

ASSIGNMENT OF OIL AND GAS LEASES

STATE OF NEW MEXICO §
 §
COUNTY OF LEA §

This Assignment of Oil and Gas Leases (the "*Assignment*"), effective as of April 6, 2018 at 7:00 a.m. Central Time (the "*Effective Date*"), is from **Devon Energy Production Company, L.P.**, an Oklahoma limited partnership, whose mailing address is 333 West Sheridan Avenue, Oklahoma City, Oklahoma 73102 (hereinafter "*Assignor*") to **MRC Permian Company**, a Texas corporation, whose mailing address is One Lincoln Centre, 5400 LBJ Freeway, Suite 1500, Dallas, Texas 75240 (hereinafter "*Assignee*"). Assignor and Assignee may be referred to herein individually as a "*Party*" and collectively as the "*Parties*".

WITNESSETH:

WHEREAS, Assignor has agreed to convey and assign certain properties and assets to Assignee pursuant to that certain Lease Exchange Agreement, dated effective as of the Effective Date, by and between Assignor and Assignee (the "*Exchange Agreement*");

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are acknowledged, Assignor does hereby assign, transfer, convey and deliver unto Assignee, effective as of the Effective Date, all of Assignor's right, title and interest in and to the following:

A. The oil and gas leases described or referred to in Exhibit "A", attached hereto (the "*Leases*"), insofar as the Leases cover and relate to the lands and depths described on Exhibit "A" (the "*Lands*"), along with any and all renewals, extensions, ratifications, and amendments of such Leases, together with all rights incidental thereto, including without limitation all right, title and interest derived from (i) any contract or agreement, including operating, exploration, farmout, pooling, unitization and communitization agreements, to the extent related to the Leases or Lands, including without limitation, the associated contracts and agreements described or referred to in Exhibit "A", and (ii) all or any portion of the Leases or Lands being included in any unit formed under order, regulation, rule or other official act of any governmental authority having jurisdiction; and

B. To the extent assignable or transferable, all surface and subsurface easements, rights-of-way, easements, usage rights, licenses, permits, surface leases, and rights of ingress and egress to the extent appurtenant to and primarily related to the Leases and Lands.

All of Assignor's right, title and interest in and to the above described properties, interests, and rights specified in the foregoing subparagraphs (A) and (B) are hereinafter collectively referred to as the "***Subject Interests***".

PROVIDED, with respect only to the Leases covering lands in Section 11, Township 24 South, Range 33 East, Lea County, New Mexico, Assignor hereby excepts and reserves unto itself, its successors and assigns, an overriding royalty interest equal to the positive difference, if any, between twenty-one percent (21%) and existing leasehold burdens (such burdens include without limitation all royalties, overriding royalties, production payments, and similar burdens) of all oil, gas, condensate, casinghead gas, and other hydrocarbon substances produced, saved, and sold from the lands covered by such Leases, or any lands pooled, communitized, or unitized therewith, it being the intent of Assignor to assign and convey to Assignee a net revenue interest of seventy-nine percent (79%) in and to such Leases. Assignor's reserved overriding royalty interest shall be free and clear of all costs and expenses, including without limitation all costs and expenses of drilling, testing, completing, equipping, operating and abandoning each oil and/or gas well located on the lands covered by such Leases, or lands pooled, communitized, or unitized therewith, but shall bear its proportionate share of all gross production, ad valorem, severance and similar taxes. Assignor's reserved overriding royalty interest shall be proportionately reduced to the extent this Assignment transfers less than the full working interest in and to such Leases, as well as to the extent such Leases cover less than the full undivided fee interest in the mineral estate in the lands covered by such Leases, and to the extent lands covered by such Leases are pooled, communitized, or unitized with other lands or leases. Assignor agrees that Assignee may pool, communitize or unitize Assignor's overriding royalty interest on the same terms as pooling, communitization, or unitization is allowed (or may be allowed in the future) under the terms of such Leases or by governmental authority having jurisdiction.

TO HAVE AND TO HOLD the Subject Interests unto Assignee, its successors and assigns, forever subject to the terms and provisions hereof.

