of Tract Participation | Serial Number / Lessor and Expiration Date of Lease | Lessee of Record and Percentage | Basic Royalty and Percentage | Overriding Royalty and Percentage | Working Interest and Percentage |
|----------------|---------------------|-------------------|---------------------------|-----------------------------|-------------------------------------|--|---------------------------------|------------------------------|-----------------------------------|---------------------------------|
| | | | | | | Paul Davis, Ltd | Unleased | None | None | Unleased |
| | | | | | | Primitive Petroleum, Inc. | Unleased | None | None | Unleased |
| | | | | | | James H. Essman | Unleased | None | None | Unleased |
| | | | | | | Charles B. Edmiaston | Unleased | None | None | Unleased |
| | | | | | | Dick Holland | Unleased | None | None | Unleased |
| | | | | | | Heir to Janice P. Campbell & William Scott Campbell: | Unleased | None | None | Unleased |
| | | | | | | Austen Scott Campbell, Executor | | | | |
| | | | | | | Heir to Janice P. Campbell & William Scott Campbell: | Unleased | None | None | Unleased |
| | | | | | | Holton Gale Campbell | | | | |
| | | | | | | Heir to Janice P. Campbell & William Scott Campbell: Charisa J. Campbell Almager Trust | Unleased | None | None | Unleased |
| | | | | | | Heir to Janice P. Campbell: John Jayne Campbell Trust | Unleased | None | None | Unleased |
| | | | | | | Mary L. Herrold Revocable Trust 01/07/1992 | Unleased | None | None | Unleased |
| | | | | | | Icon Petroleum, Inc. | Unleased | None | None | Unleased |
| | | | | | | Kevin K. Leonard | Unleased | None | None | Unleased |

1 Patented Tract totalling 240.08 acres or 0.8695% of the Unit Area

| NAVAJO ALLOTTED LANDS: | | | | | | | | | | | | | |
|------------------------|---|--------|--------|--|---------|--|------------------------|-------------|--|------------------------|-----------|---|--------------------------|
| 52 | Township 24 North, Range 9 West, NMPM Section 1 SW | 160.00 | 160.00 | | 0.5794% | BIA 1420-0603-1402 Effective Date 09/25/1968 Expiration Date HBP | Dugan Production Corp. | 100.000000% | Heirs of Not ti nes wood-ALL (16.67%) | Dugan Production Corp. | 1.666667% | DJR Nominee Corporation Dugan Production Corp. | 50.000000% 50.000000% |
| 53 | Township 24 North, Range 9 West, NMPM Section 2 SE | 160.00 | 160.00 | | 0.5794% | BIA 1420-0603-1404 Effective Date 09/23/1968 Expiration Date HBP | Dugan Production Corp. | 100.000000% | Heirs of Neh clen na pah-ALL (16.67%) | Dugan Production Corp. | 1.666667% | DJR Nominee Corporation Dugan Production Corp. | 50.000000% 50.000000% |
| 54 | Township 24 North, Range 9 West, NMPM Section 2 Lots 1 (39.97 NENE), 2 (40.07 NWNE), S2NE | 160.04 | 160.04 | | 0.5796% | BIA 1420-0603-1405 Effective Date 09/23/1968 Expiration Date HBP | Dugan Production Corp. | 100.000000% | Heirs of Not ti chaw hi yah-ALL (16.67%) | Dugan Production Corp. | 1.666667% | DJR Nominee Corporation Dugan Production Corp. | 50.000000% 50.000000% |
| 55 | Township 24 North, Range 8 West, NMPM Section 20 SW | 160.00 | 160.00 | | 0.5794% | BIA NOO-C-14-20-4310 Effective Date 08/01/1974 Expiration Date HBP | Dugan Production Corp. | 100.000000% | Heirs of Hos tein so - ALL (16.67%) | Dugan Production Corp. | 1.666667% | DJR Nominee Corporation Dugan Production Corp. | 50.000000% 50.000000% |
| 56 | Township 24 North, Range 8 West, NMPM Section 27 SW | 160.00 | 160.00 | | 0.5794% | BIA NOO-C-14-20-4312 Effective Date 11/02/1971 Expiration Date HBP | Dugan Production Corp. | 100.000000% | Heirs of E Ke e pah - ALL (16.67%) | Dugan Production Corp. | 1.666667% | DJR Nominee Corporation Dugan Production Corp. | 50.000000% 50.000000% |
| 57 | Township 24 North, Range 8 West, NMPM Section 27 SE | 160.00 | 160.00 | | 0.5794% | BIA NOO-C-14-20-4313 Effective Date 11/02/1971 Expiration Date HBP | Dugan Production Corp. | 100.000000% | Heirs of Whol e yen - ALL (16.67%) | Dugan Production Corp. | 1.666667% | DJR Nominee Corporation Dugan Production Corp. | 50.000000% 50.000000% |
| 58 | Township 24 North, Range 8 West, NMPM Section 21 SW | 160.00 | 160.00 | | 0.5794% | BIA N0-G-0103-1464 Effective Date 03/06/2001 Expiration Date HBP | Dugan Production Corp. | 100.000000% | Heirs of To Gah E Yaz Za - ALL (16.67%) | Dugan Production Corp. | 1.666667% | DJR Nominee Corporation Dugan Production Corp. | 50.000000% 50.000000% |

| Unit Tract No. | Description of Land | Total Lease Acres | Number of Committed Acres | Number of Uncommitted Acres | Unit Percent of Tract Participation | Serial Number / Lessor and Expiration Date of Lease | Lessee of Record and Percentage | Basic Royalty and Percentage | Overriding Royalty and Percentage | Working Interest and Percentage |
|----------------|---|-------------------|---------------------------|-----------------------------|-------------------------------------|--|--|--------------------------------------|-----------------------------------|--|
| 59 | Towship 24 North, Range 9 West, NMPM Section 11 SW | 160.00 | 160.00 | | 0.5794% | BIA N0-G-1401-1833 Effective Date 01/27/2014 Expiration Date HBP | DJR Nominee Corporation 100.000000% | Heirs of E-Ke-Nap-Pah-ALL (20.0%) | None | DJR Nominee Corporation 100.000000% |
| 60 | Towship 24 North, Range 9 West, NMPM Section 13 NW | 160.00 | 160.00 | | 0.5794% | BIA N0-G-1401-1835 Effective Date 01/27/2014 Expiration Date HBP | DJR Nominee Corporation 100.000000% | Heirs of Tospah-ALL (20.0%) | None | DJR Nominee Corporation 100.000000% |
| 61 | Towship 24 North, Range 8 West, NMPM Section 18 Lots 1 (40.28 NWNW), 2 (40.35 SWNW), E2NW | 160.63 | 160.63 | | 0.5817% | BIA N0-G-1402-1904 Effective Date 02/27/2014 Expiration Date HBP | DJR Nominee Corporation 100.000000% | Heirs of E-Neil-E-Wood-ALL (20.0%) | None | DJR Nominee Corporation 100.000000% |
| 62 | Towship 24 North, Range 8 West, NMPM Section 19 Lots 1 (40.51 NWNW), 2 (40.44 SWNW), E2NW | 160.95 | 160.95 | | 0.5829% | BIA N0-G-1402-1906 Effective Date 02/27/2014 Expiration Date HBP | DJR Nominee Corporation 100.000000% | Heirs of Ah Ke Did E Pah-ALL (20.0%) | None | DJR Nominee Corporation 100.000000% |
| 63 | Towship 24 North, Range 9 West, NMPM Section 11 NW | 160.00 | 160.00 | | 0.5794% | BIA N0-G-1403-1909 Effective Date 03/11/2014 Expiration Date HBP | DJR Nominee Corporation 100.000000% | Heirs of Hos Te In II-ALL (20.0%) | None | DJR Nominee Corporation 100.000000% |
| 64 | Towship 24 North, Range 9 West, NMPM Section 13 NE | 160.00 | 160.00 | | 0.5794% | BIA N0-G-1403-1911 Effective Date 03/13/2014 Expiration Date HBP | DJR Nominee Corporation 100.000000% | Heirs of Sand De Owe-ALL (20.0%) | None | DJR Nominee Corporation 100.000000% |
| 65 | Towship 24 North, Range 8 West, NMPM Section 18 Lots 3 (NWSW 40.43), 4 (SWSW 40.50), E2SW | 160.93 | 160.93 | | 0.5828% | BIA N0-G-1403-1914 Effective Date 03/13/2014 Expiration Date HBP | DJR Nominee Corporation 100.000000% | Heirs of Es Ska Hi Yaz -ALL (20.0%) | None | DJR Nominee Corporation 100.000000% |
| 66 | Towship 24 North, Range 9 West, NMPM Section 24 NE | 160.00 | 160.00 | | 0.5794% | BIA N0-G-1403-1940 Effective Date 03/21/2014 Expiration Date HBP | DJR Nominee Corporation 100.000000% | Heirs of En Gin Nip Pah-ALL (20.0%) | None | DJR Nominee Corporation 100.000000% |
| 67 | Towship 24 North, Range 9 West, NMPM Section 11 SE | 160.00 | 160.00 | | 0.5794% | BIA N0-G-1403-1947 Effective Date 03/21/2014 Expiration Date HBP | DJR Nominee Corporation 100.000000% | Heirs of At-Schein-Pah-ALL (20.0%) | None | DJR Nominee Corporation 100.000000% |
| | | | | | | Richard P. Rodriguez Effective Date 4/1/2014 Expiration Date HBP | DJR Nominee Corporation 100.000000% | Richard P. Rodriguez (20.0%) | None | DJR Nominee Corporation 100.000000% |
| | | | | | | Orlando Rivera Effective Date 3/21/2014 Expiration Date | DJR Nominee Corporation 100.000000% | Orlando Rivera (20.0%) | None | DJR Nominee Corporation 100.000000% |

| Unit Tract No. | Description of Land | Total Lease Acres | Number of Committed Acres | Number of Uncommitted Acres | Unit Percent of Tract Participation | Serial Number / Lessor and Expiration Date of Lease | Lessee of Record and Percentage | Basic Royalty and Percentage | Overriding Royalty and Percentage | Working Interest and Percentage |
|-------------------------------------|--|-------------------|---|-----------------------------|-------------------------------------|--|--|---|-----------------------------------|--|
| | | | | | | HBP | | | | |
| 68 | Towhship 24 North, Range 9 West, NMPM Section 14 NE | 160.00 | 160.00 | | 0.5794% | BIA N0-G-1403-1952 Effective Date 03/25/2014 Expiration Date HBP | DJR Nominee Corporation 100.000000% | Heirs of Hos-Ka-Yah-El -Le-Gose-ALL (20.0%) None | | DJR Nominee Corporation 100.000000% |
| | | | | | | Richard P. Rodriguez Effective Date 04/01/2014 Expiration Date HBP | DJR Nominee Corporation 100.000000% | Richard P. Rodriguez (20.0%) None | | DJR Nominee Corporation 100.000000% |
| | | | | | | Orlando Rivera Effective Date 3/21/2014 Expiration Date HBP | DJR Nominee Corporation 100.000000% | Orlando Rivera (20.0%) None | | DJR Nominee Corporation 100.000000% |
| 69 | Towhship 24 North, Range 9 West, NMPM Section 13 SE | 160.00 | 160.00 | | 0.5794% | BIA N0-G-1404-1969 Effective Date 04/23/2014 Expiration Date HBP | DJR Nominee Corporation 100.000000% | Heirs of No Nole-ALL (20.0%) None | | DJR Nominee Corporation 100.000000% |
| 18 Allotted Tracts totalling | | 2,882.55 | acres or 10.4393% of the Unit Area | | | | | | | |

| Total Unit Acres | | |
|-------------------------|------------------|----------------|
| Federal | 22,209.90 | 80.4341% |
| State | 2,280.00 | 8.2571% |
| Patented | 240.08 | 0.8695% |
| Navajo Allotted | 2,882.55 | 10.4393% |
| Total Unit Acres | 27,612.53 | 100.00% |

#

Geologic Memorandum
Proposed White Crow Unit
San Juan County, New Mexico

Introduction and Location

The White Crow Unit, located in the southern San Juan Basin of northern New Mexico, will be a new unit encompassing the existing and adjacent Blanco Wash and Crow Canyon Units plus newly acquired additional leases in 25N 9W sections 27 and 28. These existing undivided-type units are both operated by DJR Operating, LLC ("DJR"), a wholly owned subsidiary of Enduring Resources San Juan, LLC.

The objective and rationale for BLM exploratory units is to maximize the economic recovery of oil and gas from the reservoir, and prevent waste of resource in place, without giving regard to internal property boundaries. However, given the contiguous nature of the existing Blanco Wash and Crow Canyon Units, administrative boundaries have been created, which prevent DJR from developing the unitized lands in the most cost-effective manner.

To better align the unitization objectives of the BLM and to benefit all oil and gas interest owners, DJR is proposing the White Crow Unit, which will result in more efficient resource development by allowing for the drilling of longer laterals from fewer surface locations. The two existing units will continue to be operated by DJR, and will be "frozen" in time, with no new wells added to the unit-wide Participating Areas. DJR will operate the consolidated White Crow Unit.

The proposed unit includes the following lands in San Juan County, NM, containing 27,612.53 acres, more or less:

Township 25 North, Range 8 West, N.M.P.M.

- Section 25: Lots 1-8, S/2 (All)
- Section 26: All
- Section 27: All
- Section 28: All
- Section 32: NW/4, S/2NE/4, N/2S/2, S/2SE/4
- Section 33: All
- Section 34: All
- Section 35: All
- Section 36: N/2, SE/4, SE/4SW/4

Township 24 North, Range 8 West, N.M.P.M.

- Section 3: Lots 1-4, S/2N/2, S/2 (All)
- Section 4: Lots 5-12, S/2 (All)
- Section 5: Lots 1-4, S/2N/2, S/2 (All)
- Section 6: Lots 1-7, S/2NE/4, SE/4NW/4, E/2SW/4, SE/4 (All)
- Section 7: Lots 1-4, E/2W/2, E/2 (All)
- Section 8: All
- Section 9: All

Section 10: All
Section 15: N/2
Section 16: All
Section 17: All
Section 18: Lots 1-4, E/2W/2, E/2 (All)
Section 19: Lots 1-4, E/2W/2, E/2 (All)
Section 20: All
Section 21: All
Section 27: S/2
Section 28: All
Section 29: All
Section 30: Lots 1-4, E/2W/2, E/2 (All)
Section 34: NE/4

Township 24 North, Range 9 West, N.M.P.M.

Section 1: Lots 1-4, S/2N/2, S/2 (All)
Section 2: Lots 1-2, S/2NE/4, SE/4
Section 4: Lots 3-4, S/2NW/4, SW/4
Section 5: Lots 1-4, S/2N/2, S/2 (All)
Section 8: All
Section 9: All
Section 10: All
Section 11: All
Section 12: All
Section 13: All
Section 14: All
Section 15: All
Section 16: All
Section 17: All
Section 20: All
Section 21: N/2
Section 22: N/2
Section 23: N/2
Section 24: All.

Geology

The Mancos Formation is a regionally extensive marine shale composed of numerous laterally continuous regressive clastic pulses that can be mapped across much of the San Juan Basin. Stratigraphically, the Mancos Shale extends from the base of the Point Lookout Sandstone down to the base of the Graneros Shale (top of the Two Wells Tongue of the Dakota Sandstone).

Depositional environments within the Mancos range from upper and lower shoreface sands, distal deltaic and interdeltic deposits, to open-marine shales and carbonate-rich marls, reflecting multiple progradational and transgressive cycles during Late Cretaceous time.

DJR's objective for horizontal development in the White Crow Unit is the same Gallup Sandstone interval of the Mancos Shale that has been targeted by existing horizontal wells in and around the unit. The Gallup sandstone interval is a package of bioturbated upper and lower shoreface sandstones, siltstones, sandy siltstones, and mudstones that comprise the lower portion of the Mancos Formation above a Niobrara-age unconformity.

The Geology of the Gallup Sandstone interval does not meaningfully change across the unit area. This is evident through regional mapping of well logs from vertical wells that have been drilled within and surrounding the unit area.

The Gallup Sandstones grade upward into more distal marine parasequences commonly referred to as the El Vado interval, which is characterized by higher calcite concentrations and finer-grained sandstones than the Gallup. Overlying the El Vado is the Mancos Silt interval, which, like the Gallup, is a siliciclastic sequence but contains finer-grained sediments. Both the El Vado and Mancos Silt intervals have demonstrated productive potential within the broader Mancos Oil Window development area and may be evaluated by DJR in future drilling programs. However, these intervals will not be targeted by the initial unit obligation wells as they do not contain the most favorable porosity within the proposed project area.

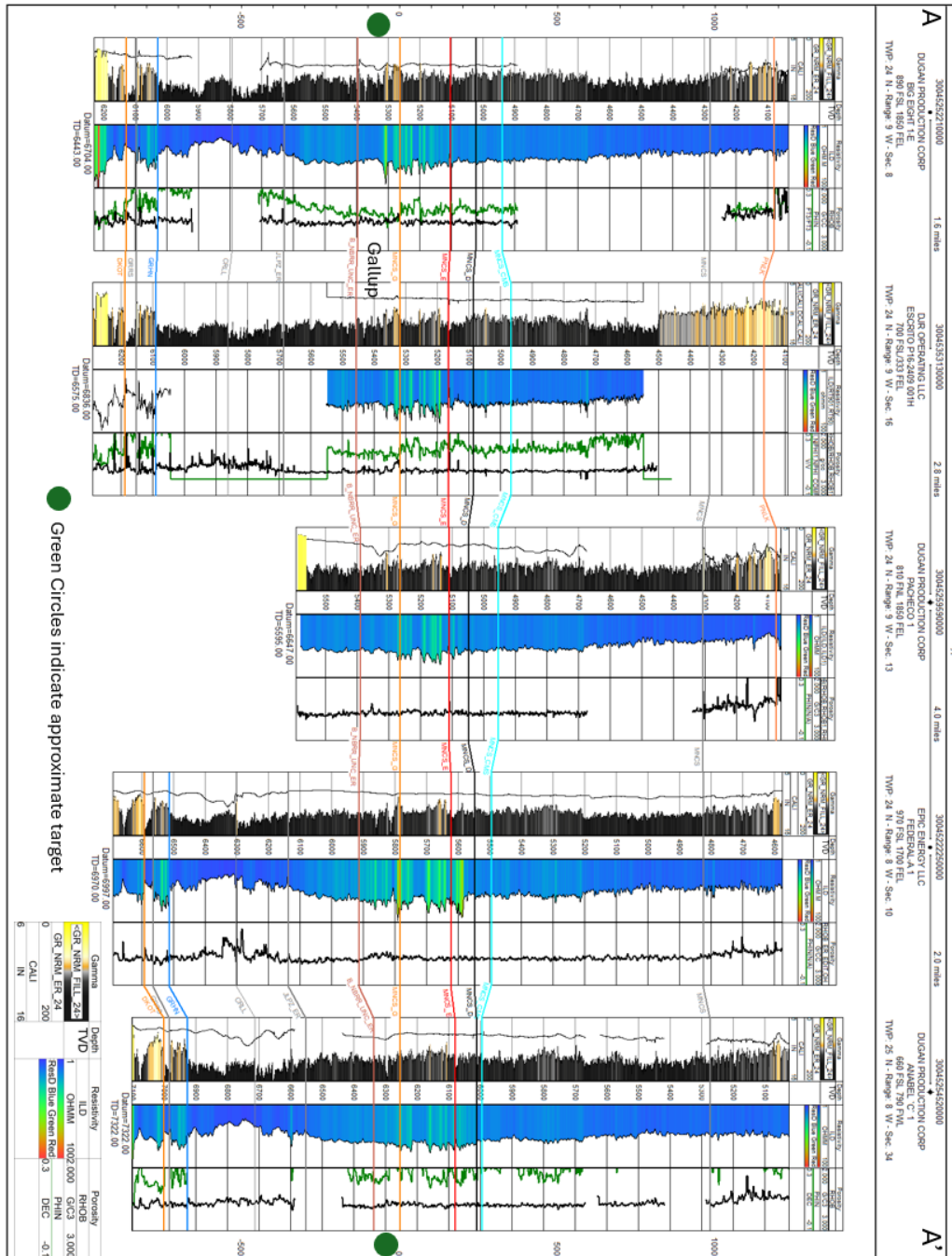


Figure 1. West to East Cross section from A-A' showing the continuity of the Gallup target interval from wells across the White Crow Unit. Individual sands are not always continuous from well-to-well as is expected from this lower shoreface and deltaic depositional environment but the overall package is highly correlative across the unit. In the left track of the log template for this cross-section is a Gamma Ray log scaled from 0 to 200 API units showing variability in lithology from sands with low API reading to shales with high radioactivity. Next is a Deep Resistivity curve scaled from 1 to 100 Ohm-meters. As hydrocarbon saturation of pores increases and water saturation decreases, the formation resistivity increases. The next column right shows both Bulk Density (RHOB) and Neutron Porosity both used for interpreting the porosity of the rock.