1. Special Warranty of Title. Assignor covenants and agrees that it will WARRANT and DEFEND title to the Subject Interests unto Assignee, its successors and assigns, against all persons claiming or to claim the whole or any part thereof, by, through or under Assignor, but not otherwise. Further, this Assignment is made by Assignor with the right of full substitution and subrogation of Assignee in and to all covenants and warranties heretofore given or made by others with respect to the Subject Interests. **ANY COVENANTS OR WARRANTIES IMPLIED BY STATUTE OR LAW OR BY THE USE OF THE WORD "ASSIGN," "TRANSFER," "CONVEY" OR OTHER WORDS OF GRANT ARE HEREBY EXPRESSLY WAIVED AND DISCLAIMED BY THE PARTIES.**

2. Retained Liabilities and Obligations. Assignor hereby retains all of its Liabilities (as hereinafter defined) and obligations related to Assignor's ownership or operation of the Subject Interests prior to the Effective Date. As used in this Assignment, "***Liabilities***" means any and all

claims, demands, payments, charges, judgments, assessments, losses, liabilities (including environmental liabilities), damages, penalties, fines, expenses, costs, fees, settlements, and deficiencies, including any reasonable attorneys' fees, legal, and other costs and expenses suffered or incurred in connection therewith.

3. Assumed Liabilities and Obligations. Assignee assumes and agrees to perform any and all Liabilities and obligations related to the Subject Interests which arise as a result of the ownership or operation of the Subject Interests by or on behalf of Assignee on and after the Effective Date.

4. Disclaimer. Except as expressly set forth in the Exchange Agreement and in this Assignment, Assignor conveys the Subject Interests to Assignee without any express, statutory, or implied warranty or representation of any kind, including warranties or representations relating to (i) Assignor, (ii) Assignor's title in and to the Leases and Lands, or (iii) any implied or express warranty regarding compliance with any applicable environmental laws, the release of materials into the environment, or protection of the environment or health. Except as expressly set forth in the Exchange Agreement and in this Assignment, in acquiring the Subject Interests, Assignee accepts the Subject Interests "as is," "where is," and "with all faults" and in their present condition and state of repair. Except as expressly set forth in the Exchange Agreement and in this Assignment, Assignor makes no representation or warranty as to (a) the amount, value, quality, quantity, volume, or deliverability of any hydrocarbons or reserves in, under, or attributable to the Leases or Lands, or (b) the accuracy, completeness, or materiality of any data, information, or records furnished to Assignee in connection with this Assignment. Assignee acknowledges and agrees to the foregoing and that the foregoing disclaimer is "conspicuous."

5. Further Assurances. Without additional consideration, Assignor and Assignee agree to take such further actions and execute such further documents as may be reasonably necessary or appropriate for the full and complete enjoyment of the rights herein granted including without limitation all such other additional instruments, notices, division orders, transfer orders and other documents, and to do all such other and further acts and things as may be necessary to more fully and effectively assign, transfer, convey and deliver to Assignee the right, title and interest conveyed hereby or intended to be conveyed.

6. Governmental Forms. Assignor may be required to execute a separate assignment or assignments of the Leases on forms approved by Bureau of Land Management, or such other governmental authority having jurisdiction. Any such separate assignment (i) will not constitute an additional conveyance of any interest in and to the Leases, (ii) is not intended to modify, and will not modify, any terms, covenants, conditions, or limitations on warranties set forth in this Assignment, and (iii) will be deemed to contain all of the terms and provisions of this Assignment as fully and to all intents and purposes as though same were set forth in such separate assignment.

7. Proration of Taxes. All ad valorem taxes, real property taxes, personal property taxes and similar obligations attributable to the Subject Interests for the year in which the Effective Date occurs shall be allocated between Assignor and Assignee as of the Effective Date.

8. Governing Law. The validity, enforceability, interpretation and construction of this Assignment shall be governed by the laws of the State of New Mexico (without regard to conflict of law rules or principles that might refer to the law of another jurisdiction).