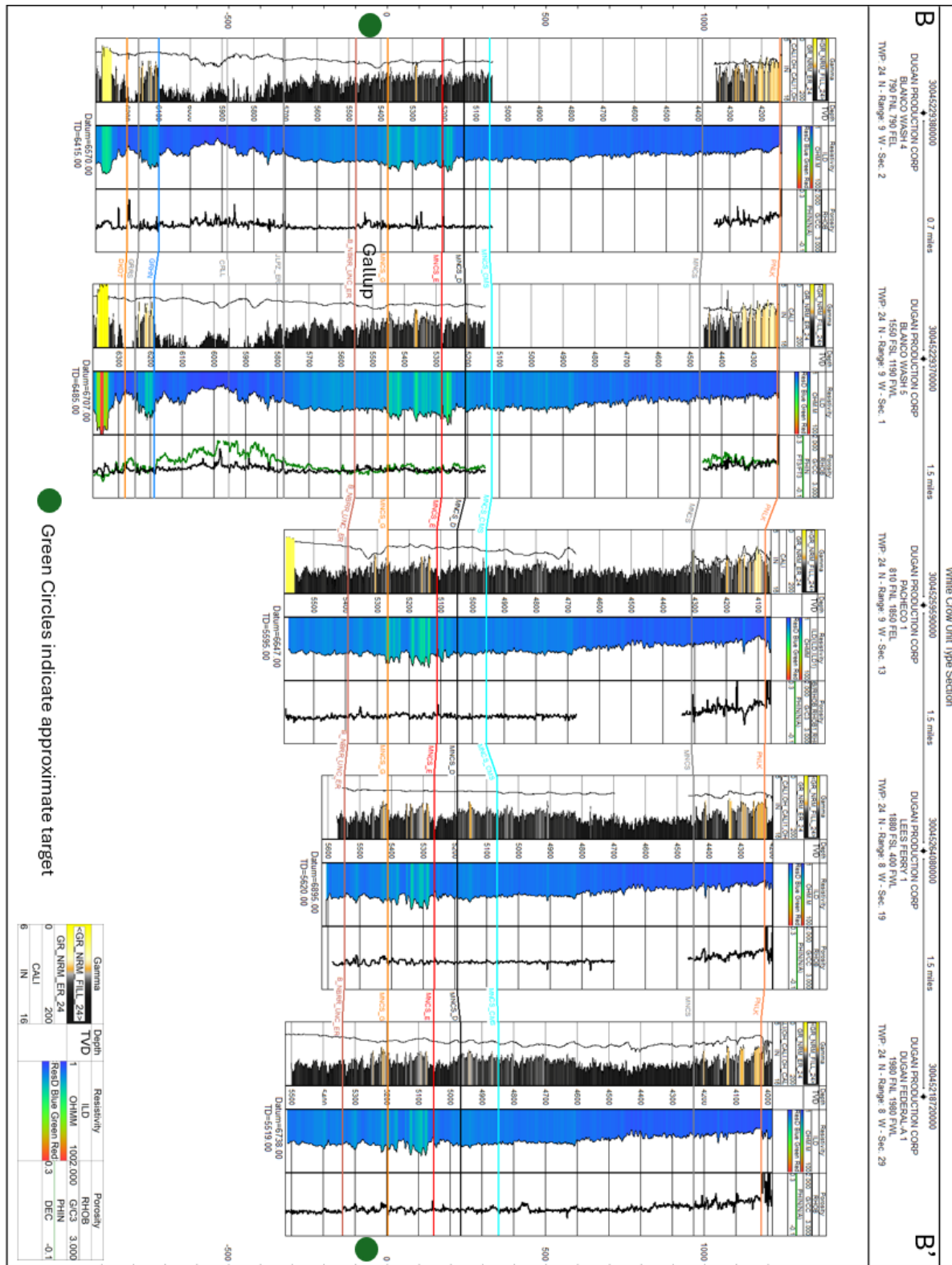


Figure 2. North to South Cross section from B-B'. Again, individual sands vary in thickness and may not be contiguous from well to well but the overall package of sand is highly correlative and shows similar reservoir properties of porosity and resistivity.

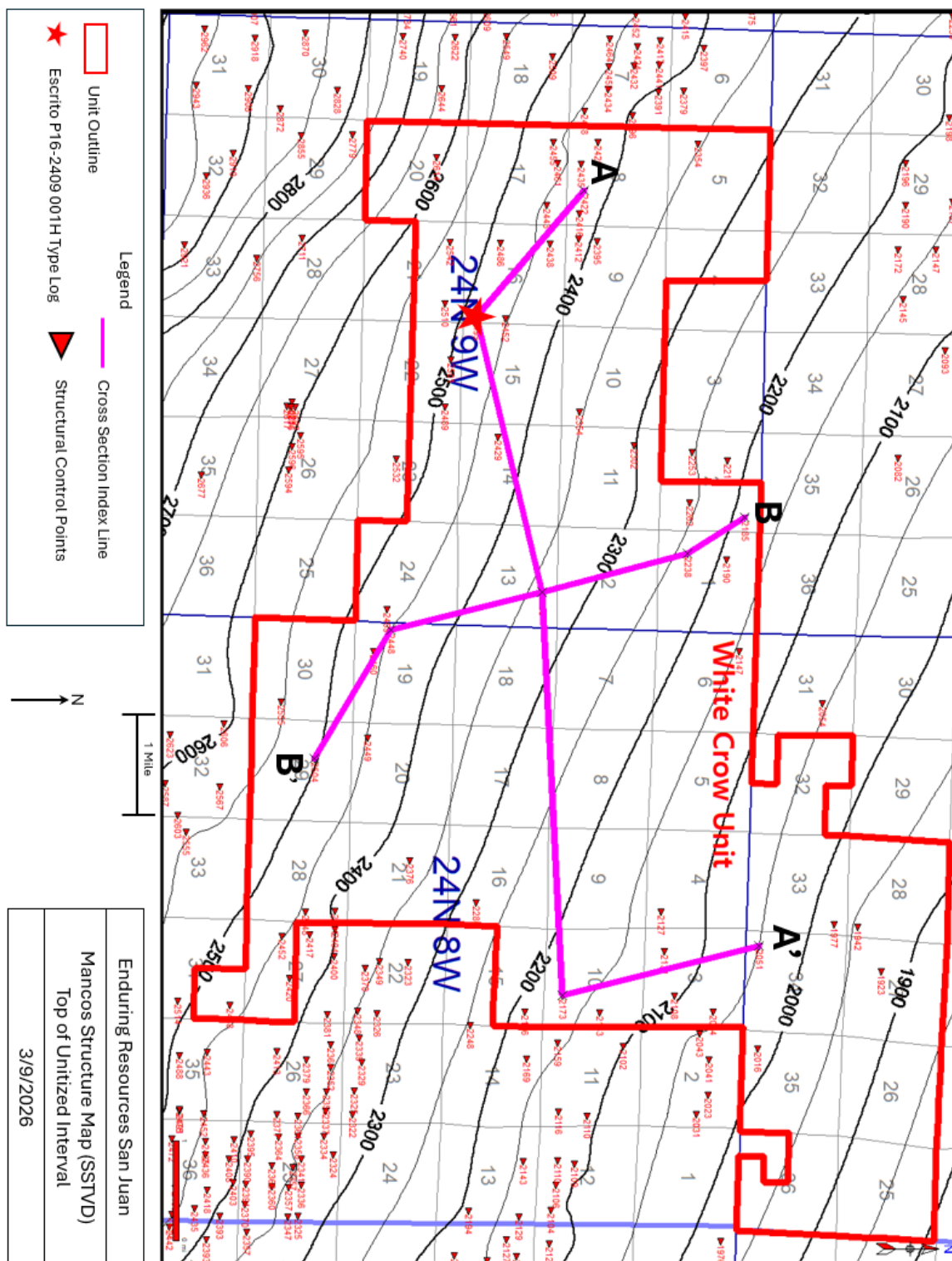


Figure 3. Structure map for the Mancos Formation top and top of the unit interval with 50-foot contour intervals measured relative to sea level (SSTVD). The cross-section lines from figures 1 & 2 are shown in pink as well as the location of the Escrito P16-2409 001H Type Well. The structure map shows that the Mancos formation is dipping down and into the basin to the NE at roughly 100'/mile.

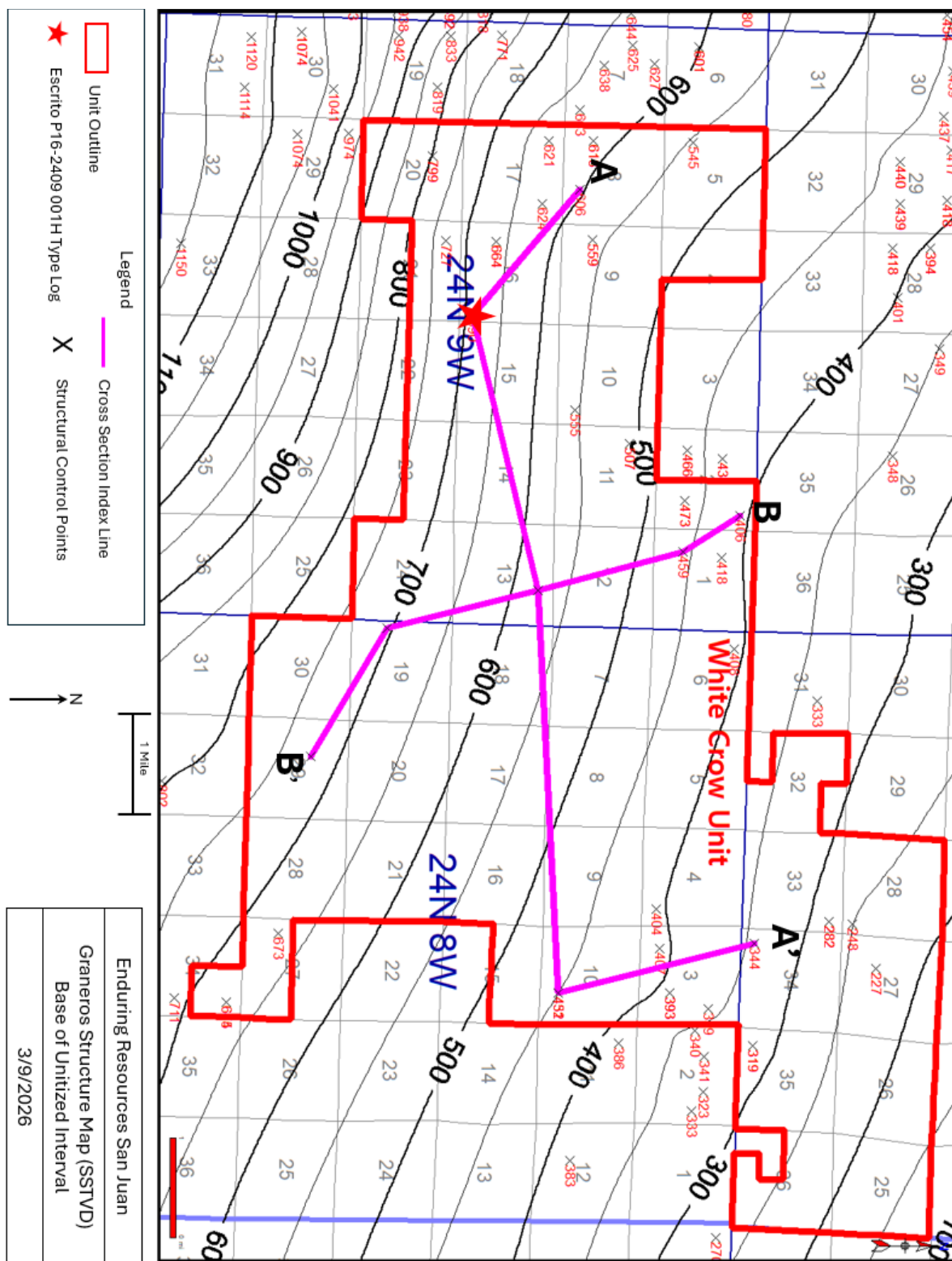


Figure 4. Structure map of the Graneros Shale formation and base of the Unit Interval with a 50-foot contour interval measured relative to sea level (SSTVD).

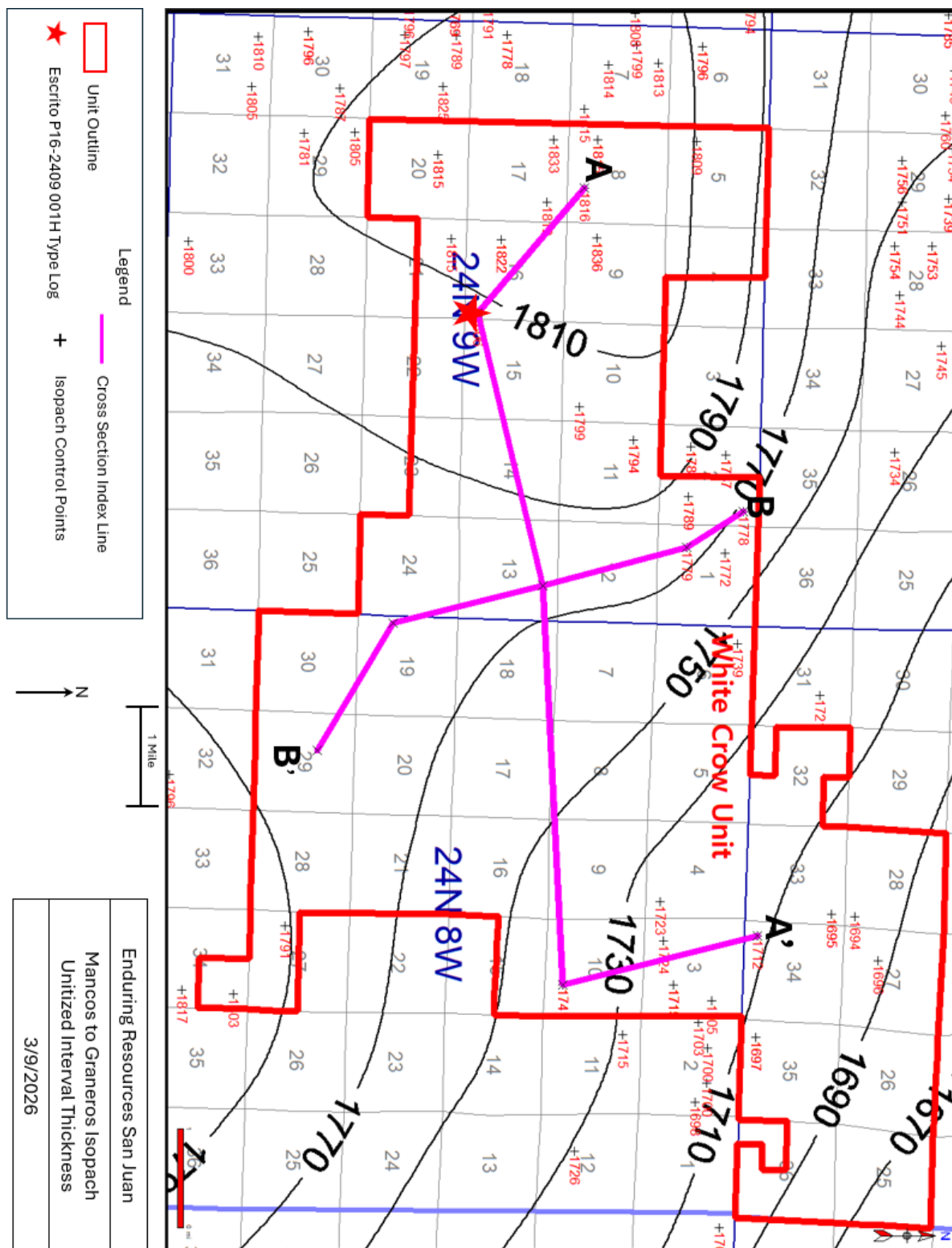


Figure 5. Isopach thickness map of the unitized interval from the top of the Mancos Formation to the Top of the Graneros Shale with 20' contour lines.

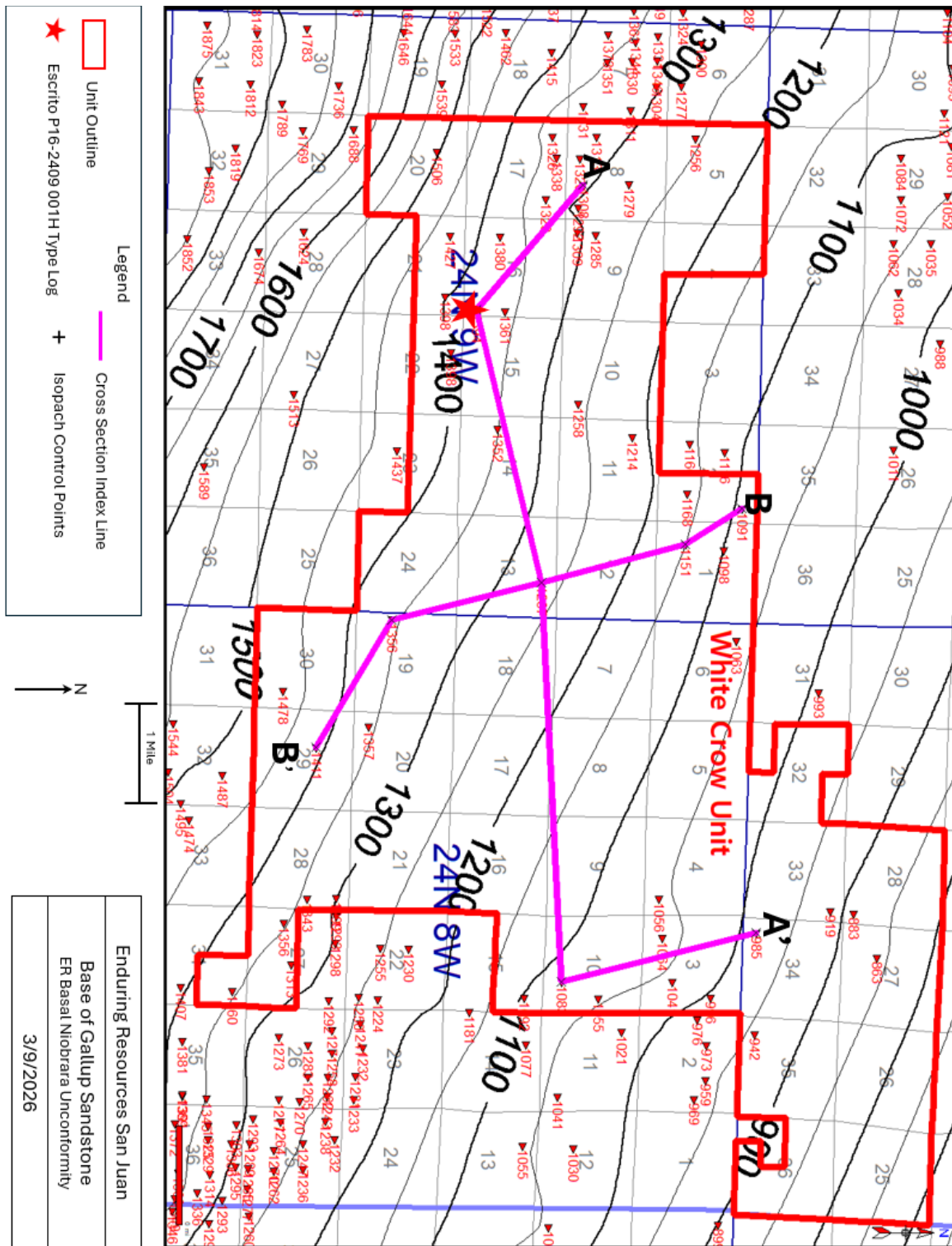


Figure 7. Structure map on the Basal Niobrara Unconformity, as interpreted by DJR, which is the stratigraphic surface which represents that base of the Gallup target interval for DJR' s horizontal development in the unit.

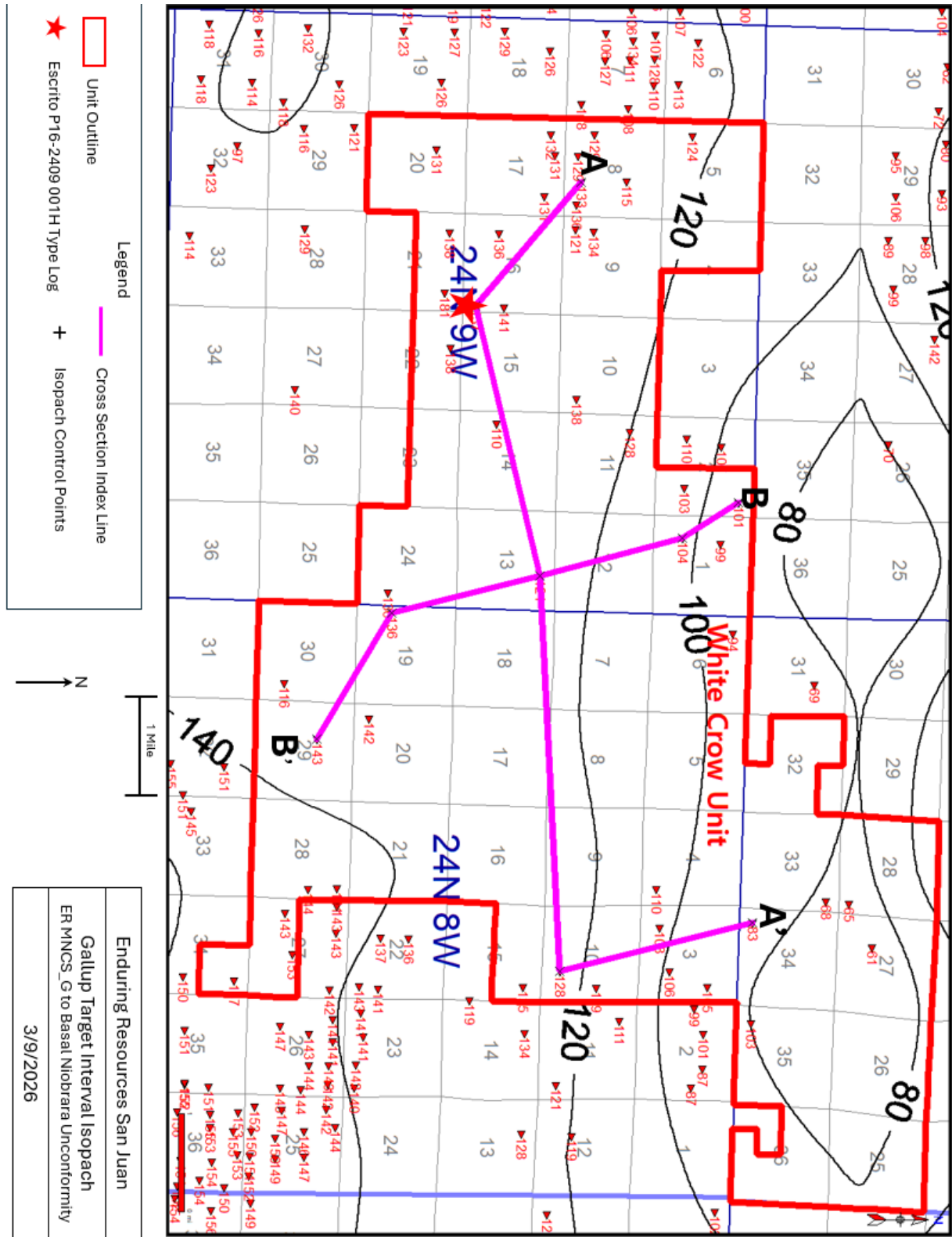


Figure 8. Isopach thickness map of the Gallup Sandstone horizontal target interval which extends from DJR's MNCS_G top to our Basal Niobrara Unconformity top.

Unit Boundary

The boundaries of the existing Blanco Wash and Crow Canyon Units were defined based on several criteria including reservoir net-pay thickness, gas-to-oil ratio trends, maximum horizontal stress orientation, and boundaries of existing federal units. While regionally individual sandstones exhibit pinch-outs downdip of these units, well control shows that the Gallup Sandstone reservoir target is regionally continuous across the proposed White Crow Unit. Due to the continuous nature of the Gallup reservoir across the existing Crow Canyon and Blanco Wash Units, the best way to develop the resource will be to drill wells across the former unit boundaries.

DJR has applied for the White Crow Unit to overlay the Crow Canyon and Blanco Wash Units for several reasons:

1. DJR was able to add two contiguous federal leases that would otherwise be stranded from horizontal Mancos development. Although the Crow Canyon Unit could have been expanded to include these leases, the time and paperwork involved would be the same as the new unit.
2. DJR is planning 10 laterals from three separate pads crossing the current boundary between the units; the most efficient development pattern is to drill the entire White Crow Unit area with 3 – 4-mile-long laterals. DJR has 7 long laterals on the drilling schedule for 2Q 2026, which will be the Initial Obligation Wells.
3. The NM State Land Office has agreed to participate in the White Crow Unit.
4. DJR has an agreement with FIMO to enter into an Allottee CA so that all Allottees in the White Crow Unit will participate in the revenues from all wells crossing any Allottee lease. The White Crow Unit was presented to the Allottees at the October 2024 Nageezi Chapter House meeting and the plan was well received. The Initial Obligation Wells will include 10 Allottee leases in the drilling and spacing units and proposed Participating Area “A”.

Unitized Interval

The stratigraphic definition of the Unit Interval for the proposed White Crow Unit will be the same as the original unitized interval for both the Blanco Wash and Crow Canyon Units, which is defined as the interval from 100 feet below the stratigraphic equivalent of the top of the Mancos Shale (base of Mesa Verde Group) to the stratigraphic equivalent of the base of the Greenhorn Limestone (top of the Graneros Shale) in their respective type wells. The type well for the Crow Canyon Unit was Anabel-C #1 (API # 30045254520000) in Section 34 of Township 25 N, Range 8 W. The type well for both the Blanco Wash Unit and the proposed White Crow Unit is the Escrito P16-2409 001H well (API #3004535313) in Section 16 of Township 24 N, Range 9 W. Relevant formation tops from these wells are in the table below.

Table 1. Formation Tops

| | Anabel-C #1 | | Escrito P16-2409 001H | |
|---------------------|-------------|-------|-----------------------|-------|
| | MD | SSTVD | MD | SSTVD |
| Mancos Shale | 5135 | 2187 | 4341 | 2495 |
| Greenhorn Limestone | 6927 | 395 | 6092 | 744 |
| Graneros Shale | 6979 | 343 | 6153 | 683 |

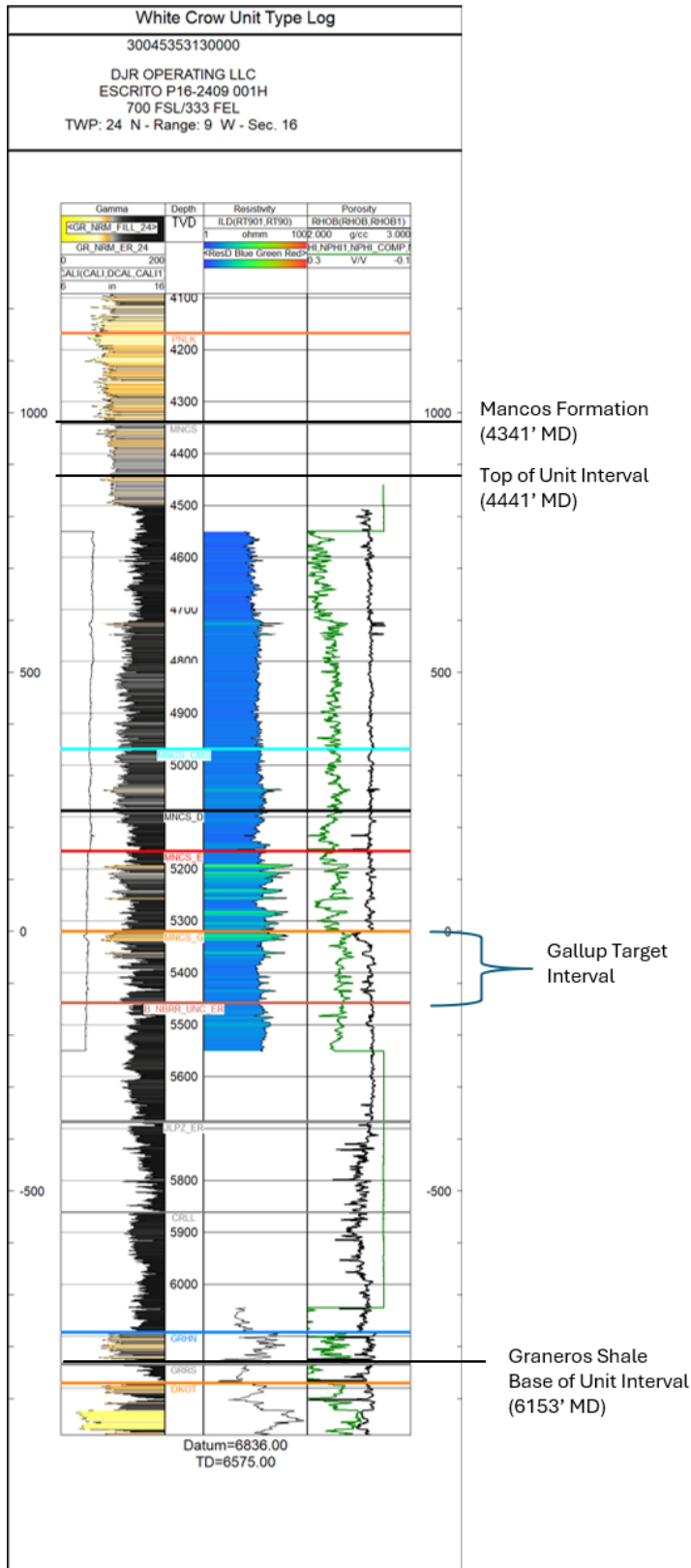


Figure 6. Type Well for the unit (Exhibit "C" to the Unit Agreement): Escrito P16-2409 001H well (API #3004535313) in Section 16 of Township 24 N, Range 9 W.

The Type Well for the unit, shown above, is the DJR Operating Escrito P16-2409 001H Pilot well (API #3004535313). It is located within the prosed White Crow Unit boundary in Section 16 of Township 24 N, Range 9 W. Elevated resistivity can be seen from 4700'-5550' MD and corresponds to the intervals of sand deposition within the Mancos Formation. The initial target for horizontal development is the porosity developed in the Gallup interval from ~5320-5460' TVD. We expect future wells drilled in this unit, including the unit obligation wells, to encounter rock like what was seen in well logs from this type well.

Development Plan

The full development plan for the White Crow Unit will have 64 horizontal wells targeting the Gallup interval and spaced roughly 1,200 feet apart. The average lateral length of these wells will be 11,800 feet. These wells will be developed from 14 pads which locations will be picked to optimally utilize existing infrastructure while minimizing surface disturbances. New oil, water and gas pipelines will be built to connect the new pads to Enduring Resources San Juan, LLC's existing gathering system. The goal of this development plan is to fully develop the Gallup interval from as few pads as possible to minimize surface disturbance and maximize hydrocarbon recovery.

Obligation Wells

Following are the obligation wells planned for the Unit:

| Well Status | API Number | Well Name | Well Location Pad Name | Formation | Planned Spud Date |
|-------------|--------------|----------------------|------------------------|-----------|-------------------|
| PERMIT | 30-045-38253 | WHITE CROW UNIT 115H | WCU C20 2408 | Gallup | 5/25/2026 |
| PERMIT | 30-045-38254 | WHITE CROW UNIT 117H | WCU C20 2408 | Gallup | 6/4/2026 |
| PERMIT | 30-045-38255 | WHITE CROW UNIT 118H | WCU C20 2408 | Gallup | 6/15/2026 |
| PERMIT | 30-045-38285 | WHITE CROW UNIT 105H | WCU C20 2408 | Gallup | 6/26/2026 |
| PERMIT | 30-045-38286 | WHITE CROW UNIT 106H | WCU C20 2408 | Gallup | 7/7/2026 |
| PERMIT | 30-045-38287 | WHITE CROW UNIT 108H | WCU C20 2408 | Gallup | 7/19/2026 |
| PERMIT | 30-045-38452 | WHITE CROW UNIT 114H | WCU C20 2408 | Gallup | 7/31/2026 |
| PERMIT | 30-045-38459 | WHITE CROW UNIT 130H | WCU L16 2408 | Gallup | 1/18/2027 |
| PERMIT | 30-045-38460 | WHITE CROW UNIT 131H | WCU L16 2408 | Gallup | 1/24/2027 |
| PERMIT | 30-045-38461 | WHITE CROW UNIT 134H | WCU L16 2408 | Gallup | 1/29/2027 |
| PERMIT | 30-045-38462 | WHITE CROW UNIT 135H | WCU L16 2408 | Gallup | 2/4/2027 |

These 11 Initial Obligation Wells will be drilled from the White Crow Unit C20 and L16 Pads in 24N 8W. Their Bottom Hole locations will be along the unit boundaries resulting in lateral lengths ranging from 11,000 to 20,000 feet. They will be spaced roughly 1200 FT apart and be drilled in the Gallup sandstone interval which is at a vertical depth (TVD) of approximately 5,400 feet. The obligation wells will have Gamma Ray LWD logs (Logging While Drilling) to support geosteering the laterals in the target zone. The obligation well pads are near the existing infrastructure for oil, water and gas takeaway. New infrastructure will be added to the existing infrastructure to leverage existing operating systems. Where needed, lines will be upgraded to reduce any pinch points within the existing system. The existing infrastructure is operated by a third party; discussions will occur between producers and pipeline operator to ensure pipeline capacities are not exceeded.

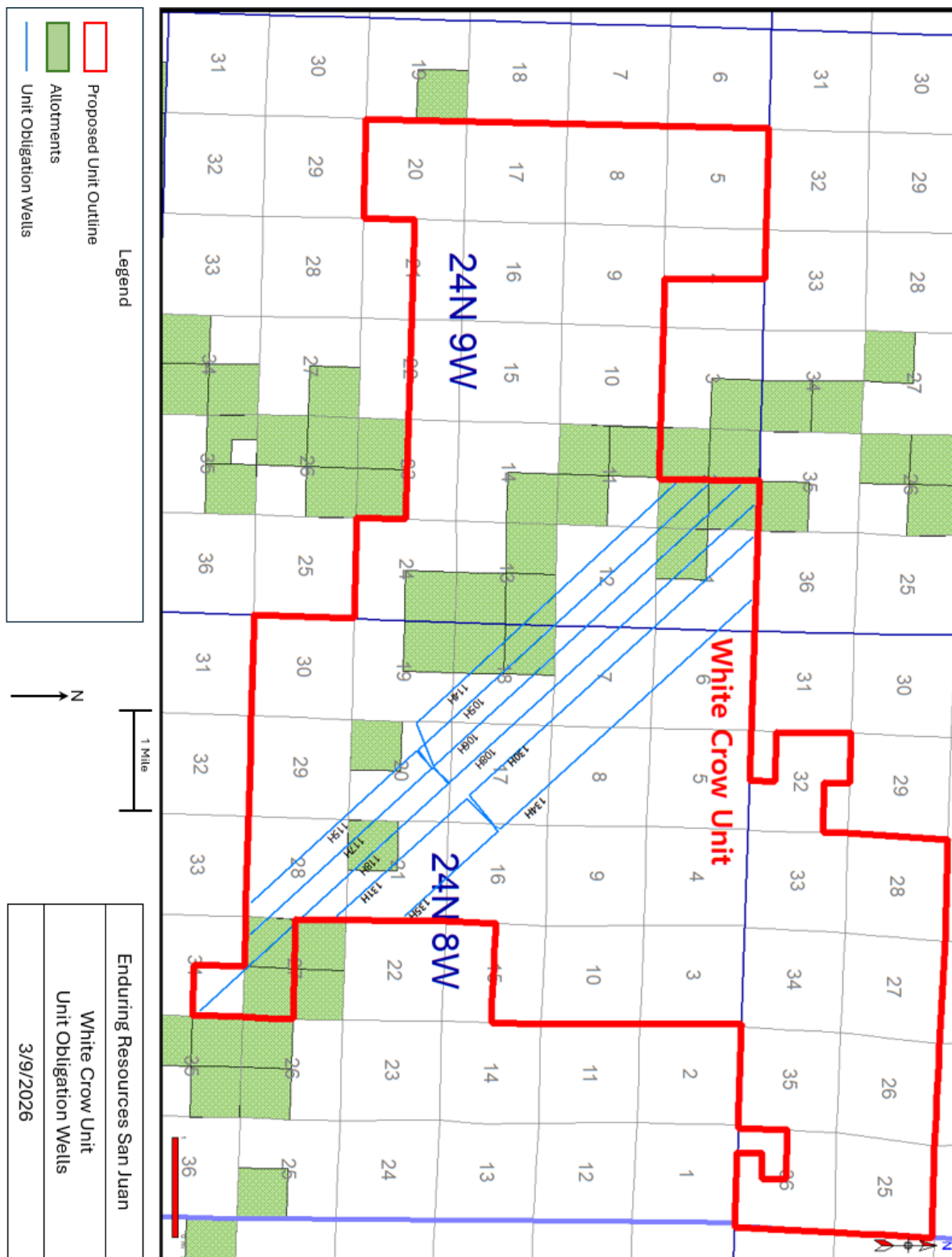


Figure 6. Location of Unit Obligation Wells for the White Crow Unit.

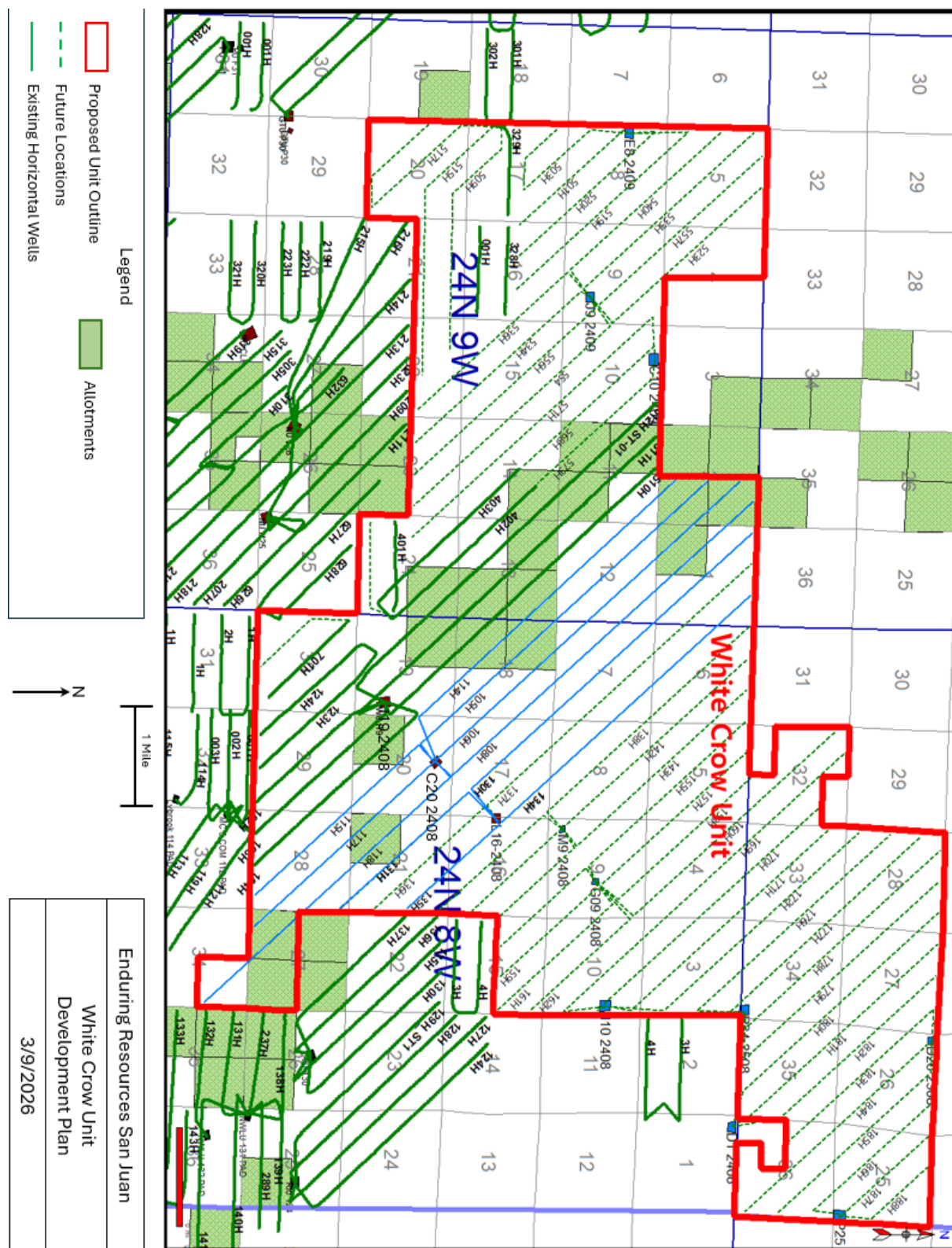


Figure 7. Development Plan showing location future Gallup horizontal wells for the White Crow Unit with Unit Obligation wells highlighted in blue. Existing Gallup horizontals are also displayed to illustrate how the future development fills in around existing wells to fully develop the unit.

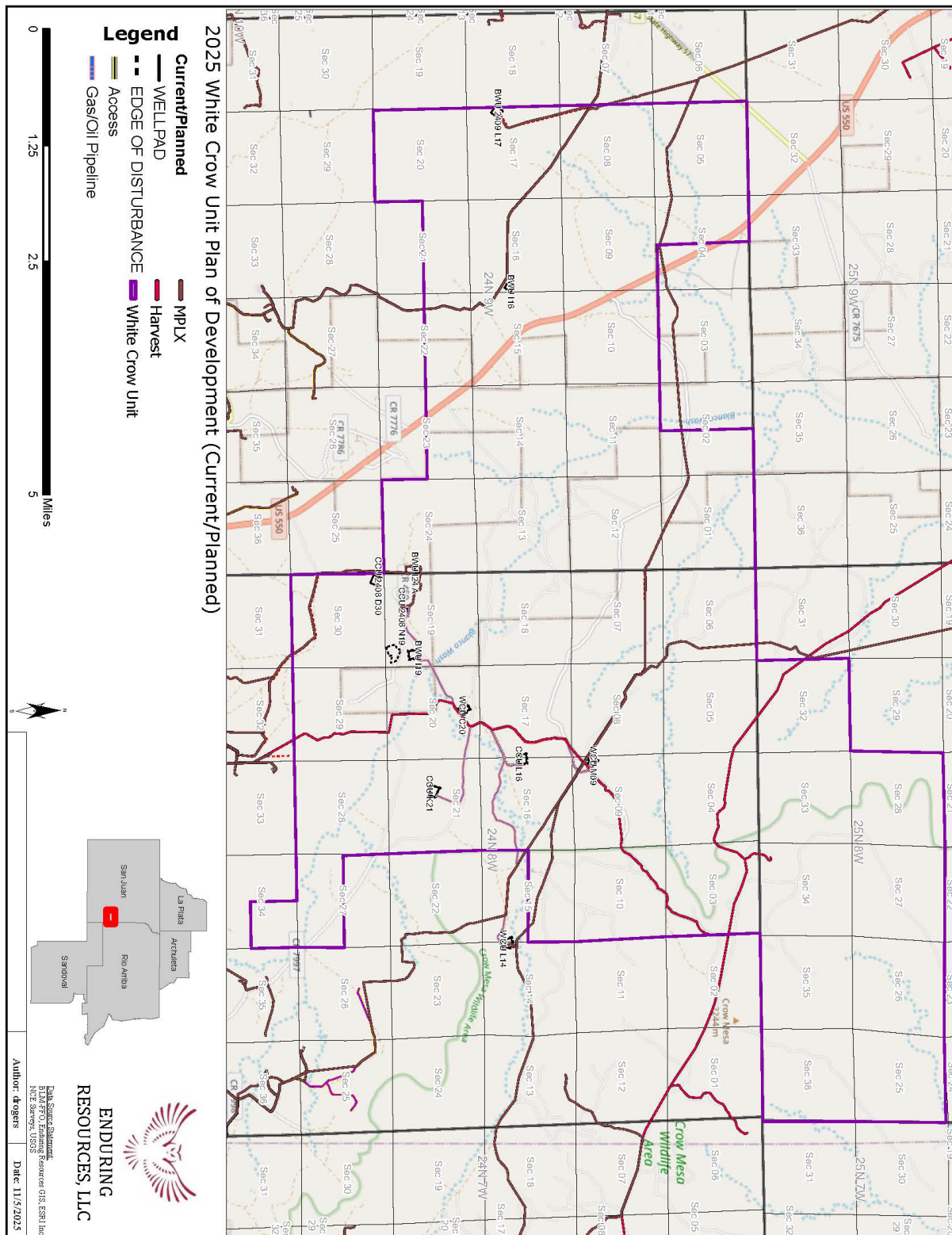


Figure 8. Current pad and pipeline facilities plus and near-term surveyed facilities in Blanco Wash and Crow Canyon Units.