9. Severability. If a court of competent jurisdiction determines that any clause or provision of this Assignment is void, illegal or unenforceable, such determination shall not affect the validity of this Assignment as a whole, and this Assignment shall remain in full force and effect and the clause and/or provision determined to be void, illegal or unenforceable shall be limited so it remains in effect to the extent permissible by law.

10. No Third Party Beneficiaries. Any reference herein to contracts, agreement, burdens, encumbrances or other matters shall not be deemed to ratify or create rights in third parties or merge with, modify or limit the rights of Assignor or Assignee as between themselves. It is the intent of Assignor and Assignee that this Assignment shall not be construed as a third party beneficiary contract.

11. Successors and Assigns. This Assignment shall be binding upon and inure to the benefit of the Parties hereto as well as their respective successors and assigns.

12. Counterparts. This Assignment may be executed in any number of original counterparts and each such counterpart shall be deemed to be an original instrument, but all such counterparts shall constitute but one and the same instrument of conveyance. For recording, counterpart signature and acknowledgment pages may be affixed to the body of one original instrument. This Assignment is executed on the date of the respective acknowledgment for each Party, but is effective for all purposes as of the Effective Date.

13. Entire Agreement. This Assignment and the Exchange Agreement, executed contemporaneously with this Assignment, as same may have been amended or extended, embodies the entire agreement and understanding of the Parties with respect to the subject matter contained herein. This Assignment is subject to the Exchange Agreement, and in the event of a conflict, the terms and provisions of the Exchange Agreement shall control; provided, however, third parties may conclusively rely upon this Assignment as evidence of title in and to the Subject Interests vesting in Assignee.

[Remainder of page intentionally left blank; Signature and acknowledgment pages follow]

IN WITNESS WHEREOF, this Assignment is executed by each Party on the date of such Party's respective acknowledgment below, but is effective for all purposes as of the Effective Date.

ASSIGNOR:

Devon Energy Production Company, L.P.

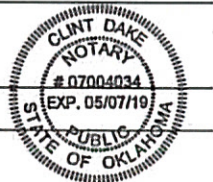
By: Catherine Lebsack
Name: Catherine Lebsack
Title: Vice President re

ACKNOWLEDGMENT

STATE OF OKLAHOMA §
§
COUNTY OF OKLAHOMA §

This instrument was acknowledged before me on the 6 day of April, 2018, by Catherine Lebsack as Vice President of Devon Energy Production Company, L.P., on behalf of such entity.

Clint Dake
Notary Public
My Commission Expires: _____
My Commission Number: _____



(Seal)

ASSIGNEE:

MRC Permian Company

By: _____
Name: _____
Title: _____

ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF _____§

This instrument was acknowledged before me on the ____ day of _____, 2018, by
_____ as _____ of
MRC Permian Company, on behalf of such entity.

Notary Public for the State of Texas
My Commission Expires: _____
My Commission Number: _____

(Seal)

EXHIBIT "A"

Attached to and made a part of that certain Assignment of Oil and Gas Leases from Devon Energy Production Company, L.P., as Assignor, to MRC Permian Company, as Assignee.

LEASES

Devon File Ref. #	5092997
Lessor & Lease #	United States of America NMLC 063798
Original Lessee	O.H. Randel and R.S. Magruder
Effective Date	February 1, 1951
Recordation	Unrecorded
Legal Description	N/2 of Section 11-24S-33E, Lea County, NM
Depths	All depths below the top of the Third Bone Spring formation defined as the stratigraphic equivalent of 11,915 feet MD being the top of the Third Bone Spring formation shown in that certain Dual Laterolog of the Stevens 11 #1 well (API No. 30-025-34246) located in Section 11-24S-33E, Lea County, New Mexico.