Timeline of Well Development and New Infrastructure

| 2025 | | | | | | | | | | | | |
|------------|---|---------------------------------------|-------|--|-----|------|------|--------|---------------------------|-----------------------------|---------------------------------------|------------------------------------|
| | January | February | March | April | May | June | July | August | September | October | November | December |
| Regulatory | | | | | | | | | | | | Submit final unit agreement |
| Facilities | | | | | | | | | | | Build C 20 Pipeline | |
| D&C | | | | | | | | | | | | |
| 2026 | | | | | | | | | | | | |
| | January | February | March | April | May | June | July | August | September | October | November | December |
| Regulatory | File Unit Agreement with NMCCD | Sundry APDs for WCU C20-2408 wells | | | | | | | | | | Sundry APDs for WCU L16-2408 wells |
| Facilities | Build C20-2408 Road and Pad | Build C20-2408 CTB and pad facilities | | | | | | | Build L16-2408 pipeline | Build L16-2408 road and pad | Build L16-2408 CTB and pad facilities | |
| D&C | | | | Drill and complete White Crow Unit obligation wells on the C20-2408 Pad; wCU 105H, 106H, 108H, 114H, 115H, 117H, 118H) | | | | | | | | |
| 2027 | | | | | | | | | | | | |
| | January | February | March | April | May | June | July | August | September | October | November | December |
| Regulatory | Submit APD applications for G09-2408 wells | | | | | | | | | | | |
| Facilities | | | | | | | | | Build G09-2408 pipeline | Build G09-2408 road and pad | Build G09-2408 CTB and pad facilities | |
| D&C | Drill and complete WCU L16-2408 pad wells; WCU 130H, 131H, 134H, 135H, 136H, 137H | | | | | | | | | | | |
| 2028 | | | | | | | | | | | | |
| | January | February | March | April | May | June | July | August | September | October | November | December |
| Regulatory | Submit APD applications for A10-2408 wells | | | | | | | | | | | |
| Facilities | | | | | | | | | Build A10-2408 pipeline | Build A10-2408 road and pad | Build A10-2408 CTB and pad facilities | |
| D&C | Drill and complete WCU G09-2408 pad wells; WCU 155H, 156H, 157H, 158H, 159H, 160H, 161H, 162H | | | | | | | | | | | |
| 2029 | | | | | | | | | | | | |
| | January | February | March | April | May | June | July | August | September | October | November | December |
| Regulatory | Submit APD Application for next pad | | | | | | | | | | | |
| Facilities | | | | | | | | | Build next pad's pipeline | Build next road and pad | Build next CTB and pad facilities | |
| D&C | Drill and complete White Crow Unit A10 2408 Pad; WCU 169H, 170H, 171H, 172H | | | | | | | | | | | |

Existing Wells

A total of 157 wells has been drilled within the White Crow Unit boundary to date of which 48 are still in operation. Vertical well development of the Mancos Group within the proposed White Crow Unit area began in the late 1950s with wells targeting the Gallup Sands drilled by Gulf Oil, Standard Oil, and others. Dugan Production Corporation became active in the early 1980s drilling wells that were produced from both the Gallup and Dakota sandstones. Starting in 2012, Encana O&G began horizontal drilling in the Gallup in this area. DJR Operating bought the Encana assets at the end of 2018. Currently 7 horizontal Gallup wells have been drilled in the area, 6 within the Blanco Wash Unit outline and 3 in the Crow Canyon Unit area. These wells will remain in the original Participating Areas for allocation purposes. Only new wells drilled after the White Crow Unit is approved will be part of the new unit. Table 1 lists all the current producing wells. Table 2 is a list of existing horizontal wells within the Blanco Wash and Crow Canyon Unit Outlines.

Existing Blanco Wash Unit and Crow Canyon Unit Wells

| Well Status | API Number | Well Name | Well Location Pad Name | NMOCD Pool Name /Prod Zone |
|-------------|--------------|-----------------------|------------------------|----------------------------|
| POW | 30-045-35545 | BLANCO WASH UNIT 329H | BWU L17 2409 | GALLUP LOWER |
| POW | 30-045-35362 | BLANCO WASH UNIT 328H | BWU I16 2409 | GALLUP LOWER |
| POW | 30-045-35656 | BLANCO WASH UNIT 402H | BWU I24A 2409 | MANCOS |
| POW | 30-045-35658 | BLANCO WASH UNIT 403H | BWU I24A 2409 | MANCOS |
| TA | 30-045-35322 | BLANCO WASH UNIT 401H | BWU I24 2409 | GALLUP LOWER |
| PERMIT | 30-045-38221 | BLANCO WASH UNIT 510H | BWU I19 2408 | |
| PERMIT | 30-045-38222 | BLANCO WASH UNIT 511H | BWU I19 2408 | |
| PERMIT | 30-045-38224 | BLANCO WASH UNIT 512H | BWU I19 2408 | |

Table 1. Horizontal wells located in and governed by the terms of the Blanco Wash Unit.

| Well Status | API Number | Well Name | Well Location Pad Name | NMOCD Pool Name /Prod Zone |
|-------------|--------------|-----------------------|------------------------|----------------------------|
| POW | 30-045-35652 | CROW CANYON UNIT 123H | CCU N19 2408 | MANCOS |
| POW | 30-045-38178 | CROW CANYON UNIT 124H | CCU N19 2408 | MANCOS |
| POW | 30-045-35467 | CROW CANYON UNIT 701H | CCU D30 2408 | MANCOS |
| PERMIT | 30-045-38227 | CROW CANYON UNIT 102H | BWU I19 2408 | |
| PERMIT | 30-045-38228 | CROW CANYON UNIT 103H | BWU I19 2408 | |
| PERMIT | 30-045-38220 | CROW CANYON UNIT 104H | BWU I19 2408 | |

Table 2. Horizontal wells located in and governed by the terms of the Crow Canyon Unit

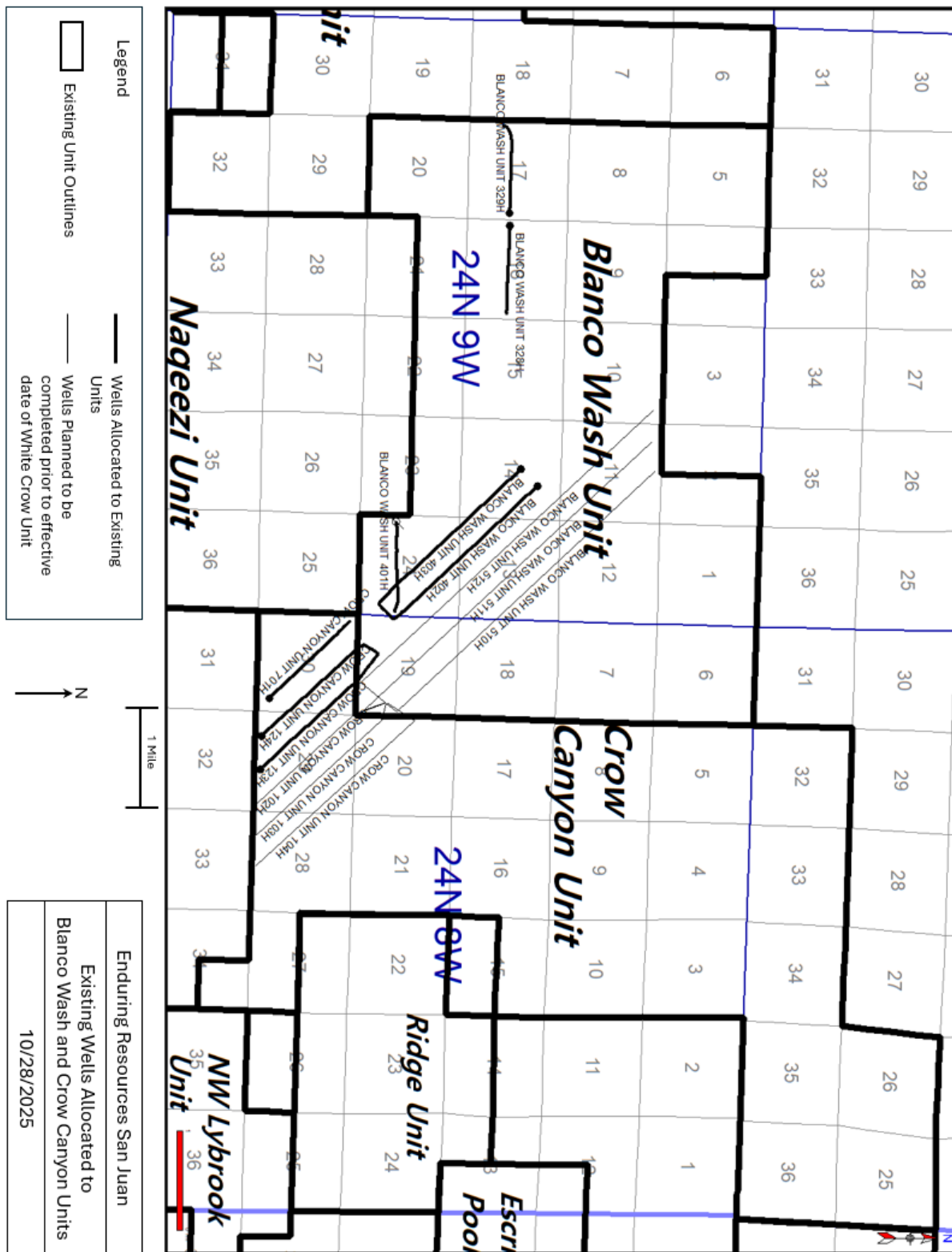


Figure 8. Map showing the current Blanco Wash Unit and Crow Canyon Unit boundaries with existing wells governed by the terms of those units. Well details are listed in tables 1 and 2.

| Vertical and Horizontal Producing Wells in White Crow Unit Outline-Not Allocated to Existing Units | | | | | | |
|--|-----------------------|---------------------|------|------------|--------|----------------------------|
| Well ID | Operator | Name | # | Spud date | Status | NMOCD Pool Name /Prod Zone |
| 30045219960000 | DUGAN PRODUCTION CORP | BIG EIGHT | 1 | 1/19/1976 | 2OIL | LOWER GALLUP |
| 30045219960000 | DUGAN PRODUCTION CORP | BIG EIGHT | 1 | 1/19/1976 | 2OIL | DAKOTA |
| 30045219960001 | DUGAN PRODUCTION CORP | BIG EIGHT | 1 | 6/19/1979 | OIL | GREENHORN |
| 30045222250000 | EPIC ENERGY LLC | FEDERAL-A | 1 | 10/30/1976 | OIL | GALLUP DAKOTA |
| 30045223070001 | DUGAN PRODUCTION CORP | OKIE | 1 | 4/3/1978 | GAS-WO | PICTURED CLIFFS |
| 30045223070002 | DUGAN PRODUCTION CORP | OKIE | 1 | 2/1/1994 | GAS-CB | FRUITLAND COAL |
| 30045244200000 | DUGAN PRODUCTION CORP | HARVEY | 2 | 5/30/1981 | GAS | LOWER GALLUP |
| 30045244200001 | DUGAN PRODUCTION CORP | HARVEY | 2 | 11/22/1996 | GAS-WO | DAKOTA |
| 30045249070000 | DUGAN PRODUCTION CORP | NAGEEZI FEDERAL-33 | 1 | 8/19/1981 | OIL | GALLUP DAKOTA |
| 30045249070001 | DUGAN PRODUCTION CORP | ANABEL | 1 | 4/3/1986 | OIL-WO | GALLUP DAKOTA |
| 30045250340000 | DUGAN PRODUCTION CORP | KAIBAB TRAIL | 1 | 6/17/1981 | OIL | GALLUP |
| 30045251640000 | DUGAN PRODUCTION CORP | LAVA FALLS | 1 | 10/14/1981 | OIL | GALLUP |
| 30045252080000 | LOGOS OPERATING LLC | SCARECROW | 1 | 11/24/1981 | OIL | GALLUP DAKOTA |
| 30045252210000 | DUGAN PRODUCTION CORP | BIG EIGHT | 1-E | 3/8/1982 | OIL | LOWER GALLUP |
| 30045254860000 | DUGAN PRODUCTION CORP | BOWERS | 1 | 11/10/1984 | GAS | PICTURED CLIFFS |
| 30045259190000 | DUGAN PRODUCTION CORP | MUDDY MUDDA | 1 | 4/27/1984 | OIL | LOWER GALLUP |
| 30045259190000 | DUGAN PRODUCTION CORP | MUDDY MUDDA | 1 | 4/27/1984 | OIL | DAKOTA |
| 30045263220000 | EPIC ENERGY LLC | SHOOFLY | 2 | 4/22/1985 | OIL | GALLUP DAKOTA |
| 30045265270000 | DUGAN PRODUCTION CORP | ANABEL B | 1 | 9/28/1985 | OIL | GALLUP DAKOTA |
| 30045265280000 | DUGAN PRODUCTION CORP | ANABEL A | 001 | 10/14/1985 | OIL | GALLUP DAKOTA |
| 30045265300000 | DUGAN PRODUCTION CORP | IVY LEAGUE | 1 | 11/3/1985 | OIL | LOWER GALLUP |
| 30045289960000 | DUGAN PRODUCTION CORP | SUPAI POINT | 1 | 10/21/1993 | GAS-CB | FRUITLAND COAL |
| 30045291590000 | DUGAN PRODUCTION CORP | MESA | 90 | 9/26/1994 | GAS-CB | FRUITLAND COAL |
| 30045291920000 | DUGAN PRODUCTION CORP | SAPP | 90 | 10/1/1994 | GAS-CB | FRUITLAND COAL |
| 30045292380000 | DUGAN PRODUCTION CORP | SAPP | 91 | 5/3/1995 | GAS-CB | FRUITLAND COAL |
| 30045292390000 | DUGAN PRODUCTION CORP | BUDDHA TEMPLE | 90 | 5/11/1995 | GAS-CB | FRUITLAND COAL |
| 30045292430000 | DUGAN PRODUCTION CORP | SAPP | 2 | 8/8/1995 | OIL | GALLUP |
| 30045293930000 | DUGAN PRODUCTION CORP | KAIBAB TRAIL | 90 | 8/6/1996 | GAS-CB | FRUITLAND COAL |
| 30045295490000 | DUGAN PRODUCTION CORP | MO VALLEY | 90 | 3/14/1998 | GAS-CB | FRUITLAND COAL |
| 30045296340000 | DUGAN PRODUCTION CORP | DOWD ELWOOD P COM | 90 | 1/22/2001 | GAS-CB | FRUITLAND COAL |
| 30045296500000 | DUGAN PRODUCTION CORP | CHASE MERRY COM | 90 | 9/14/1998 | GAS-CB | FRUITLAND COAL |
| 30045312100000 | DUGAN PRODUCTION CORP | MESA | 91 | 12/13/2002 | GAS-CB | FRUITLAND COAL |
| 30045313820000 | DUGAN PRODUCTION CORP | MESA | 90S | 3/17/2003 | GAS-CB | FRUITLAND COAL |
| 30045313830000 | DUGAN PRODUCTION CORP | MESA | 91S | 3/31/2003 | GAS-CB | FRUITLAND COAL |
| 30045314080000 | DUGAN PRODUCTION CORP | BOWERS | 91 | 5/27/2003 | GAS-CB | FRUITLAND COAL |
| 30045317230000 | DUGAN PRODUCTION CORP | BOWERS | 91-S | 10/6/2003 | GAS-CB | FRUITLAND COAL |
| 30045317240000 | DUGAN PRODUCTION CORP | SUPAI POINT | 92-S | 9/30/2003 | GAS-CB | FRUITLAND COAL |
| 30045317670000 | DUGAN PRODUCTION CORP | MUDDY MUDDY COM | 90 | 10/24/2003 | GAS-CB | FRUITLAND COAL |
| 30045320860000 | DUGAN PRODUCTION CORP | MESA SWD | 4 | 2/3/2004 | SWDOP | MESAVERDE |
| 30045322720000 | DUGAN PRODUCTION CORP | CHACO COM | 5 | 10/4/2004 | GAS-CB | PICTURED CLIFFS |
| 30045322730000 | DUGAN PRODUCTION CORP | CHACO | 90 | 10/11/2004 | GAS-CB | FRUITLAND COAL |
| 30045331730000 | DUGAN PRODUCTION CORP | LARGO FEDERAL B | 2 | 9/28/2005 | OIL | LOWER GALLUP |
| 30045331780000 | DUGAN PRODUCTION CORP | QUEEN NEFERTITI COM | 90 | 9/26/2005 | GAS-CB | FRUITLAND COAL |
| 30045339430000 | DUGAN PRODUCTION CORP | ARVISO | 1 | 11/16/2006 | GAS | PICTURED CLIFFS |
| 30045353130100 | DJR OPERATING LLC | ESCRITO P16-2409 | 001H | 3/27/2012 | OIL-WO | GALLUP LOWER |

Table 3. Vertical and Horizontal wells located within the White Crow Unit outline but not allocated to or governed by the terms of the Crow Canyon Unit or Blanco Wash Unit.

Geologic Summary

The White Crow Unit will be a new unit encompassing the existing Crow Canyon and Blanco Wash Units to allow for more efficient development of the resource with fewer wells and pads. The objective is to maximize oil and gas recovery from the Mancos Formation while minimizing surface disturbance and administrative inefficiencies caused by current unit boundaries.

The Mancos Formation, a widespread Late Cretaceous marine shale, is composed of alternating sandstones, siltstones, and shales deposited in deltaic to open-marine environments. Within this formation, the Gallup Sandstone interval—a shoreface and nearshore sandstone package above a Niobrara unconformity—will be the target for horizontal drilling. The Gallup interval shows consistent thickness and reservoir properties across the proposed unit, making it suitable for long-lateral development.

DJR has secured participation from both the New Mexico State Land Office and FIMO Allottees, ensuring equitable revenue sharing among tribal lessors. The plan received community support at the October 2024 Nageezi Chapter House meeting.

The unitized interval remains identical to that of the existing Blanco Wash and Crow Canyon units, extending from 100 feet below the top of the Mancos Shale (base of Mesa Verde Group) to the base of the Greenhorn Limestone (top of the Graneros Shale).

The development plan includes 64 horizontal wells spaced roughly 1,200 feet apart, averaging 11,800-foot laterals, to be drilled from 14 pads that leverage existing infrastructure. Eleven obligation wells are scheduled for 2026 and 2027 from the White Crow C20 and L16 Pads targeting the Gallup Sandstone at ~5,400 TVD. Existing third-party midstream infrastructure will be expanded where needed to handle added volumes.

Overall, forming the White Crow Unit enables longer laterals, fewer pads, and reduced surface impact. It eliminates redundant development, improves recovery efficiency, and fulfills BLM's resource conservation and economic optimization goals across this portion of the Mancos Oil Window.

Attachment “4”

AMENDMENT OF UNIT AGREEMENT
CROW CANYON UNIT AREA
COUNTY OF SAN JUAN
STATE OF NEW MEXICO
Contract No. NMNM135203X
NMNM105375688

THIS AGREEMENT made effective this **1st** day of **May**, by and between the owners of unitized working and royalty interests in the Crow Canyon Unit Area, hereinafter referred to as the “parties hereto”.

WITNESSETH:

WHEREAS, UNDER THE PROVISIONS OF the authority vested in the Secretary of the Interior, under the act approved February 25, 1920, 41 Stat. 437, as amended, on **August 1, 2013**, the Chief Reservoir Management Group, Bureau of Land Management approved the Crow Canyon Unit Agreement, Contract No. NMNM135203X; and

WHEREAS, the parties hereto are the owners of one hundred percent (100%) title to the leasehold working interest rights in and under the oil and gas leases committed to the Unit, which covers the following unitized area:

Township 25 North, Range 8 West, N.M.P.M.

- Section 25: Lots 1-8, S/2 (All)
- Section 26: All
- Section 32: All
- Section 33: All
- Section 34: All
- Section 35: All
- Section 36: All

Township 24 North, Range 8 West, N.M.P.M.

- Section 3: Lots 1-4, S/2N/2, S/2 (All)
- Section 4: Lots 5-12, S/2 (All)
- Section 5: Lots 1-4, S/2N/2, S/2 (All)
- Section 8: All
- Section 9: All
- Section 10: All
- Section 15: N/2
- Section 16: All
- Section 17: All
- Section 20: All
- Section 21: All

Section 27: S/2
Section 28: All
Section 29: All
Section 30: Lots 1-4, E/2W/2, E/2 (All)
Section 34: NE/4

Containing 13,604.06 acres, more or less, of Federal, State, and Navajo Allotted Indian land in San Juan County, New Mexico.

WHEREAS, DJR Operating, LLC, a wholly owned subsidiary of Enduring Resources San Juan, LLC, is the successor-in-interest to Encana Oil & Gas (USA) Inc. and successor operator of the Crow Canyon Unit under the terms of the Crow Canyon Unit Agreement; and

WHEREAS, the parties hereto desire to amend the said Crow Canyon Unit Agreement, Contract No. MNNM 135203X and associated Participating Area under this contract, to provide that the Unit Agreement shall be limited to the wells drilled and producing prior to **May 1, 2026**, which wells are listed on Exhibit "A" to this Amendment, and no additional wells shall be drilled under the Crow Canyon Unit Agreement.

NOW, THEREFORE, it is agreed to amend the Unit Agreement as follows:

1. After the second introductory paragraph of the Unit Agreement, add an additional paragraph:
"THIS AGREEMENT is limited in applicability to those wells which were drilled, completed and placed in production subject to the Crow Canyon Unit Agreement and Unit Operating Agreement prior to May 1, 2026. Said wells are identified and listed on Exhibit "A" to the Amendment of this Unit Agreement dated effective May 1, 2026. All wells drilled after May 1, 2026 that are located fully or partially within the boundaries of the unitized lands and completed in the Mancos Shale Group unitized interval are excluded from this agreement and shall be subject to the White Crow Unit Agreement".
2. Amend Article 10, Plan of Further Development and Operation, by adding the following sentence as a final paragraph in the article:
"The 2026 Crow Canyon Unit Plan of Development, and all subsequent Plans of Development submitted for the unit, shall not include the drilling of any new wells under the Crow Canyon Unit Agreement and Unit Operating Agreement."
3. Amend Article 15, Drainage, by adding the following sentence as a final paragraph in the article:
"This article shall not be applicable to any wells drilled after May 1, 2026, that are located fully or partially within the boundaries of the unitized lands and completed in the Mancos Shale Group unitized interval, provided such wells are drilled and completed subject to the White Crow Unit Agreement and Unit Operating Agreement".

- 4. Except as herein amended, the Unit Agreement shall remain in full force and effect pursuant to its approved terms.

This Amendment shall be effective as to the undersigned’s interests in any lands and leases, or interests therein, and royalties presently held, or other interests in unitized substances, covering any lands within the Unit Area in which the undersigned may be found to have an oil and gas interest, effective May 1, 2026.

This Amendment may be executed in any number of counterparts with the same force and effect as if all signing parties had executed the same regardless of whether or not any counterpart is executed by any other party owning or claiming an interest in the lands affected hereby, and when so executed shall be binding upon the undersigned, its heirs, devisees, assignees or successors in interest.

IN WITNESS WHEREOF, the parties hereto have executed the above Amendment effective on the day and year first above written.

UNIT OPERATOR:

DJR OPERATING, LLC

By _____
 Alex B. Campbell, Vice President – Land

Date _____

Address: 6300 South Syracuse Way, Suite 525
 Centennial, Colorado 80111

ACKNOWLEDGEMENT

STATE OF COLORADO)
)
 COUNTY OF ARAPAHOE)

The foregoing instrument was acknowledged before me this _____ day of February, 2026 by Alex Campbell, Vice President of DJR Operating, LLC for and on behalf of said limited liability company.

 My Commission Expires

 Notary Public

Attachment “5”

AMENDMENT OF UNIT AGREEMENT
BLANCO WASH UNIT AREA
COUNTY OF SAN JUAN
STATE OF NEW MEXICO
Contract No. NMNM137065X
NMNM105691320

THIS AGREEMENT made effective this **1st** day of **May 2026**, by and between the owners of unitized working and royalty interests in the Blanco Wash Unit Area, hereinafter referred to as the “parties hereto”.

WITNESSETH:

WHEREAS, UNDER THE PROVISIONS OF the authority vested in the Secretary of the Interior, under the act approved February 25, 1920, 41 Stat. 437, as amended, on **August 20, 2012**, the Chief Reservoir Management Group, Bureau of Land Management approved the Blanco Wash Unit Agreement, Contract No. NMNM137065X; and

WHEREAS, the parties hereto are the owners of one hundred percent (100%) title to the leasehold working interest rights in and under the oil and gas leases committed to the Unit, which covers the following unitized area:

Township 24 North, Range 8 West, N.M.P.M.

- Section 6: Lots 1-7, S/2NE/4, SE/4NW/4, E/2SW/4, SE/4 (All)
- Section 7: Lots 1-4, E/2W/2, E/2 (All)
- Section 18: Lots 1-4, E/2W/2, E/2 (All)
- Section 19: Lots 1-4, E/2W/2, E/2 (All)

Township 24 North, Range 9 West, N.M.P.M.

- Section 1: Lots 1-4, S/2N/2, S/2 (All)
- Section 2: Lots 1-2, S/2NE/4, SE/4
- Section 4: Lots 3-4, S/2NW/4, SW/4
- Section 5: Lots 1-4, S/2N/2, S/2 (All)
- Section 8: All
- Section 9: All
- Section 10: All
- Section 11: All
- Section 12: All
- Section 13: All
- Section 14: All
- Section 15: All
- Section 16: All
- Section 17: All

Section 20: All
Section 21: N/2
Section 22: N/2
Section 23: N/2
Section 24: All.

Containing 13,128.47 acres, more or less, of Federal, State, Patented and Navajo Allotted Indian land in San Juan County, New Mexico.

WHEREAS, DJR Operating, LLC, a wholly owned subsidiary of Enduring Resources San Juan, LLC, is the successor-in-interest to Encana Oil & Gas (USA) Inc. and successor operator of the Blanco Wash Unit under the terms of the Blanco Wash Unit Agreement; and

WHEREAS, the parties hereto desire to amend the said Blanco Wash Unit Agreement, Contract No. MNNM 137065X and associated Participating Area under this contract, to provide that the Unit Agreement shall be limited to the wells drilled and producing prior to May 1, 2026, which wells are listed on Exhibit "A" to this Amendment, and no additional wells shall be drilled under the Blanco Wash Unit Agreement.

NOW, THERFORE, it is agreed to amend the Unit Agreement as follows:

1. After the second introductory paragraph of the Unit Agreement, add an additional paragraph:
"THIS AGREEMENT is limited in applicability to those wells which were drilled, completed and placed in production subject to the Blanco Wash Unit Agreement and Unit Operating Agreement prior to May 1, 2026. Said wells are identified and listed on Exhibit "A" to the Amendment of this Unit Agreement dated effective May 1, 2026. All wells drilled after May 1, 2026 that are located fully or partially within the boundaries of the unitized lands and completed in the Mancos Shale Group unitized interval are excluded from this agreement and shall be subject to the White Crow Unit Agreement".
2. Amend Article 10, Plan of Further Development and Operation, by adding the following sentence as a final paragraph in the article:
"The 2026 Blanco Wash Unit Plan of Development, and all subsequent Plans of Development submitted for the unit, shall not include the drilling of any new wells under the Blanco Wash Unit Agreement and Unit Operating Agreement."
3. Amend Article 15, Drainage, by adding the following sentence as a final paragraph in the article:
"This article shall not be applicable to any wells drilled after May 1, 2026, that are located fully or partially within the boundaries of the unitized lands and completed in the Mancos Shale Group unitized interval, provided such wells are drilled and completed subject to the White Crow Unit Agreement and Unit Operating Agreement".

- 4. Except as herein amended, the Unit Agreement shall remain in full force and effect pursuant to its approved terms.

This Amendment shall be effective as to the undersigned’s interests in any lands and leases, or interests therein, and royalties presently held, or other interests in unitized substances, covering any lands within the Unit Area in which the undersigned may be found to have an oil and gas interest, effective May 1, 2026.

This Amendment may be executed in any number of counterparts with the same force and effect as if all signing parties had executed the same regardless of whether or not any counterpart is executed by any other party owning or claiming an interest in the lands affected hereby, and when so executed shall be binding upon the undersigned, its heirs, devisees, assignees or successors in interest.

IN WITNESS WHEREOF, the parties hereto have executed the above Amendment effective on the day and year first above written.

UNIT OPERATOR:

DJR OPERATING, LLC

By _____
 Alex B. Campbell, Vice President – Land

Date _____

Address: 6300 South Syracuse Way, Suite 525
 Centennial, Colorado 80111

ACKNOWLEDGEMENT

STATE OF COLORADO)
)
 COUNTY OF ARAPAHOE)

The foregoing instrument was acknowledged before me this _____ day of February, 2026 by Alex Campbell, Vice President of DJR Operating, LLC for and on behalf of said limited liability company.

 My Commission Expires

 Notary Public

Attachment "6"

EXPLORATORY UNIT
FEDERAL/INDIAN/STATE/FEE
UNIT AGREEMENT FOR THE DEVELOPMENT
AND OPERATION OF THE
WHITE CROW UNIT AREA
COUNTY OF SAN JUAN
STATE OF NEW MEXICO
NO. _____

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UNIT AGREEMENT
 FOR DEVELOPMENT AND OPERATION OF
 THE WHITE CROW UNIT AREA
 COUNTY OF SAN JUAN, STATE OF NEW MEXICO
 NO. NMNM _____

THIS AGREEMENT, entered into as of the 1st day of May 2026, by and between the parties subscribing, ratifying or consenting hereto, and herein referred to as the "parties hereto,"

WITNESSETH:

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

WHEREAS, The Mineral Leasing Act of February 25, 1920, 41 Stat. 437, as amended, 30 U.S.C. Sec. 181 et seq., authorizes Federal lessees and their representatives to unite with each other, or jointly or separately with others, in collectively adopting and operating under a unit plan of development or operation of any oil or gas pool, field, or like area, or any part thereof for the purpose of more properly conserving the natural resources thereof whenever determined and certified by the Secretary of the Interior to be necessary or advisable in the public interest; and

WHEREAS, the Act of March 3, 1909, (35 Stat. 783) as amended by the act of August 9, 1955, (69 Stat. 540), the Act of May 11, 1938, (52 Stat. 347 as amended, 25 U.S.C., Sec. 396a-g), Act of August 4, 1947, (61 Stat. 732), Indian Mineral Development Act of 1982 (25 U.S.C. 2101-2108), provides that all operations under any oil and gas lease on tribal and/or allotted Indian lands shall be subject to the rules and regulations of the Secretary of the Interior, and regulations issued pursuant to said statute provide that, in the exercise of his judgment, the Secretary may take into consideration, among other things, the Federal laws, state laws or regulations by competent Federal or State authorities or lawful agreements among operators regulating either drilling or production or both (25 C.F.R. Sec. 211.28 and 212.28); and,

WHEREAS, the Commissioner Public Lands of the State of New Mexico is authorized by an Act of the Legislature (Section 19-10-45, 46, 47 NM Statutes 1978 Annotated) to consent to or approve this agreement on behalf of the State of New Mexico, insofar as it covers and includes lands and mineral interest of the State of New Mexico; and

WHEREAS, the Oil Conservation Division of the New Mexico Energy and Minerals Department, hereinafter referred to as "Division", is authorized by an act of the Legislature (Chapter 70 and 71, NM Statutes 1978 Annotated) to approve this agreement and the conservation provisions hereof; and

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

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

NOW, THEREFORE, in consideration of the premises and the promises herein contained,

the parties hereto commit to this agreement their respective interests in the below defined unit area, and agree severally among themselves as follows:

1. **ENABLING ACT AND REGULATIONS.** The Mineral Leasing Act of February 25, 1920, as amended, supra, and all valid pertinent regulations including operating and unit plan regulations and State of New Mexico rules and regulations, heretofore issued thereunder or valid, pertinent and reasonable regulations hereafter issued thereunder are accepted and made a part of this agreement as to Federal, and Indian trust lands, provided such regulations are not inconsistent with the terms of this agreement; and as to non-Federal lands, non-Indian trust lands, the oil and gas operating regulations in effect as of the effective date hereof governing drilling and producing operations, not inconsistent with the terms hereof or the laws of the State in which the non-Federal land is located, are hereby accepted and made a part of this agreement.

2. **UNIT AREA.** The area specified on the map attached hereto marked Exhibit A is hereby designated and recognized as constituting the unit area, containing 27,612.53 acres, more or less. The lands covered by this agreement (hereinafter referred to as "unit area") are described as follows:

Township 25 North, Range 8 West, N.M.P.M.

- Section 25: Lots 1-8, S/2 (All)
- Section 26: All
- Section 27: All
- Section 28: All
- Section 32: NW/4, S/2NE/4, N/2S/2, S/2SE/4
- Section 33: All
- Section 34: All
- Section 35: All
- Section 36: N/2, SE/4, SE/4SW/4

Township 24 North, Range 8 West, N.M.P.M.

- Section 3: Lots 1-4, S/2N/2, S/2 (All)
- Section 4: Lots 5-12, S/2 (All)
- Section 5: Lots 1-4, S/2N/2, S/2 (All)
- Section 6: Lots 1-7, S/2NE/4, SE/4NW/4, E/2SW/4, SE/4 (All)
- Section 7: Lots 1-4, E/2W/2, E/2 (All)
- Section 8: All
- Section 9: All
- Section 10: All
- Section 15: N/2
- Section 16: All
- Section 17: All
- Section 18: Lots 1-4, E/2W/2, E/2 (All)
- Section 19: Lots 1-4, E/2W/2, E/2 (All)
- Section 20: All
- Section 21: All
- Section 27: S/2
- Section 28: All
- Section 29: All
- Section 30: Lots 1-4, E/2W/2, E/2 (All) Section 34: NE/4

Township 24 North, Range 9 West, N.M.P.M.

- Section 1: Lots 1-4, S/2N/2, S/2 (All)

Section 2: Lots 1-2, S/2NE/4, SE/4
Section 4: Lots 3-4, S/2NW/4, SW/4
Section 5: Lots 1-4, S/2N/2, S/2 (All)
Section 8: All
Section 9: All
Section 10: All
Section 11: All
Section 12: All
Section 13: All
Section 14: All
Section 15: All
Section 16: All
Section 17: All
Section 20: All
Section 21: N/2
Section 22: N/2
Section 23: N/2
Section 24: All.

Exhibit A shows, in addition to the boundary of the unit area, 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 Exhibits A or B 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 in the Exhibits as owned by such party. Exhibits A and B shall be revised by the Unit Operator whenever changes in the unit area or in the ownership interests in the individual tracts render such revision necessary, or when requested by the Authorized Officer of the Bureau of Land Management (BLM), hereinafter referred to as "AO", the Director of the Federal Indian Minerals Office, hereinafter referred to as "FIMO", or the Commissioner of Public Lands of the State of New Mexico, hereinafter referred to as "Land Commissioner", and not less than four (4) copies of the revised Exhibits shall be filed with the proper Bureau of Land Management office, and one (1) copy thereof shall be filed with the Federal Indian Minerals Office, and one (1) copy with the New Mexico Oil Conservation Division of the Energy and Minerals Department, hereinafter referred to as "Division", and one (1) copy thereof shall be filed with the Land Commissioner.

A list of State of New Mexico lands and leases is attached hereto as Exhibit E.

The above-described unit area shall when practicable be expanded to include therein any additional lands or shall be contracted to exclude lands whenever such expansion or contraction is deemed to be necessary or advisable to conform with the purposes of this agreement. Such expansion or contraction shall be effected in the following manner:

(a) Unit Operator, on its own motion (after preliminary concurrence by the AO, FIMO, and the Land Commissioner), or on demand of the AO, FIMO, and Land Commissioner, shall prepare a notice of proposed expansion or contraction describing the contemplated changes in the boundaries of the unit area, the reasons therefore, any plans for additional drilling, and the proposed effective date of the expansion or contraction, preferably the first day of a month subsequent to the date of notice.

(b) Said notice shall be delivered to the proper BLM office, FIMO, the Land Commissioner, and the Division, and copies thereof mailed to the last known address of each

working interest owner, lessee and lessor whose interests are affected, advising that thirty (30) days will be allowed for submission to the Unit Operator of any objections.

(c) Upon expiration of the 30-day period provided in the preceding item (b) hereof, Unit Operator shall file with the AO, FIMO, and the Land Commissioner, evidence of mailing of the notice of expansion or contraction and a copy of any objections thereto which have been filed with the Unit Operator, together with an application in triplicate, for approval of such expansion or contraction and with appropriate joinders.

(d) After due consideration of all pertinent information, the expansion or contraction shall, upon approval by the AO, FIMO, and the Land Commissioner, become effective as of the date prescribed in the notice thereof or such other appropriate date.

(e) All legal subdivisions of lands (i.e., forty (40) acres by Government survey or its nearest lot or tract equivalent; in instances of irregular surveys, unusually large lots or tracts shall be considered in multiples of forty (40) acres or the nearest aliquot equivalent thereof), no parts of which are in or entitled to be in a participating area on or before the fifth (5th) anniversary of the effective date of the first initial participating area established under this unit agreement, shall be eliminated automatically from this agreement, effective of said fifth (5th) anniversary, and such lands shall no longer be a part of the unit area and shall no longer be subject to this agreement, unless diligent drilling operations are in progress on unitized lands not entitled to participation on said fifth (5th) anniversary, in which event all such lands shall remain subject hereto for so long as such drilling operations are continued diligently, with no more than 90-days' time elapsing between the completion of one such well and the commencement of the next such well. All legal subdivisions of lands not entitled to be in a participating area within ten (10) years after the effective date of the first initial participating area approved under this agreement shall be automatically eliminated from this agreement as of said tenth (10th) anniversary. The Unit Operator shall, within ninety (90) days after the effective date of any elimination hereunder, describe the area so eliminated to the satisfaction of the AO, FIMO, and Land Commissioner and promptly notify all parties in interest. All lands reasonably proved productive of unitized substances in paying quantities and developed to the satisfaction of the AO, FIMO, and Land Commissioner by diligent drilling operations under an approved plan of development after the aforesaid five-year period shall become participating in the same manner as during said first five-year period. However, when such diligent drilling operations cease, all nonparticipating lands not then entitled to be in a participating area shall be automatically eliminated effective as of the 91st day thereafter.

Any expansion of the unit area pursuant to this section which embraces lands theretofore eliminated pursuant to this subsection 2(e) shall not be considered automatic commitment or recommitment of such lands. If conditions warrant extension of the 10-year period specified in this subsection, a single extension of not to exceed two years may be accomplished by consent of the owners of ninety (90) percent of the working interest in the current nonparticipating unitized lands and the owners of sixty (60) percent of the basic royalty interests (exclusive of the basic royalty interests of the United States) in nonparticipating unitized lands with approval of the AO and Land Commissioner, provided such extension application is submitted not later than sixty (60) days prior to the expiration of said 10-year period.

3. UNITIZED LAND AND UNITIZED SUBSTANCES. All land now or hereafter committed to this agreement shall constitute land referred to herein as "unitized land" or "land subject to this agreement." For purposes of this agreement, the unitized interval is defined as the interval from 100 feet below the stratigraphic equivalent of the top of the Mancos Shale (base of Mesa Verde Group) to the stratigraphic equivalent of the base of the Greenhorn Limestone (top of

the Graneros Shale) as found in the Escrito P16-2409 001H well (API #3004535313) in Section 16 of Township 24 N, Range 9 W, San Juan County, New Mexico. are unitized under the terms of this agreement and herein are called "unitized substances"; provided, however, that it is the specific intent of the parties hereto not to cause or effectuate any horizontal segregation of any Federal or Indian trust or State lease committed hereto as a consequence of the aforementioned depth limitations of the unitized land. A type log has been provided as Exhibit C to this unit Agreement.

4. UNIT OPERATOR. DJR Operating, LLC is hereby designated as Unit Operator and by signature hereto as Unit Operator 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 that 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.

5. RESIGNATION OR REMOVAL OF UNIT OPERATOR. Unit Operator shall have the right to resign at any time prior to the establishment of a participating area or areas hereunder, but such resignation shall not become effective so as to release Unit Operator from the duties and obligations of Unit Operator and terminate Unit Operator's rights as such for a period of six months after notice of intention to resign has been served by Unit Operator on all working interest owners and the AO, FIMO, Land Commissioner and the Division and until all wells then drilled hereunder are placed in a satisfactory condition for suspension or abandonment, whichever is required by the AO, as to Federal lands, FIMO, as to Indian lands, Land Commissioner, as to state lands, and the Division as to fee lands unless a new Unit Operator shall have been selected and approved and shall have taken over and assumed the duties and obligations of Unit Operator prior to the expiration of said period.

Unit Operator shall have the right to resign in like manner and subject to like limitations as above provided at any time after a participating area established hereunder is in existence, but in all instances of resignation or removal, until a Successor Unit Operator is selected and approved as hereinafter provided, the working interest owners shall be jointly responsible for performance of the duties of Unit Operator, and shall not later than thirty (30) days before such resignation or removal becomes effective appoint a common agent to represent them in any action to be taken hereunder.

The resignation of Unit Operator shall not release the 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 as herein provided for the selection of a new Unit Operator. Such removal shall be effective upon notice thereof to the AO, FIMO, and the Land Commissioner.

The resignation or removal of Unit Operator under this agreement shall not terminate its right, title, or interest as the owner of 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 wells, equipment, materials, and appurtenances used in conducting the unit operations to the new duly qualified successor Unit Operator or to the common agent, if no such new Unit Operator is selected 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.

6. SUCCESSOR UNIT OPERATOR. Whenever the Unit Operator shall tender its resignation as Unit Operator or shall be removed as hereinabove provided, or a change of Unit Operator is negotiated by working interest owners, the owners of the working interests according to their respective acreage interests in all unitized land shall, pursuant to Approval of the Parties requirements of the unit operating agreement, select a successor Unit 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 AO, FIMO, and the Land Commissioner.

If no successor Unit Operator is selected and qualified as herein provided, the AO, FIMO, and the Land Commissioner at their election may declare this unit agreement terminated.

7. ACCOUNTING PROVISIONS AND UNIT OPERATING AGREEMENT. If the Unit Operator is not the sole owner of working interests, costs and expenses incurred by Unit Operator in conducting unit operations hereunder shall be paid and apportioned among and borne by the owners of working interests, all in accordance with the agreement or agreements entered into by and between the Unit Operator and the owners of working 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, are herein referred to as the "unit operating agreement." 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, no such unit operating agreement shall 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 agreement, and in case of any inconsistency or conflict between this agreement and the unit operating agreement, this agreement shall govern. Three (3) copies of the unit operating agreement, executed pursuant to this section shall be filed in the proper BLM office and one (1) true copy with FIMO and one (1) true copy with the Land Commissioner prior to approval of this unit agreement.

8. 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.

9. DRILLING TO DISCOVERY. Within six (6) months after the effective date hereof, the Unit Operator shall commence to drill an adequate test well at a location approved by the AO if on Federal, FIMO for Indian trust lands, or by the Division if on Fee, or by Land Commission if on State lands, unless on such effective date a well is being drilled in conformity

with the terms hereof, and thereafter continue such drilling diligently until the Mancos formation has been tested with at least a 5,000 foot horizontal well which can be produced in paying quantities (to wit: quantities sufficient to repay the costs of drilling, completing, and producing operations, with a reasonable profit) or the Unit Operator shall at any time establish to the satisfaction of the AO, FIMO, and Land Commissioner that further drilling of said well would be unwarranted or impracticable, provided, however, that Unit Operator shall not in any event be required to drill said well to a horizontal length in excess of 5,000 feet. Until the discovery of unitized substances capable of being produced in paying quantities, the Unit Operator shall continue drilling one or more wells at a time, allowing not more than six (6) months between the completion of one well and the commencement of drilling operations for the next well, until a well capable of producing unitized substances in paying quantities is completed to the satisfaction of the AO, if on Federal, FIMO for Indian lands, or the Land Commissioner if on State lands or until it is reasonably proved that the unitized land is incapable of producing unitized substances in paying quantities in the formations drilled hereunder. Nothing in this section shall be deemed to limit the right of the Unit Operator to resign as provided in Section 5, hereof, or as requiring Unit Operator to commence or continue any drilling during the period pending such resignation becoming effective in order to comply with the requirements of this section.

The AO, FIMO, and the Land Commissioner may modify any of the drilling requirements of this section by granting reasonable extensions of time when, in his opinion, such action is warranted.

Until the establishment of a participating area, the failure to commence a well subsequent to the drilling of the initial obligation well, or in the case of multiple well requirements, if specified, subsequent to the drilling of those multiple wells, as provided for in this (these) section(s), within the time allowed including any extension of time granted by the AO, FIMO, and Land Commissioner, shall cause this agreement to terminate automatically. Upon failure to continue drilling diligently any well other than the obligation well(s) commenced hereunder, the AO, FIMO, and Land Commissioner may, after fifteen (15) days' notice to the Unit Operator, declare this unit agreement terminated. Failure to commence drilling the initial obligation well, or the first of multiple obligation wells, on time and to drill it diligently shall result in the unit agreement approval being declared invalid ab initio by the AO, FIMO, and Land Commissioner may. In the case of multiple well requirements, failure to commence drilling the required multiple wells beyond the first well, and to drill them diligently, may result in the unit agreement approval being declared invalid ab initio by the AO, FIMO, and Land Commissioner.