Devon File Ref. #	5093456
Lessor & Lease #	United States of America NMNM 125659
Original Lessee	The Blanco Company
Effective Date	January 1, 2011
Recordation	Unrecorded
Legal Description	N/2 NW/4 of Section 17-25S-35E and N/2 NE/4 of Section 18-25S-35E, Lea County, NM
Depths	All

Devon File Ref. #	5089550
Lessor & Lease #	Merchant Livestock Company
Original Lessee	Santa Fe Energy Resources, Inc.
Effective Date	June 24, 1999
Recordation	Book 961, Page 400, Lea County, NM
Legal Description	NE/4 SE/4 of Section 8-21S-34E, Lea County, NM
Depths	All

The noted leases and lands above are subject to the following:

1. Devon File Ref. #5092997 - Joint Operating Agreement dated March 1, 2013, between COG Operating LLC, as Operator, and Devon Energy Production Company, LP, et al., as Non-Operator(s).

End of Exhibit "A"

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

**TRANSFER OF OPERATING RIGHTS (SUBLEASE) IN A
LEASE FOR OIL AND GAS OR GEOTHERMAL RESOURCES**

Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.)
Act for Acquired Lands of 1947 (30 U.S.C. 351-359)
Geothermal Steam Act of 1970 (30 U.S.C. 1001-1025)
Department of the Interior Appropriations Act, Fiscal Year 1981 (42 U.S.C. 6508)

FORM APPROVED
OMB NO. 1004-0034
Expires: July 31, 2018
Lease Serial No.

NMLC 063798

Type or print plainly in ink and sign in ink.

PART A: TRANSFER

1. Transferee (Sublessee)* MRC Permian Company
Street One Lincoln Centre, 5400 LBJ Freeway, Suite 1500
City, State, Zip Code Dallas, Texas 75240

1a. Transferor Devon Energy Production Company, L.P.

*If more than one transferee, check here ☐ and list the name(s) and address(es) of all additional transferees on page 2 of this form or on a separate attached sheet of paper.

This transfer is for: (Check one) ☒ Oil and Gas Lease, or ☐ Geothermal Lease

Interest conveyed: (Check one or both, as appropriate) ☒ Operating Rights (sublease) ☐ Overriding Royalty, payment out of production or other similar interests or payments

2. This transfer (sublease) conveys the following interest:

Land Description Additional space on page 2, if needed. Do not submit documents or agreements other than this form, such documents or agreements shall only be referenced herein. a	Percent of Interest			Percent of Overriding Royalty Similar Interests	
	Owned b	Conveyed c	Retained d	Reserved e	Previously reserved or conveyed f
Township 24 South, Range 33 East, NMPM Section 11: N/2 Lea County, New Mexico All depths below the top of the Third Bone Spring formation defined as the stratigraphic equivalent of 11,915 feet MD being the top of the Third Bone Spring formation shown in that certain Dual Laterolog of the Stevens 11 #1 well (API No. 30-025-34246) located in Section 11-24S-33E, Lea County, New Mexico. *Transferor reserves an overriding royalty interest equal to the positive difference, if any, between twenty-one percent (21%) and existing leasehold burdens of all oil, gas, condensate, casinghead gas, other hydrocarbon substances	50%	50%	0%	*	As shown on record

FOR BLM USE ONLY – DO NOT WRITE BELOW THIS LINE
UNITED STATES OF AMERICA

This transfer is approved solely for administrative purposes. Approval does not warrant that either party to this transfer holds legal or equitable title to this lease.

☐ Transfer approved effective _____

By _____
Bureau of Land Management (BLM) (Title) (Date)

Part A (Continued) ADDITIONAL SPACE for Names and addresses of additional transferees in Item No. 1, if needed, or for Land Descriptions in Item 2, if needed.