9a. MULTIPLE WELL REQUIREMENTS. Notwithstanding anything in this Unit Agreement to the contrary, except Section 25, UNAVOIDABLE DELAY, eleven (11) Obligation Wells shall be drilled with no more than six (6) months' time elapsing between the completion of the first well and commencement of drilling operations for the second well and with no more than six (6) months' time elapsing between the second well and the commencement of drilling operations for the third well...regardless of whether a discovery has been made in any well drilled under this provision. Both the initial well and the second well must be drilled in compliance with the above specified formation or depth requirements in order to meet the dictates of this section; and the second well must be located a minimum of 1,200 feet from the initial well in order and in the formation designated by the AO, FIMO, and Land Commissioner to be accepted by the AO, FIMO, and Land Commissioner as the second unit test well, within the meaning of this section. The third test well shall be diligently drilled, at a location approved by the AO, FIMO, and Land Commissioner, until the Mancos formation has been tested with at least a 5,000 foot horizontal well, and must be located a minimum of 1,200 feet from both the initial and second test wells.

The Obligation Wells are described in greater detail on Exhibit D attached hereto.

Nevertheless, in the event of the discovery of unitized substances in paying quantities by any well,

this unit agreement shall not terminate for failure to complete the eleven-well program, but the unit area shall be contracted automatically, effective the first day of the month following the default, to eliminate by subdivisions (as defined in Section 2(e) hereof) all lands not then entitled to be in a participating area.

10. PLAN OF FURTHER DEVELOPMENT AND OPERATION. Within six (6) months after completion of a well capable of producing unitized substances in paying quantities, the Unit Operator shall submit for the approval of the AO and Land Commissioner, with a copy to FIMO and the Division, an acceptable Plan of Development and operation for the unitized land which, when approved by the AO and Land Commissioner, shall constitute the further drilling and development obligations of the Unit Operator under this agreement for a period of twelve (12) months. Thereafter, from time to time before the expiration of any existing plan, the Unit Operator shall submit for the approval of the AO and Land Commissioner, with a copy to FIMO and the Division, a plan for an additional twelve (12) month period for the development and operation of the unitized land. Subsequent plans should normally be filed on a calendar-year basis not later than March 1 of each year. Any proposed modification or addition to the existing plan should be filed as a supplement to the plan. The Initial Plan of Development attached hereto as Exhibit D shall be deemed to be modified and superseded with each subsequent approved Plan of Development.

Any plan submitted pursuant to this section shall provide for the timely exploration of the unitized area, and for the diligent drilling necessary for determination of the area or areas capable of producing unitized substances in paying quantities in each and every productive formation. This plan shall be as complete and adequate as the AO, FIMO, and Land Commissioner may determine to be necessary for timely development and proper conservation of the oil and gas resources in the unitized area and shall:

- (a) Specify the number and locations of any wells to be drilled and the proposed order and time for such drilling; and
- (b) Provide a summary of operations and production for the previous year.

Plans shall be modified or supplemented when necessary to meet changed conditions or to protect the interests of all parties to this agreement. Reasonable diligence shall be exercised in complying with the obligations of the approved Plan of Development and operation. The AO and Land Commissioner are authorized to grant a reasonable extension of the six-month period herein prescribed for submission of the initial Plan of Development and operation where such action is justified because of unusual conditions or circumstances.

11. PARTICIPATION AFTER DISCOVERY. Upon completion of a well capable of producing unitized substances in paying quantities, or as soon thereafter as required by the AO, FIMO, and Land Commissioner, the Unit Operator shall submit for approval by the AO, FIMO, and Land Commissioner, a schedule, based on subdivision of the public land survey or aliquot parts thereof, of all land then regarded as reasonably proved to be productive of unitized substances in paying quantities. These lands shall constitute a participating area upon approval of the AO, FIMO, and Land Commissioner, effective as of the date of completion of such well or the effective date of this unit agreement, whichever is later. The acreages of both Federal and non-Federal lands (Indian, state, and fee) shall be based upon appropriate computations from the courses and distances shown on the last approved public land survey as of the effective date of each initial participating area. The schedule shall also set forth the percentage of unitized substances to be allocated, as provided in Section 12, to each committed tract in the participating area so established, and shall govern the allocation of production commencing with the effective date of the participating area.

A different participating area shall be established for each separate pool or deposit of unitized substances or for any group thereof which is produced as a single pool or zone, and any two or more participating areas so established may be combined into one, on approval of the AO, FIMO, and Land Commissioner. When production from two or more participating areas is subsequently found to be from a common pool or deposit, the participating areas shall be combined into one, effective as of such appropriate date as may be approved or prescribed by the AO, FIMO, and Land Commissioner.

The participating area or areas so established shall be revised from time to time, subject to the approval of the AO, FIMO, and Land Commissioner, to include additional lands then regarded as reasonably proved to be productive of unitized substances in paying quantities or which are necessary for unit operations, or to exclude lands then regarded as not reasonably proved to be productive of unitized substances in paying quantities, and the schedule of allocation percentages shall be revised accordingly. The effective date of any revision shall be the first of the month in which the knowledge or information is obtained on which such revision is predicated. No land shall be excluded from a participating area on account of depletion of its unitized substances, except that any participating area established under the provisions of this unit agreement shall terminate automatically whenever all completions in the formation on which the participating area is based are abandoned.

It is the intent of this section that a participating area shall represent the area known or reasonably proved to be productive of unitized substances in paying quantities or which are necessary for unit operations; but, regardless of any revision of the participating area, nothing herein contained shall be construed as requiring any retroactive adjustment for production obtained prior to the effective date of the revision of the participating area.

In the absence of agreement at any time between the Unit Operator and the AO, FIMO, and the Land Commissioner as to the proper definition or redefinition of a participating area, or until a participating area has, or areas have, been established, the portion of all payments affected thereby shall, except royalty due the United States, Indians, and the State of New Mexico, be impounded in a manner mutually acceptable to the owners of committed working interests and AO, FIMO and Land Commissioner. Royalties due the United States shall be determined by the AO for Federal lands, FIMO for Indian lands, and the Land Commissioner for State lands and the amount thereof shall be deposited, as directed by the AO, FIMO, and Land Commissioner, until a participating area is finally approved and then adjusted in accordance with a determination of the sum due as Federal, Indian, or State royalty on the basis of such approved participating area.

Whenever it is determined, subject to the approval of the AO, FIMO, and Land Commissioner, that a well drilled under this agreement is not capable of production of unitized substances in paying quantities and inclusion in a participating area of the land on which it is situated is unwarranted, production from such well shall, for the purpose of settlement among all parties other than working interest owners, be allocated to the land on which the well is located, unless such land is already within the participating area established for the pool or deposit from which such production is obtained. Settlement for working interest benefits from such a nonpaying unit well shall be made as provided in the unit operating agreement.

12. ALLOCATION OF PRODUCTION. All unitized substances produced from a participating area established under this agreement, except any part thereof used in conformity with good operating practices within the unitized area for drilling, operating and other production or development purposes, for repressuring or recycling in accordance with a plan of development and

operations that has been approved by the AO and Land Commissioner, or unavoidably lost, shall be deemed to be produced equally on an acreage basis from the several tracts of unitized land and unleased Federal, Indian trust or State land, if any, included in the participating area established for such production. Each such tract shall have allocated to it such percentage of said production as the number of acres of such tract included in said participating area bears to the total acres of unitized land and unleased Federal, Indian, or State land, if any, included in said participating area. There shall be allocated to the working interest owner(s) of each tract of unitized land in said participating area, in addition, such percentage of the production attributable to the unleased Federal, Indian and State land within the participating area as the number of acres of such unitized tract included in said participating area bears to the total acres of unitized land in said participating area, for the payment of the compensatory royalty specified in Section 17 of this agreement. Allocation of production hereunder for purposes other than for settlement of the royalty, overriding royalty, or payment out of production obligations of the respective working interest owners, including compensatory royalty obligations under Section 17, shall be prescribed as set forth in the unit operating agreement or as otherwise mutually agreed by the affected parties. It is hereby agreed that production of unitized substances from a participating area shall be allocated as provided herein, regardless of whether any wells are drilled on any particular part or tract of the participating area. The Unit Operator must set aside all funds attributable to unleased Federal or Indian acreage in an interest-earning escrow or trust account. If any gas produced from one participating area is used for repressuring or recycling purposes in another participating area, the first gas withdrawn from the latter participating area for sale during the life of this agreement, shall be considered to be the gas so transferred, until an amount equal to that transferred shall be so produced for sale and such gas shall be allocated to the participating area from which initially produced as such area was defined at the time that such transferred gas was finally produced and sold.

13. DEVELOPMENT OR OPERATION OF NONPARTICIPATING LAND OR FORMATIONS. Any operator may with the approval of the AO, FIMO, and Land Commissioner, at such party's sole risk, costs, and expense, drill a well on the unitized land to test any formation provided the well is outside any participating area established for that formation, unless within ninety (90) days of receipt of notice from said party of his intention to drill the well, the Unit Operator elects and commences to drill the well in a like manner as other wells are drilled by the Unit Operator under this agreement.

If any well drilled under this section by a non-unit operator results in production of unitized substances in paying quantities such that the land upon which it is situated may properly be included in a participating area, such participating area shall be established or enlarged as provided in this agreement and the well shall thereafter be operated by the Unit Operator in accordance with terms of this agreement and the unit operating agreement.

If any well drilled under this section by a non-unit operator that obtains production in quantities insufficient to justify the inclusion of the land upon which such well is situated in a participating area, such well may be operated and produced by the party drilling the same, subject to the conservation requirements of this agreement. The royalties in amount or value of production from any such well shall be paid as specified in the underlying lease and agreements affected.

14. ROYALTY SETTLEMENT. The United States, Indian land, State and any royalty owner, who is entitled to take in kind a share of the substances now unitized hereunder shall be hereafter be entitled to the right to take in kind its share of the unitized substances, and Unit Operator, or the non-unit operator in the case of the operation of a well by a non-unit operator as herein provided for in special cases, shall make deliveries of such royalty share taken in kind in conformity with the applicable contracts, laws, and regulations. Settlement for royalty interest not

taken in kind shall be made by an operator responsible therefore under existing contracts, laws and regulations, or by the Unit Operator on or before the last day of each month for unitized substances produced during the preceding calendar month; provided, however, that nothing in this section shall operate to relieve the responsible parties of any land from their respective lease obligations for the payment of any royalties due under their leases.

If gas obtained from lands not subject to this agreement is introduced into any participating area hereunder, for use in repressuring, stimulation of production, or increasing ultimate recovery, in conformity with a plan of development and operation approved by the AO, FIMO, and Land Commissioner, a like amount of gas, after settlement as herein provided for any gas transferred from any other participating area and with appropriate deduction for loss from any cause, may be withdrawn from the formation into which the gas is introduced, royalty free as to dry gas, but not as to any products which may be extracted therefrom; provided that such withdrawal shall be at such time as may be provided in the approved Plan of Development and operation or as may otherwise be consented to by the AO, FIMO, and Land Commissioner as conforming to good petroleum engineering practice; and provided further, that such right of withdrawal shall terminate on the termination of this unit agreement.

Royalty due the United States and Indian trust lands shall be computed as provided in 30 CFR Group 200 and paid in value or delivered in kind as to all unitized substances on the basis of the amounts thereof allocated to unitized Federal and Indian trust land as provided in Section 12 at the rates specified in the respective Federal or Indian trust leases, or at such other rate or rates as may be authorized by law or regulation and approved by the AO and FIMO; provided, that for leases on which the royalty rate depends on the daily average production per well, said average production shall be determined in accordance with the operating regulations as though each participating area were a single consolidated lease.

Royalty due on account of State lands shall be computed and paid on the basis of all unitized substances allocated to such lands.

15. **RENTAL SETTLEMENT.** Rental or minimum royalties due on leases committed hereto shall be paid by the appropriate parties under existing contracts, laws, and regulations, provided that nothing herein contained shall operate to relieve the responsible parties of the land from their respective obligations for the payment of any rental or minimum royalty due under their leases. Rental or minimum royalty for lands of the United States, Indian trust lands or State of New Mexico lands subject to this agreement shall be paid at the rate specified in the respective leases from the United States, Indian lessors or State unless such rental or minimum royalty is waived, suspended, or reduced by law or by approval of the Secretary or his duly authorized representative.

Rentals on State of New Mexico lands subject to this agreement shall be paid at the rate specified in the respective leases.

With respect to any lease on non-Federal land containing provisions which would terminate such lease unless drilling operations are commenced upon the land covered thereby within the time therein specified or rentals are paid for the privilege of deferring such drilling operations, the rentals required thereby shall, notwithstanding any other provision of this agreement, be deemed to accrue and become payable during the term thereof as extended by this agreement and until the required drilling operations are commenced upon the land covered thereby, or until some portion of such land is included within a participating area. Rentals on State of New Mexico lands subject to this agreement shall be paid at the rate specified in the respective leases, or by the Land Commissioner

where authorized by law or regulation.

16. 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 Federal, Indian, or state law or regulation.

17. DRAINAGE.

(a) The Unit Operator shall take such measures as the AO, FIMO, and Land Commissioner deem appropriate and adequate to prevent drainage of unitized substances from unitized land by wells on land not subject to this agreement, which shall include the drilling of protective wells and which may include the payment of a fair and reasonable compensatory royalty, as determined by the AO, as to Federal and Indian leases and the Land Commissioner, as to the State leases.

(b) Whenever a participating area approved under Section 11 of this agreement contains unleased Federal lands, the value of 12.5 percent of the production that would be allocated to such Federal lands under Section 12 of this agreement, if such lands were leased, committed and entitled to participation shall be payable as compensatory royalties to the Federal Government.. Parties to this agreement holding working interests in committed leases within the applicable participating area shall be responsible for such compensatory royalty payment on the volume of production reallocated from the unleased Federal lands to their unitized tracts under Section 12. The value of such production subject to the payment of said royalties shall be determined pursuant to 30 CFR Part 206 rules and regulations. Payment of compensatory royalties on the production reallocated from unleased Federal and Indian lands to the committed tracts within the participating area shall fulfill the Federal royalty obligation for such production, and said production shall be subject to no further Federal royalty assessment under Section 14 of this agreement. Payment of compensatory royalties as provided herein shall accrue from the date the committed tracts in the participating area that includes unleased Federal and Indian lands receive a production allocation and shall be due and payable monthly by the last day of the calendar month next following the calendar month of actual production. If leased Federal or Indian lands receiving a production allocation from the participating area become unleased, compensatory royalties shall accrue from the date the Federal or Indian lands become unleased. Payment due under this provision shall end when the unleased Federal, or Indian trust tract is leased or when production of unitized substances ceases within the participating area and the participating area is terminated, whichever occurs first.

(c) If leased Indian lands receiving a production allocation from the participating area become unleased, the value of one hundred (100) percent (8/8ths) of the production that would be allocated to such Indian lands under Section 12 of this agreement, if such lands were leased, committed, and entitled to participation, shall be impounded in a manner mutually acceptable to the owners of committed working interests and the AO and FIMO, accruing from the date the Indian lands become unleased. The value of such production subject to such impoundment shall be determined pursuant to 30 CFR Part 206. Impoundment of funds under this provision shall end when the unleased Indian tract is leased or when production of unitized substances ceases within the participating area and the participating area is terminated, whichever occurs first. When the unleased Indian tract is leased, the Indian minerals owner shall be paid the fraction of the accrued impounded funds corresponding to the royalty rate of the lease, and the remaining funds shall be released to the unit interest owners in accordance with the unit operating agreement.

(d) The AO, FIMO, and Land Commissioner may require the drilling and production of such wells to ensure reasonable diligence in the development and operation of the unitized area,

or in lieu of drilling, require the payment of an amount as determined by the aforementioned respective agency officials to compensate the interest owners in full each month for the estimated loss of royalty.

18. LEASES AND CONTRACTS CONFORMED AND EXTENDED. The terms, conditions, and provisions of all leases, subleases, and other contracts relating to exploration, drilling, development or operation for oil or gas on lands committed to this agreement are hereby expressly modified and amended to the extent necessary to make the same conform to the provisions hereof, but otherwise to remain in full force and effect; and the parties hereto hereby consent that the Secretary, as to Federal and Indian leases and the Land Commissioner, as to State leases, shall and by his approval hereof, or by the approval hereof by his duly authorized representative, does hereby establish, alter, change, or revoke the drilling, producing, rental, minimum royalty, and royalty requirements of Federal, Indian trust and Indian leases and State leases committed hereto and the regulations in respect thereto to conform said requirements to the provisions of this agreement, and, without limiting the generality of the foregoing, all leases, subleases, and contracts are particularly modified in accordance with the following:

(a) The development and operation of lands subject to this agreement under the terms hereof shall be deemed full performance of all obligations for development and operation with respect to each and every separately owned tract subject to this agreement, regardless of whether there is any development of any particular tract of this unit area.

(b) Drilling and producing operations performed hereunder upon any tract of unitized lands will be accepted and deemed to be performed upon and for the benefit of each and every tract of unitized land, and no lease shall be deemed to expire by reason of failure to drill or produce wells situated on the land therein embraced.

(c) Suspension of drilling or producing operations on all unitized lands pursuant to direction or consent of the AO, FIMO, and Land Commissioner shall be deemed to constitute such suspension pursuant to such direction or consent as to each and every tract of unitized land. A suspension of drilling or producing operations limited to specified lands shall be applicable only to such lands.

(d) Each lease, sublease, or contract relating to the exploration, drilling, development, or operation for oil or gas of lands other than those of the United States, Indian lands, and State of New Mexico lands committed to this agreement which, by its terms might expire prior to the termination of this agreement, is hereby extended beyond any such term so provided therein so that it shall be continued in full force and effect for and during the term of this agreement.

(e) Any Federal lease committed hereto shall continue in force beyond the term so provided therein or by law as to the land committed so long as such lease remains subject hereto, provided that production of unitized substances in paying quantities is established under this unit agreement prior to the expiration date of the term of such lease, or in the event actual drilling operations are commenced on unitized land, in accordance with provisions of this agreement, prior to the end of the primary term of such lease and are being diligently prosecuted at that time, such lease shall be extended for two years, and so long thereafter as oil or gas is produced in paying quantities in accordance with the provisions of the Mineral Leasing Act, as amended. Any Indian or Indian trust lands lease committed hereto shall continue in force beyond the term so provided therein or by law as to the land committed so long as such lease remains subject hereto, provided that production of unitized substances in paying quantities is established under this Unit Agreement

prior to the expiration date of the term of such lease and such lease shall be extended for so long thereafter as oil or gas is produced in paying quantities in accordance with the provisions of the acts governing the leasing of Indian lands.

(f) Each sublease or contract relating to the operation and development of unitized substances from lands of the United States or Indian trust lands committed to this agreement, which by its terms would expire prior to the time at which the underlying lease, as extended by the immediately preceding paragraph, will expire is hereby extended beyond any such term so provided therein so that it shall be continued in full force and effect for and during the term of the underlying lease as such term is herein extended.

(g) The segregation of any Federal lease committed to this agreement is governed by the following provision in the fourth paragraph of Sec. 17(m) of the Mineral Leasing Act, as amended by the Act of September 2, 1960 (74 Stat. 781-784) (30 U.S.C. 226(m)):

"Any (Federal) lease heretofore or hereafter committed to any such (unit) plan embracing lands that are in part within and in part outside of the area covered by any such plan shall be segregated into separate leases as to the lands committed and the lands not committed as of the effective date of unitization: Provided, however, that any such lease as to the non-unitized portion shall continue in force and effect for the term thereof but for not less than two years from the date of such segregation and so long thereafter as oil or gas is produced in paying quantities."

If the public interest requirement is not satisfied, the segregation of a lease and/or extension of a lease pursuant to 43 CFR 3107.3-2 and 43 CFR 3107.4, respectively, shall not be effective.

(h) Any Indian lease committed in part to any such cooperative agreement (unit agreement) shall be segregated into a separate lease or leases as to the lands committed and lands not committed to the agreement.

(h) In the event the Initial Test Well is commenced prior to the expiration date of the shortest-term State Lease within the Unit Area, any lease embracing lands of the State of New Mexico, which is made the subject to this agreement, shall continue in force beyond the term provided therein as to the lands committed hereto until the termination hereof. Exhibit F of this unit agreement contains provisions that are applicable only to State Lands.

(i) 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.

(j) Any lease, other than a Federal lease, having only a portion of its lands committed

hereto shall be segregated as to the portion committed and the portion not committed, and the provisions of such lease shall apply separately to such segregated portions commencing as of the effective date hereof. In the event any such lease provides for a lump-sum rental payment, such payment shall be prorated between the portions so segregated in proportion to the acreage of the respective tracts.

19. COVENANTS RUN WITH THE 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 by 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, photostatic, or certified copy of the instrument of transfer.

20. EFFECTIVE DATE AND TERM. This agreement shall become effective as of May 1, 2026 upon approval by the AO, FIMO, and Land Commissioner and shall automatically terminate five (5) years from said effective date unless:

(a) Upon application by the Unit operator such date of expiration is extended by the AO, FIMO, and Land Commissioner,
or

(b) It is reasonably determined prior to the expiration of the fixed term or any extension thereof that the unitized land is incapable of production of unitized substances in paying quantities in the formations tested hereunder, and after notice of intention to terminate this agreement on such ground is given by the Unit Operator to all parties in interest at their last known address, this agreement is terminated with approval of the AO, FIMO, and Land Commissioner, or

(c) A valuable discovery of unitized substances in paying quantities has been made or accepted on unitized land during said initial term or any extension thereof, in which event this agreement shall remain in effect for such term and so long thereafter as unitized substances can be produced in quantities sufficient to pay for the cost of producing same from wells on unitized land within any participating area established hereunder. Should production cease and diligent drilling or reworking operations to restore production or new production are not in progress within sixty (60) days and production is not restored or should new production not be obtained in paying quantities on committed lands within this unit area, this agreement will automatically terminate effective the last day of the month in which the last unitized production occurred, or

(d) It is voluntarily terminated as provided in this agreement. Except as noted herein, this agreement may be terminated at any time prior to the discovery of unitized substances which can be produced in paying quantities by not less than seventy-five (75) per centum, on an acreage basis, of the working interest owners' signatory hereto, with the approval of the AO, FIMO, and Land Commissioner. The Unit Operator shall give notice of any such approval to all parties hereto.

Voluntary termination may not occur during the first six (6) months of this agreement unless at least one obligation well shall have been drilled in conformance with Section 9.

If the public interest requirement is not satisfied, the approval of this unit by the AO, FIMO, and Land Commissioner shall be invalid.