Lease is subject to that certain Operating Agreement dated March 1, 2013, between COG Operating LLC, as Operator and Devon Energy Production Company, LP, et al., as Non-Operator(s)

PART B – CERTIFICATION AND REQUEST FOR APPROVAL

1. The transferor certifies as owner of an interest in the above designated lease that he/she hereby transfers to the above transferee(s) the rights specified above.
2. Transferee certifies as follows: (a) Transferee is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or territory thereof. For the transfer of NPR-A leases, transferee is a citizen, national, or resident alien of the United States or associations of such citizens, nationals, resident aliens or private, public or municipal corporations; (b) Transferee is not considered a minor under the laws of the State in which the lands covered by this transfer are located; (c) Transferee's chargeable interests, direct and indirect, in each public domain and acquired lands separately in the same State, do not exceed 246,080 acres in oil and gas leases (of which up to 200,000 acres may be in oil and gas options), or 300,000 acres in leases in each leasing District in Alaska of which up to 200,000 acres may be in options, if this is an oil and gas lease issued in accordance with the Minerals Leasing Act of 1920, or 51,200 acres in any one State if this is a geothermal lease; (d) All parties holding an interest in the transfer are otherwise in compliance with the regulations (43 CFR Group 3100 or 3200) and the authorizing Acts; (e) Transferee is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (f) Transferee is not in violation of sec. 41 of the Mineral Leasing Act.
3. Transferee's signature to this assignment constitutes acceptance of all applicable terms, conditions, stipulations and restrictions pertaining to the lease described herein. Applicable terms and conditions include, but are not limited to, an obligation to conduct all operations on the leasehold in accordance with the terms and conditions of the lease, to condition all wells for proper abandonment, to restore the leased lands upon completion of any operations as described in the lease, and to furnish and maintain such bond as may be required by the lessor pursuant to regulations 43 CFR 3104, 3134, or 3206.

For geothermal transfers, an overriding royalty may not be less than one-fourth (1/4) of one percent of the value of output, nor greater than 50 percent of the rate of royalty due to the United States when this assignment is added to all previously created overriding royalties (43 CFR 3241).

I certify that the statements made herein by me are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

Executed this 6th day of April, 2018

Executed this _____ day of _____, 2018

Name of Transferor as shown on current lease Devon Energy Production Company, L.P.

Transferor Catherine Sebrack
(Signature)

(Please type or print)

Transferee _____
(Signature)

Vice President re
(Title)

or _____
(Title)

Attorney-in-fact _____
(Signature)

Attorney-in-fact _____
(Signature)

333 W Sheridan Avenue
(Transferor's Address)

Oklahoma City OK 73102
(City) (State) (Zip Code)

Title U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

Part A (Continued) ADDITIONAL SPACE for Names and addresses of additional transferees in Item No. 1, if needed, or for Land Descriptions in Item 2, if needed.

Lease is subject to that certain Operating Agreement dated March 1, 2013, between COG Operating LLC, as Operator and Devon Energy Production Company, LP, et al., as Non-Operator(s)

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3. Transferee's signature to this assignment constitutes acceptance of all applicable terms, conditions, stipulations and restrictions pertaining to the lease described herein. Applicable terms and conditions include, but are not limited to, an obligation to conduct all operations on the leasehold in accordance with the terms and conditions of the lease, to condition all wells for proper abandonment, to restore the leased lands upon completion of any operations as described in the lease, and to furnish and maintain such bond as may be required by the lessor pursuant to regulations 43 CFR 3104, 3134, or 3206.

For geothermal transfers, an overriding royalty may not be less than one-fourth (1/4) of one percent of the value of output, nor greater than 50 percent of the rate of royalty due to the United States when this assignment is added to all previously created overriding royalties (43 CFR 3241).

I certify that the statements made herein by me are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

Executed this 6th day of April 2018

Executed this _____ day of _____ 2018

Name of Transferor as shown on current lease Devon Energy Production Company, L.P.

Transferor Catherine Lebrack
(Signature)

(Please type or print)

Transferee _____
(Signature)

Vice President re

or _____
(Title)

or _____
(Title)

Attorney-in-fact _____
(Signature)

Attorney-in-fact _____
(Signature)

333 W Sheridan Avenue

(Transferor's Address)

Oklahoma City OK 73102
(City) (State) (Zip Code)

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(Please type or print)

Transferor

Catherine Leback
(Signature)

Transferee

(Signature)

Vice President

Re

or

(Title)

or

(Title)

Attorney-in-fact

(Signature)

Attorney-in-fact

(Signature)

333 W Sheridan Avenue

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OK

73102

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