21. **RATE OF PROSPECTING, DEVELOPMENT, AND PRODUCTION.** The AO, FIMO, and Land Commissioner is hereby vested with authority to alter or modify from time to time, in his discretion, the quantity and rate of production under this agreement when such quantity and rate are not fixed pursuant to Federal, Indian, or State law, or do not conform to any Statewide voluntary conservation or allocation program which is established, recognized, and generally adhered to by the majority of operators in such State. The above authority is hereby limited to alteration or modifications which are in the public interest. The public interest to be served and the purpose thereof, must be stated in the order of alteration or modification. Without regard to the foregoing, the AO, FIMO, or Land Commissioner is also hereby vested with authority to alter or modify from time to time, in his discretion, the rate of prospecting and development and the quantity and rate of production under this agreement when such alteration or modification is in the interest of attaining the conservation objectives stated in this agreement and is not in violation of any applicable Federal, Indian, or State law; provided, further, that no such alteration or modification shall be effective as to any land of the State of New Mexico, as to the rate of prospecting and developing in the absence of the specific written approval thereof by the Commissioner and also to any lands of the State of New Mexico..

Powers in this section vested in the AO, FIMO, and Land Commissioner shall only be exercised after notice to Unit Operator and opportunity for hearing to be held not less than fifteen (15) days from notice.

22. **APPEARANCES.** The 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 Department of the Interior, FIMO, and the Land Commissioner and to appeal from orders issued under the regulations of said Department of the Interior, FIMO, or the Land Commissioner or to apply for relief from any of said regulations, or in any proceedings relative to operations before the Department of the Interior, FIMO, or the Land Commissioner, or any other legally constituted authority; provided, however, that any other interested party shall also have the right at its own expense to be heard in any such proceeding.

23. **NOTICES.** All notices, demands, or statements required hereunder to be given or rendered to the parties hereto shall be in writing and shall be personally delivered to the party or parties, or sent by postpaid registered or certified mail, to the last-known address of the party or parties.

24. **NO WAIVER OF CERTAIN RIGHTS.** Nothing contained in this agreement shall be construed as a waiver by any party hereto of the right to assert any legal or constitutional right or defense as to the validity or invalidity of any law of the State where the unitized lands are located, or of the United States, or regulations issued thereunder in any way affecting such party, or as a waiver by any such party of any right beyond his or its authority to waive.

25. **UNAVOIDABLE DELAY.** All obligations under this agreement requiring the Unit Operator to commence or continue drilling, or to operate on, or produce unitized substances from any of the lands covered by this agreement, shall be suspended while the Unit Operator, despite the exercise of due care and diligence, is prevented from complying with such obligations, in whole or in part, by strikes, acts of God, Federal, Indian, State, or municipal law or agencies, unavoidable accidents, uncontrollable delays in transportation, inability to obtain necessary materials or equipment in the open market, or other matters beyond the reasonable control of the Unit Operator, whether similar to matters herein enumerated or not.

26. **NONDISCRIMINATION.** (a) The Unit Operator shall comply with the terms

and conditions of the Indian leases while engaged in operations hereunder with respect to the employment of available, qualified Indian labor. Unit Operator shall employ Indian labor in all positions for which they are qualified, including oil field service contracts, and shall protect the Indian grazing rights and other Indian rights to the surface of the lands.

(a) The Unit Operator shall include the provisions of subparagraph (a) above in every subcontract or purchase order so that such provisions will be binding upon each subcontractor or vendor.

26. LOSS OF TITLE. In the event title to any tract of unitized land shall fail and the true owner cannot be induced to join in this unit agreement, such tract shall be automatically regarded as not committed hereto and there shall be such readjustment of future costs and benefits as may be required on account of the loss of such title. In the event of a dispute as to title to any royalty, working interest, or other interests subject thereto, payment or delivery on account thereof may be withheld without liability for interest until the dispute is finally settled; provided, that, as to Federal lands or leases, Indian lands or leases, or State lands or leases, no payments of funds due the United States, Indian, or to the State of New Mexico shall be withheld, but such funds shall be deposited as directed by the AO, FIMO, and Land Commissioner and such funds of the State of New Mexico to be held as unearned money pending final settlement of the title dispute, and then applied as earned or returned in accordance with such final settlement.

Unit Operator as such is relieved from any responsibility for any defect or failure of any title hereunder.

28. NONJOINDER AND SUBSEQUENT JOINDER. If the owner of any substantial interest in a tract within the unit area fails or refuses to subscribe or consent to this agreement, the owner of the working interest in that tract may withdraw the tract from this agreement by written notice delivered to the proper Bureau of Land Management office, FIMO, and to the Land Commissioner and the Unit Operator prior to the approval of this agreement by the AO, FIMO, and Land Commissioner. Any oil or gas interests in lands within the unit area not committed hereto prior to final approval may thereafter be committed hereto by the owner or owners thereof subscribing or consenting to this agreement, and, if the interest is a working interest, by the owner of such interest also subscribing to the unit operating agreement. After operations are commenced hereunder, the right of subsequent joinder, as provided in this section, by a working interest owner is subject to such requirements or approval(s), if any, pertaining to such joinder, as may be provided for in the unit operating agreement. After final approval hereof, joinder by a nonworking interest owner must be consented to in writing by the working interest owner committed hereto and responsible for the payment of any benefits that may accrue hereunder in behalf of such nonworking interest. A non-working interest may not be committed to this unit agreement unless the corresponding working interest is committed hereto. Joinder to the unit agreement by a working interest owner, at any time, must be accompanied by appropriate joinder to the unit operating agreement, in order for the interest to be regarded as committed to this agreement. Except as may otherwise herein be provided, subsequent joinders to this agreement shall be effective as of the date of the filing with the AO, FIMO, and Land Commissioner of duly executed counterparts of all or any papers necessary to establish effective commitment of any interest and/or tract to this agreement.

29. 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.

30. . INDIAN EMPLOYMENT. The Unit Operator shall comply with the terms and conditions of the leases on Indian lands with respect to the employment of available Indian labor while engaged in operations hereunder.

31. SURRENDER. Nothing in this agreement shall prohibit the exercise by any working interest owner of the right to surrender vested in such party by any lease, sublease, or operating agreement as to all or any part of the lands covered thereby, provided that each party who will or might acquire such working interest by such surrender or by forfeiture as hereafter set forth, is bound by the terms of this agreement.

If as a result of any such surrender, the working interest rights as to such lands become vested in any party other than the fee owner of the unitized substances, said party may forfeit such rights and further benefits from operations hereunder as to said land to the party next in the chain of title who shall be and become the owner of such working interest. If as the result of any such surrender or forfeiture working interest rights become vested in the fee owner of the unitized substances, such owner may:

(a) Accept those working interest rights subject to this agreement and the unit operating agreement; or

(b) Lease the portion of such land as is included in a participating area established hereunder subject to this agreement and the unit operating agreement; or

(c) Provide for the independent operation of any part of such land that is not then included within a participating area established hereunder.

If the fee owner of the unitized substances does not accept the working interest rights subject to this agreement and the unit operating agreement or lease such lands as above provided within six months after the surrendered or forfeited, working interest rights become vested in the fee owner; the benefits and obligations of operations accruing to such lands under this agreement and the unit operating agreement shall be shared by the remaining owners of the unitized working interests in accordance with their respective working interest ownerships, and such owners of working interests shall compensate the fee owner of unitized substances in such lands by paying sums equal to the rentals, minimum royalties, and royalties applicable to such lands under the lease in effect when the lands were unitized.

An appropriate accounting and settlement shall be made for all benefits accruing to or payments and expenditures made or incurred on behalf of such surrendered or forfeited working interests subsequent to the date of surrender or forfeiture, and payment of any moneys found to be owing by such an accounting shall be made as between the parties within thirty (30) days.

The exercise of any right vested in a working interest owner to reassign such working interest to the party from whom obtained shall be subject to the same conditions as set forth in this section in regard to the exercise of a right to surrender.

32. **TAXES.** The working interest owners shall render and pay for their account and the account of the royalty owners all valid taxes on or measured by the unitized substances in and under or that may be produced, gathered and sold from the land covered by this agreement after its effective date, or upon the proceeds derived therefrom. The working interest owners on each tract shall and may charge the proper proportion of said taxes to royalty owners having interests in said-tract, and may currently retain and deduct a sufficient amount of the unitized substances or derivative products, or net proceeds thereof, from the allocated share of each royalty owner to secure reimbursement for the taxes so paid. No such taxes shall be charged to the United States or to the State of New Mexico or to any lessor who has a contract with his lessee which requires the lessee to pay such taxes.

33. **NO PARTNERSHIP.** It is expressly agreed that the relation of the parties hereto is that of independent contractors and nothing contained in this agreement, expressed or implied, nor any operations conducted hereunder, shall create or be deemed to have created a partnership association between the parties hereto or any of them.

34. **SURFACE AND ENVIRONMENTAL PROTECTION STIPULATIONS.** Nothing in this agreement shall modify or change either the special Federal or Indian lease stipulations relating to surface management or such special Federal or Indian lease stipulations relating to surface and environmental protection, attached to and made a part of Oil and Gas Leases covering lands within the Unit Area.

35. **EXISTING WELLBORES.** There are 48 existing vertical wells producing on a lease basis and 9 horizontal wells located within the boundaries of the existing units, Crow Canyon Unit (NMNM135203X, MLRS NMNM105375688) and the Blanco Wash Unit (NMNM137065X, MLRS NMNM105691320) that currently produce from the unitized interval.

These wells are listed on Exhibit G and are expressly excluded from this agreement.

36. **INCLUSION OF NON-FEDERAL LANDS.** Where State-owned land is to be unitized with Federal lands, approval of the agreement by appropriate State officials must be obtained prior to its submission to the proper BLM office for final approval. When authorized by the laws of the State in which the unitized land is situated, appropriate provision may be made in the agreement, recognizing such laws to the extent that they are applicable to non-Federal unitized land.

37. **NEW MEXICO STATE TRUST LANDS.**
Additional conditions of approval required by the Land Commissioner, applicable to New Mexico State Trust Lands subject to this agreement, are set forth on Exhibit F, attached hereto and made a part hereof.

38. **SPECIAL SURFACE STIPULATIONS.** Nothing in this agreement shall modify the special Federal lease stipulations attached to the individual Federal oil and gas leases. Drilling and completion operations in the northeastern portion of the unit will be impacted by wildlife stipulations prohibiting surface activity from December 1st through March 31st of any year; however, the 2026 and 2027 Plans of Development are not affected.

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

DJR OPERATING, LLC

Unit Operator

Exhibit "C"

Type Well for the unit: Escrito P16-2409 001H well (API #3004535313) in Section 16 of Township 24 N, Range 9 W.

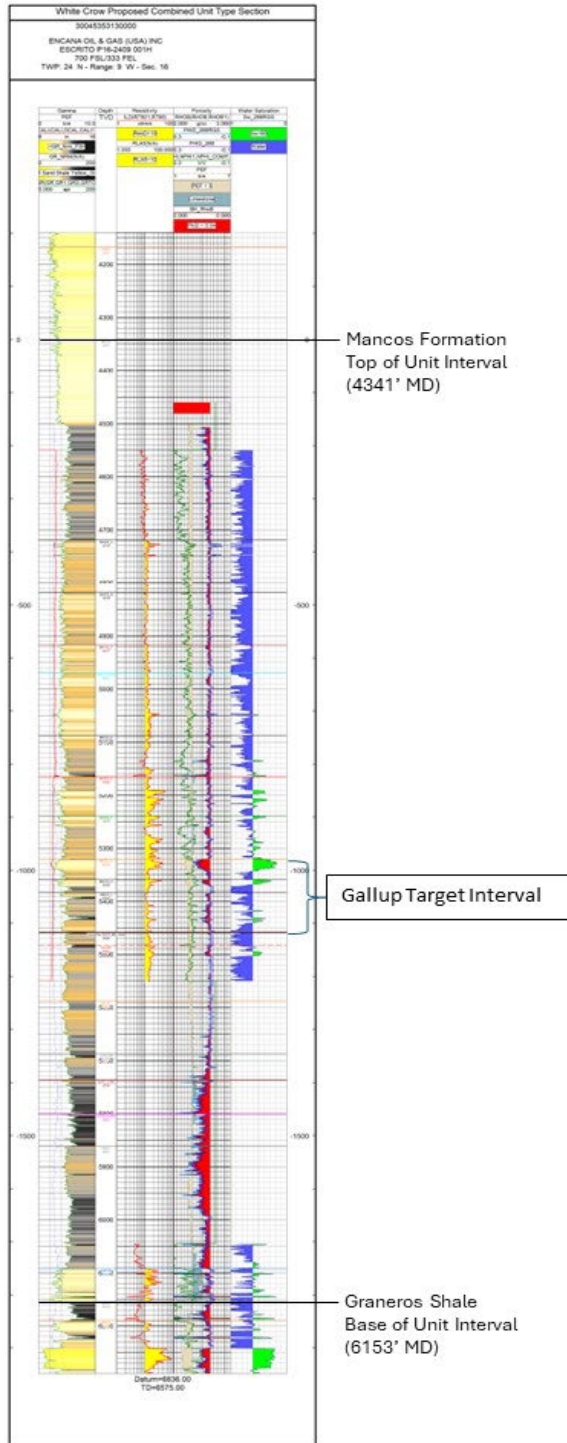


EXHIBIT “D”

Attached to the Unit Agreement, White Crow Unit, San Juan County, New Mexico

INITIAL PLAN OF DEVELOPMENT AND OPERATION**1. Obligation Wells**

Following are the obligation wells planned for the Unit:

| Well Status | API Number | Well Name | Well Location Pad Name | Formation | Planned Spud Date |
|-------------|--------------|----------------------|------------------------|-----------|-------------------|
| PERMIT | 30-045-38253 | WHITE CROW UNIT 115H | WCU C20 2408 | Gallup | 5/25/2026 |
| PERMIT | 30-045-38254 | WHITE CROW UNIT 117H | WCU C20 2408 | Gallup | 6/4/2026 |
| PERMIT | 30-045-38255 | WHITE CROW UNIT 118H | WCU C20 2408 | Gallup | 6/15/2026 |
| PERMIT | 30-045-38285 | WHITE CROW UNIT 105H | WCU C20 2408 | Gallup | 6/26/2026 |
| PERMIT | 30-045-38286 | WHITE CROW UNIT 106H | WCU C20 2408 | Gallup | 7/7/2026 |
| PERMIT | 30-045-38287 | WHITE CROW UNIT 108H | WCU C20 2408 | Gallup | 7/19/2026 |
| PERMIT | 30-045-38452 | WHITE CROW UNIT 114H | WCU C20 2408 | Gallup | 7/31/2026 |
| PERMIT | 30-045-38459 | WHITE CROW UNIT 130H | WCU L16 2408 | Gallup | 1/18/2027 |
| PERMIT | 30-045-38460 | WHITE CROW UNIT 131H | WCU L16 2408 | Gallup | 1/24/2027 |
| PERMIT | 30-045-38461 | WHITE CROW UNIT 134H | WCU L16 2408 | Gallup | 1/29/2027 |
| PERMIT | 30-045-38462 | WHITE CROW UNIT 135H | WCU L16 2408 | Gallup | 2/4/2027 |

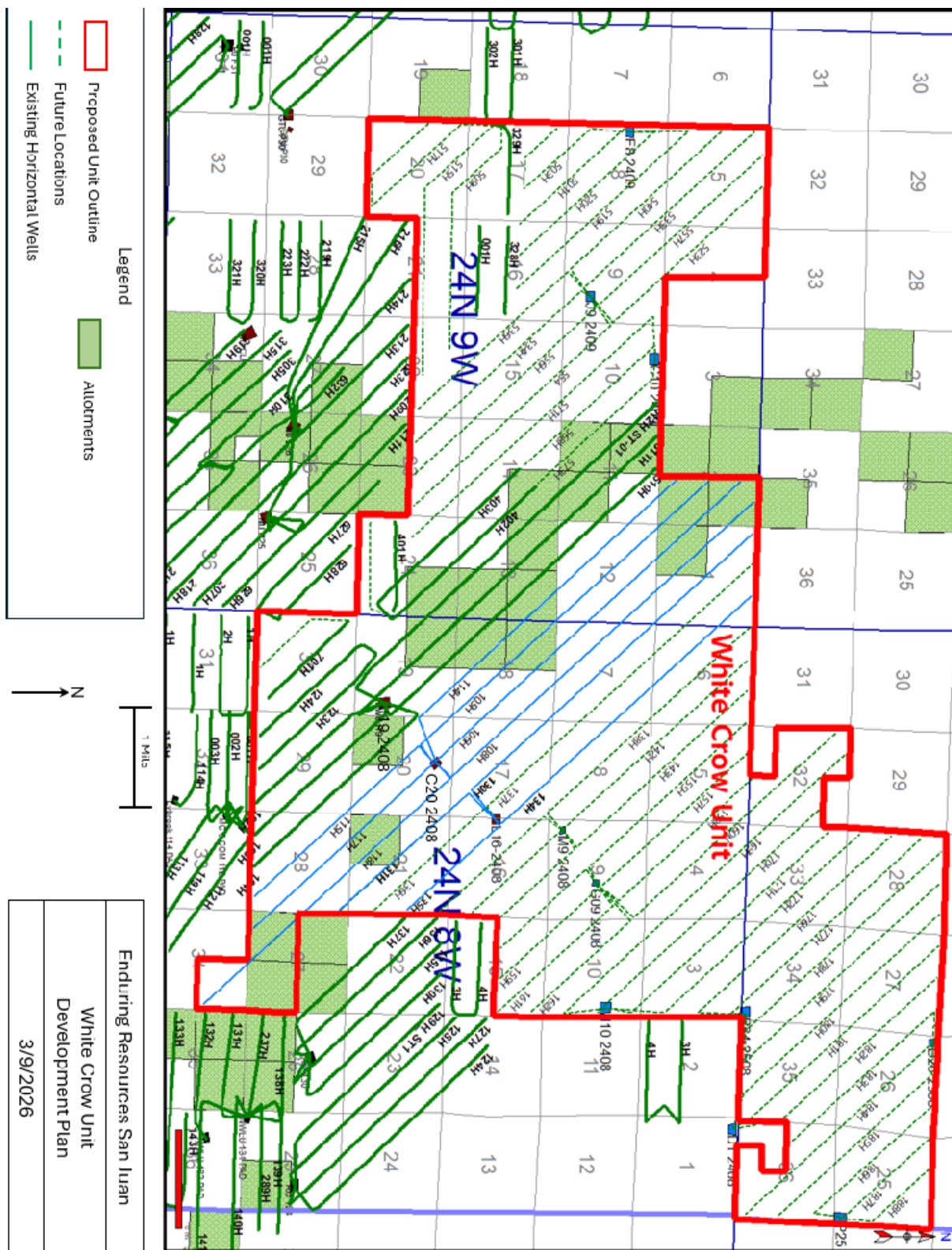
These 11 Initial Obligation Wells will be drilled from the White Crow Unit C20 and L16 Pads in 24N 8W. Their Bottom Hole locations will be along the unit boundaries resulting in lateral lengths ranging from 11,000 to 20,000 feet. They will be spaced roughly 1200 FT apart and be drilled in the Gallup sandstone interval which is at a vertical depth (TVD) of approximately 5,400 feet. The obligation wells will have Gamma Ray LWD logs (Logging While Drilling) to support geosteering the laterals in the target zone. The obligation well pads are near the existing infrastructure for oil, water and gas takeaway. New infrastructure will be added to the existing infrastructure to leverage existing operating systems. Where needed, lines will be upgraded to reduce any pinch points within the existing system. The existing infrastructure is operated by a third party; discussions will occur between producers and pipeline operator to ensure pipeline capacities are not exceeded.

2. Initial Obligation Well. The White Crow Unit #105H shall be designated as the initial unit obligation well. This well shall be used to validate the Unit acreage as “HBP”, and to do so, the well must be drilled and on production in order to meet the public interest requirement of this agreement, subject to extension as a result of force majeure or as otherwise agreed to by the AO. Permissible extensions will be given for scheduling difficulties, including APDs pending final approval from the BLM FFO. However, to qualify for an extension, DJR Operating, LLC (“DJR”)

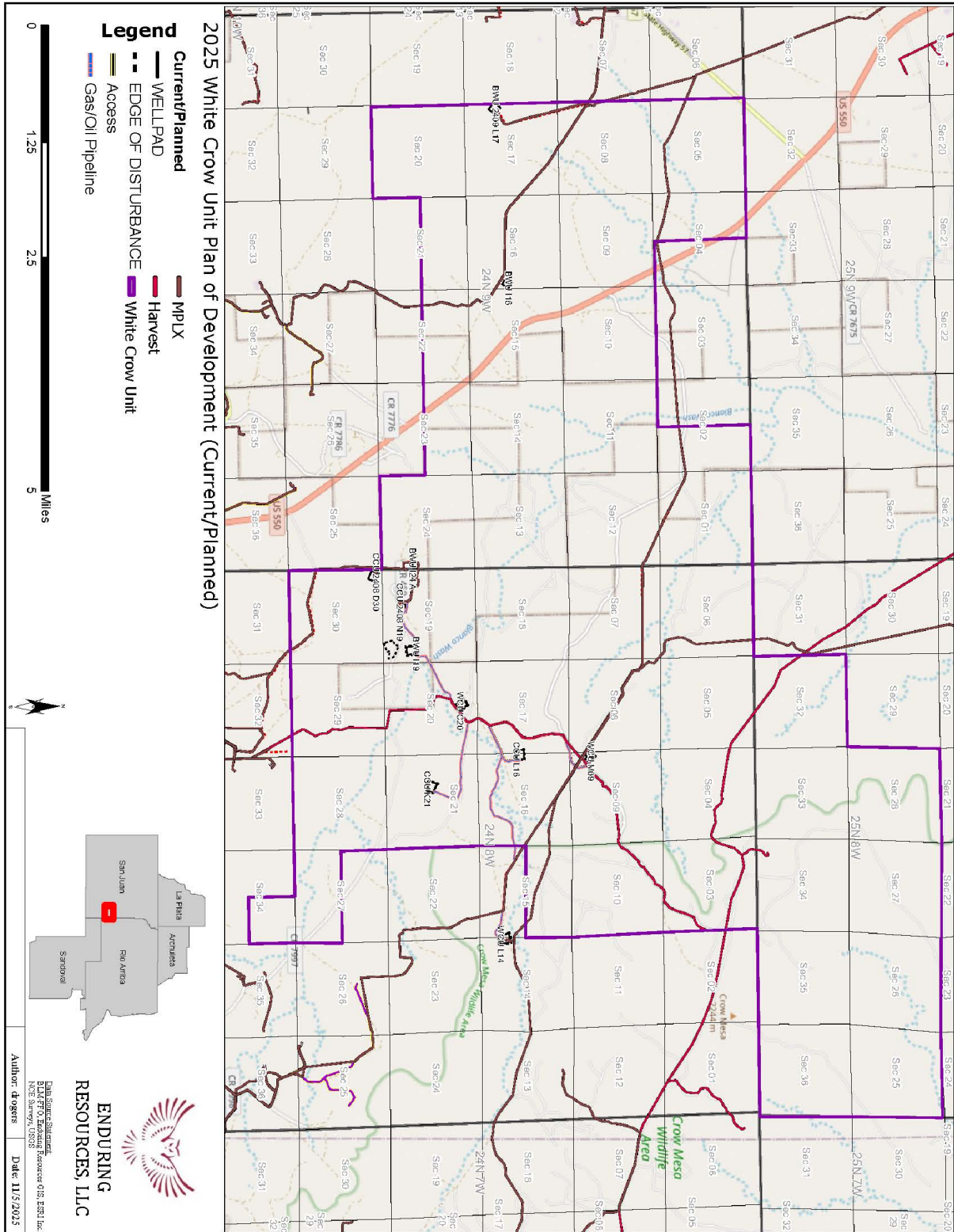
as Operator must show that, taken as a whole, it has exercised reasonable diligence in getting the well/wells on production. When the well has at least 6 months of production data, and has been determined to be a well capable of production in paying quantities, DJR shall file an application for an initial Participating Area for the Obligation Wells.

3. Plan of Development. Attached is a “stick map” depicting the full unit plan of development, with an estimated timeline. In addition, the attached aerial photograph of the unit area shows the existing and future infrastructure.

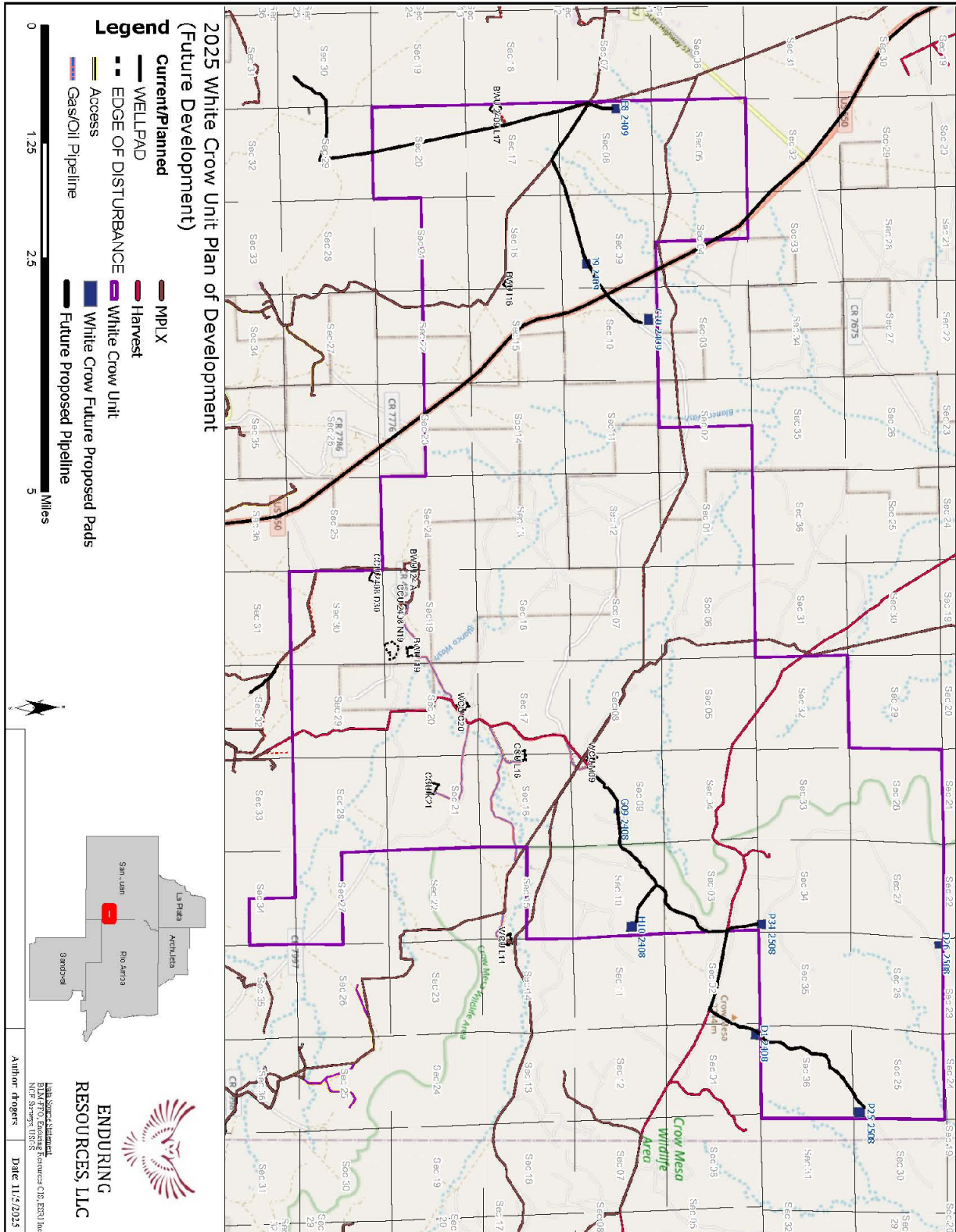
4. Revising the Plan of Development. The Unit Operator will have the option to revise the Plan of Development (“POD”) as necessary due to substantial change in economic conditions, force majeure, or Unavoidable Delays relating to the Unit Operator’s then-existing plan. All changes and revisions will be evaluated by the AO and State Land Office. The AO and/or the State Land Office have the authority to recommend additional changes, and approve or deny approval of the annual POD submitted by Unit Operator, with the intent to work cooperatively with the Unit Operator to identify obstacles and provide extensions, if necessary. This Exhibit “D” to the Unit Agreement shall be deemed to be automatically revised annually to remain consistent with the current year POD, as approved by the AO and State Land Office. The Unit Operator shall provide any additional information as deemed necessary by the AO or State Land Office upon request.



Development Plan showing location future Gallup horizontal wells for the White Crow Unit with Unit Obligation wells highlighted in blue. Existing Gallup horizontals are also displayed to illustrate how the future development fills in around existing wells to fully develop the unit.



Current pad and pipeline facilities plus and near-term surveyed facilities in Blanco Wash and Crow Canyon Units.



Future facilities infrastructure for the full development of the White Crow Unit. New pads will be placed along existing development corridors where pipeline connection to existing lines is minimized.

Timeline of Well Development and New Infrastructure

| 2025 | | | | | | | | | | | | |
|------------|---|---------------------------------------|-------|---|-----|------|------|--------|---------------------------|-----------------------------|---------------------------------------|------------------------------------|
| | January | February | March | April | May | June | July | August | September | October | November | December |
| Regulatory | | | | | | | | | | | | Submit final unit agreement |
| Facilities | | | | | | | | | | | Build C 20 Pipeline | |
| D&C | | | | | | | | | | | | |
| 2026 | | | | | | | | | | | | |
| | January | February | March | April | May | June | July | August | September | October | November | December |
| Regulatory | File Unit Agreement with NMCCO | Sundry APDs for WCU C20-2408 wells | | | | | | | | | | Sundry APDs for WCU L16-2408 wells |
| Facilities | Build C20-2408 Road and Pad | Build C20-2408 CTB and pad facilities | | | | | | | Build L16-2408 pipeline | Build L16-2408 road and pad | Build L16-2408 CTB and pad facilities | |
| D&C | | | | Drill and complete White Crow Unit obligation wells on the C20-2408 Pad: WCU 105H, 106H, 108H, 114H, 115H, 117H, 118H | | | | | | | | |
| 2027 | | | | | | | | | | | | |
| | January | February | March | April | May | June | July | August | September | October | November | December |
| Regulatory | Submit APD applications for G09-2408 wells | | | | | | | | | | | |
| Facilities | | | | | | | | | Build G09-2408 pipeline | Build G09-2408 road and pad | Build G09-2408 CTB and pad facilities | |
| D&C | Drill and complete WCU L16-2408 pad wells: WCU 130H, 131H, 134H, 135H, 136H, 137H | | | | | | | | | | | |
| 2028 | | | | | | | | | | | | |
| | January | February | March | April | May | June | July | August | September | October | November | December |
| Regulatory | Submit APD applications for A10-2408 wells | | | | | | | | | | | |
| Facilities | | | | | | | | | Build A10-2408 pipeline | Build A10-2408 road and pad | Build A10-2408 CTB and pad facilities | |
| D&C | Drill and complete WCU G09-2408 pad wells: WCU 155H, 156H, 157H, 158H, 153H, 160H, 161H, 162H | | | | | | | | | | | |
| 2029 | | | | | | | | | | | | |
| | January | February | March | April | May | June | July | August | September | October | November | December |
| Regulatory | Submit APD Application for next pad | | | | | | | | | | | |
| Facilities | | | | | | | | | Build next pad's pipeline | Build next road and pad | Build next CTB and pad facilities | |
| D&C | Drill and complete White Crow Unit A10 2408 Pad: WCU 169H, 170H, 171H, 172H | | | | | | | | | | | |

EXHIBIT "E"

Attached to the Unit Agreement, White Crow Unit, San Juan County, New Mexico

LIST OF STATE LEASES

| | |
|-----------------|---|
| Lease No. | B-10889 |
| Effective Date: | 12/22/1943 |
| Lands: | <u>T24N-R9W-N.M.P.M.</u> Sec. 16: NW/4SE/4 |
| Lease No. | E-3148 |
| Effective Date: | 12/10/1949 |
| Lands: | <u>T25N-R8W-N.M.P.M.</u> Sec. 32: N/2SW/4, NW/4SE/4, SE/4NE/4 |
| Lease No. | E-6644 |
| Effective Date: | 11/14/1952 |
| Lands: | <u>T24N-R9W-N.M.P.M.</u> Sec. 16: N/2 |
| Lease No. | LG-1917 |
| Effective Date: | 8/01/1974 |
| Lands: | <u>T24N-R8W N.M.P.M.</u> Sec. 16: All |
| Lease No. | V-7918 |
| Effective Date: | 12/01/2006 |
| Lands: | <u>T24N-R9W N.M.P.M.</u> Sec. 16: NE/4SE/4, N/2SW/4, SE/4SW/4, SW/4SE/4 |
| Lease No. | V-8941 |
| Effective Date: | 4/01/2011 |
| Lands: | <u>T24N-R9W N.M.P.M.</u> Sec. 16: SE/4SE/4, SW/4SW/4 |
| Lease No. | VO-8986 |
| Effective Date: | 7/01/2011 |
| Lands: | <u>T25N-R8W N.M.P.M.</u> Sec. 32: NW/4, SW/4NE/4, NE/4SE/4, S/2SE/4 |

Lease No. VO-8987
Effective Date: 7/01/2011
Lands: T25N-R8W-N.M.P.M.
Sec. 36: N/2, SE/4, SE/4SW/4

Exhibit F

New Mexico State Land Office

1. 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, maximize drainage, and to minimize surface disturbance. Unit Operator shall minimize surface disturbances on state trust lands in the planning of its development.
2. Unless a temporary exception is granted by the Commissioner, in writing, at least one well shall be developed for every 2,000 acres in which state trust lands is included in a participating area and reflected as such in the development plan submitted hereunder.
3. In the event state trust lands are eliminated, in whole or in part, from this agreement, no reallocation of production or redistribution of royalties shall be required by the Commissioner for the past production and distribution of royalties up to the date of elimination of lands; reallocation and/or redistribution of royalties from the date of elimination going forward may be required by the Commissioner. Nothing herein contravenes the Commissioner's right to seek accurate allocations from past production.
4. All state trust leases subject to this agreement continue to be bound by the terms of the lease, including, but not limited to, requirements for the lessee of record to be bonded and rentals to be paid. The respective lease owners in accordance with the terms of their leases shall pay all rentals due to the State of New Mexico. In the event the rental due to the State of New Mexico is not timely paid, per the terms of the lease, the lease shall terminate, and those lands shall be eliminated from this agreement; any well(s) producing from the terminated leases shall be deemed producing in trespass until the underlying lands are properly under lease and the wells under any required agreement with the Commissioner.
5. The Unit Operator shall maintain all wells on state trust land that result in inclusion in this agreement in compliance with all applicable environmental-related rules of the Division, the New Mexico State Land Office, and the New Mexico Environment Department. Failure to comply with spill, release, remediation, and reclamation rules may result in elimination of the state trust lands from this agreement after notice by the Commissioner to the unit operator and reasonable, in the Commissioner's sole discretion, opportunity to cure.
6. When reviewing unit production, the Commissioner shall rely on production reported to the Division on the day said production is required to be reported to the Division. It is

solely within the Commissioner's discretion to determine how production reported after the timeframes prescribed by New Mexico law, including amended production, impacts state trust lands.

Exhibit G

Attached to and made a part of the White Crow Unit Agreement, effective May1, 2026

Existing Blanco Wash Unit and Crow Canyon Unit Wells

| Well Status | API Number | Well Name | Well Location Pad Name | NMOCD Pool Name /Prod Zone |
|-------------|--------------|-----------------------|------------------------|----------------------------|
| POW | 30-045-35545 | BLANCO WASH UNIT 329H | BWU L17 2409 | GALLUP LOWER |
| POW | 30-045-35362 | BLANCO WASH UNIT 328H | BWU I16 2409 | GALLUP LOWER |
| POW | 30-045-35656 | BLANCO WASH UNIT 402H | BWU I24A 2409 | MANCOS |
| POW | 30-045-35658 | BLANCO WASH UNIT 403H | BWU I24A 2409 | MANCOS |
| TA | 30-045-35322 | BLANCO WASH UNIT 401H | BWU I24 2409 | GALLUP LOWER |
| DRILLED | 30-045-38221 | BLANCO WASH UNIT 510H | BWU I19 2408 | WOC |
| DRILLED | 30-045-38222 | BLANCO WASH UNIT 511H | BWU I19 2408 | WOC |
| DRILLED | 30-045-38224 | BLANCO WASH UNIT 512H | BWU I19 2408 | WOC |

Table 1. Horizontal wells located in and governed by the terms of the Blanco Wash Unit Agreement.

| Well Status | API Number | Well Name | Well Location Pad Name | NMOCD Pool Name /Prod Zone |
|-------------|--------------|-----------------------|------------------------|----------------------------|
| POW | 30-045-35652 | CROW CANYON UNIT 123H | CCU N19 2408 | MANCOS |
| POW | 30-045-38178 | CROW CANYON UNIT 124H | CCU N19 2408 | MANCOS |
| POW | 30-045-35467 | CROW CANYON UNIT 701H | CCU D30 2408 | MANCOS |
| DRILLED | 30-045-38227 | CROW CANYON UNIT 102H | BWU I19 2408 | WOC |
| DRILLED | 30-045-38228 | CROW CANYON UNIT 103H | BWU I19 2408 | WOC |
| DRILLED | 30-045-38220 | CROW CANYON UNIT 104H | BWU I19 2408 | WOC |

Table 2. Horizontal wells located in and governed by the terms of the Crow Canyon Unit Agreement.

| Vertical and Horizontal Producing Wells in White Crow Unit Outline-Not Allocated to Existing Units | | | | | | |
|--|-----------------------|---------------------|------|------------|--------|----------------------------|
| Well ID | Operator | Name | # | Spud date | Status | NMOCD Pool Name /Prod Zone |
| 30045219960000 | DUGAN PRODUCTION CORP | BIG EIGHT | 1 | 1/19/1976 | 2OIL | LOWER GALLUP |
| 30045219960000 | DUGAN PRODUCTION CORP | BIG EIGHT | 1 | 1/19/1976 | 2OIL | DAKOTA |
| 30045219960001 | DUGAN PRODUCTION CORP | BIG EIGHT | 1 | 6/19/1979 | OIL | GREENHORN |
| 30045222250000 | EPIC ENERGY LLC | FEDERAL-A | 1 | 10/30/1976 | OIL | GALLUP DAKOTA |
| 30045223070001 | DUGAN PRODUCTION CORP | OKIE | 1 | 4/3/1978 | GAS-WO | PICTURED CLIFFS |
| 30045223070002 | DUGAN PRODUCTION CORP | OKIE | 1 | 2/1/1994 | GAS-CB | FRUITLAND COAL |
| 30045244200000 | DUGAN PRODUCTION CORP | HARVEY | 2 | 5/30/1981 | GAS | LOWER GALLUP |
| 30045244200001 | DUGAN PRODUCTION CORP | HARVEY | 2 | 11/22/1996 | GAS-WO | DAKOTA |
| 30045249070000 | DUGAN PRODUCTION CORP | NAGEEZI FEDERAL-33 | 1 | 8/19/1981 | OIL | GALLUP DAKOTA |
| 30045249070001 | DUGAN PRODUCTION CORP | ANABEL | 1 | 4/3/1986 | OIL-WO | GALLUP DAKOTA |
| 30045250340000 | DUGAN PRODUCTION CORP | KAIBAB TRAIL | 1 | 6/17/1981 | OIL | GALLUP |
| 30045251640000 | DUGAN PRODUCTION CORP | LAVA FALLS | 1 | 10/14/1981 | OIL | GALLUP |
| 30045252080000 | LOGOS OPERATING LLC | SCARECROW | 1 | 11/24/1981 | OIL | GALLUP DAKOTA |
| 30045252210000 | DUGAN PRODUCTION CORP | BIG EIGHT | 1-E | 3/8/1982 | OIL | LOWER GALLUP |
| 30045254860000 | DUGAN PRODUCTION CORP | BOWERS | 1 | 11/10/1984 | GAS | PICTURED CLIFFS |
| 30045259190000 | DUGAN PRODUCTION CORP | MUDDY MUDDA | 1 | 4/27/1984 | OIL | LOWER GALLUP |
| 30045259190000 | DUGAN PRODUCTION CORP | MUDDY MUDDA | 1 | 4/27/1984 | OIL | DAKOTA |
| 30045263220000 | EPIC ENERGY LLC | SHOOFLY | 2 | 4/22/1985 | OIL | GALLUP DAKOTA |
| 30045265270000 | DUGAN PRODUCTION CORP | ANABEL B | 1 | 9/28/1985 | OIL | GALLUP DAKOTA |
| 30045265280000 | DUGAN PRODUCTION CORP | ANABEL A | 001 | 10/14/1985 | OIL | GALLUP DAKOTA |
| 30045265300000 | DUGAN PRODUCTION CORP | IVY LEAGUE | 1 | 11/3/1985 | OIL | LOWER GALLUP |
| 30045289960000 | DUGAN PRODUCTION CORP | SUPAI POINT | 1 | 10/21/1993 | GAS-CB | FRUITLAND COAL |
| 30045291590000 | DUGAN PRODUCTION CORP | MESA | 90 | 9/26/1994 | GAS-CB | FRUITLAND COAL |
| 30045291920000 | DUGAN PRODUCTION CORP | SAPP | 90 | 10/1/1994 | GAS-CB | FRUITLAND COAL |
| 30045292380000 | DUGAN PRODUCTION CORP | SAPP | 91 | 5/3/1995 | GAS-CB | FRUITLAND COAL |
| 30045292390000 | DUGAN PRODUCTION CORP | BUDDHA TEMPLE | 90 | 5/11/1995 | GAS-CB | FRUITLAND COAL |
| 30045292430000 | DUGAN PRODUCTION CORP | SAPP | 2 | 8/8/1995 | OIL | GALLUP |
| 30045293930000 | DUGAN PRODUCTION CORP | KAIBAB TRAIL | 90 | 8/6/1996 | GAS-CB | FRUITLAND COAL |
| 30045295490000 | DUGAN PRODUCTION CORP | MO VALLEY | 90 | 3/14/1998 | GAS-CB | FRUITLAND COAL |
| 30045296340000 | DUGAN PRODUCTION CORP | DOWD ELWOOD P COM | 90 | 1/22/2001 | GAS-CB | FRUITLAND COAL |
| 30045296500000 | DUGAN PRODUCTION CORP | CHASE MERRY COM | 90 | 9/14/1998 | GAS-CB | FRUITLAND COAL |
| 30045312100000 | DUGAN PRODUCTION CORP | MESA | 91 | 12/13/2002 | GAS-CB | FRUITLAND COAL |
| 30045313820000 | DUGAN PRODUCTION CORP | MESA | 90S | 3/17/2003 | GAS-CB | FRUITLAND COAL |
| 30045313830000 | DUGAN PRODUCTION CORP | MESA | 91S | 3/31/2003 | GAS-CB | FRUITLAND COAL |
| 30045314080000 | DUGAN PRODUCTION CORP | BOWERS | 91 | 5/27/2003 | GAS-CB | FRUITLAND COAL |
| 30045317230000 | DUGAN PRODUCTION CORP | BOWERS | 91-S | 10/6/2003 | GAS-CB | FRUITLAND COAL |
| 30045317240000 | DUGAN PRODUCTION CORP | SUPAI POINT | 92-S | 9/30/2003 | GAS-CB | FRUITLAND COAL |
| 30045317670000 | DUGAN PRODUCTION CORP | MUDDY MUDDY COM | 90 | 10/24/2003 | GAS-CB | FRUITLAND COAL |
| 30045320860000 | DUGAN PRODUCTION CORP | MESA SWD | 4 | 2/3/2004 | SWDOP | MESAVERDE |
| 30045322720000 | DUGAN PRODUCTION CORP | CHACO COM | 5 | 10/4/2004 | GAS-CB | PICTURED CLIFFS |
| 30045322730000 | DUGAN PRODUCTION CORP | CHACO | 90 | 10/11/2004 | GAS-CB | FRUITLAND COAL |
| 30045331730000 | DUGAN PRODUCTION CORP | LARGO FEDERAL B | 2 | 9/28/2005 | OIL | LOWER GALLUP |
| 30045331780000 | DUGAN PRODUCTION CORP | QUEEN NEFERTITI COM | 90 | 9/26/2005 | GAS-CB | FRUITLAND COAL |
| 30045339430000 | DUGAN PRODUCTION CORP | ARVISO | 1 | 11/16/2006 | GAS | PICTURED CLIFFS |
| 30045353130100 | DJR OPERATING LLC | ESCRITO P16-2409 | 001H | 3/27/2012 | OIL-WO | GALLUP LOWER |

Table 3. Vertical and Horizontal wells located within the White Crow Unit outline but not allocated to or governed by the terms of the Crow Canyon Unit or Blanco Wash Unit Agreements.