

LOGOS OPERATING, LLC
NMOCD CASE NO. 20491
JULY 25, 2019



EXHIBIT A

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

**APPLICATION OF LOGOS OPERATING, LLC FOR COMPULSORY POOLING,
SAN JUAN COUNTY, NEW MEXICO**

Case No. 20491

AFFIDAVIT OF CHRISTOPHER JEFFUS

I, being duly sworn on oath, state the following:

1. I am over the age of eighteen years and have personal knowledge of the matters set forth herein.
2. I am employed as Vice-President, Land and Legal, for LOGOS Resources II, LLC and I am familiar with the subject application and the lands involved.
3. This affidavit is submitted in connection with the filing by LOGOS Operating, LLC (“LOGOS”) of the above-referenced compulsory pooling application pursuant to 19.15.4.12.A(1) NMAC.
4. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. My credentials as a petroleum landman and attorney have been accepted by the Division and made a matter of record.
5. The purpose of this application is to consolidate certain uncommitted working interests, record title lease interests and certain overriding royalty interests within the horizontal spacing unit (“HSU”) described in the application, and in the wells to be drilled in the unit.
6. No opposition is expected. The interest owners being pooled have been contacted regarding the proposed wells and HSU, but have failed or refused to voluntarily commit their interests in the wells. None have otherwise represented to me that they oppose this pooling application.

7. LOGOS seeks an order pooling all uncommitted working interests, overriding royalty interests and a record title lease interest in the Gallup formation underlying Lots 2 and 3 of Section 13, and the N/2 of Section 14, Township 24 North, Range 8 West, NMPM in San Juan County, New Mexico. LOGOS also seeks to establish a 394.86-acre horizontal spacing unit in the Escrito Gallup Associated Pool comprised of the Lots 2 and 3 of Section 13, and the N/2 of Section 14.

8. The HSU will be subject to a Bureau of Land Management Communitization Agreement. A draft Communitization Agreement and exhibits are attached as **Exhibit 1**. **Exhibit A** within **Exhibit 1** is a plat outlining the unit.

9. LOGOS will drill two wells within the HSU as follow: (1) the **Dragonfly 2408 13C Com #1H** (infill well) at an approximate surface hole location 750' FNL and 2,186' FWL of Section 13 (Unit C) with an estimated bottom hole location 329 FNL and 20' FWL of Section 14 (Unit D); and (2) the **Dragonfly 2408 13C Com #1H** (defining well) at an approximate surface hole location 781' FNL and 2,191' FWL of Section 13 (Unit C) with an estimated bottom hole location 2,285' FNL and 20' FWL of Section 14 (Unit E). The producing intervals of both wells will be orthodox. C-102's for both of the wells are attached as **Exhibits 2 and 3**.

10. A description of the leases committed to the HSU, along with the identities of the interest owners of record and the nature of their interests are set forth in **Exhibit B** within **Exhibit 1** (Communitization Agreement). LOGOS has caused a diligent search to be conducted of the public records in San Juan County, New Mexico, where the wells will be located, as well as the records of the Bureau of Land Management. LOGOS has also conducted phone directory and computer searches to obtain contact information for parties entitled to notification. LOGOS has mailed all owners of working interests well proposals, including Authorizations for Expenditure

(“AFE”), along with a form of operating agreement. An example of the well proposal letter for the Dragonfly 2408 13C Com #1H is attached as **Exhibit 4** and for the Dragonfly 2408 13C Com #2H is attached as **Exhibit 5**. The form of operating agreement included with the well proposal letters attached as **Exhibit 4** and **Exhibit 5** is attached to as **Exhibit 6**.

11. LOGOS Resources II, LLC owns 100% of the working interest in the Gallup formation under federal lease NMNM 001409, insofar as same covers the NE/4 of Section 14, Township 24 North, Range 8 West, NMPM, and under federal lease NMNM 136074, insofar as same covers the NW/4 of Section 14, Township 24 North, Range 8 West, NMPM.

12. LOGOS has made a good faith effort to obtain voluntary joinder of the other working interest owners and owners of other types of interests in the proposed wells.

13. Aside from the lease interests in the HSU owned by LOGOS Resources II, LLC, ownership of other leasehold working interests located in Lots 2 and 3 of Township 24 North, Range 8 West, NMPM, are attributed to DJR Nominee Corporation.

14. DJR Nominee Corporation is the owner of record title to all leases included in the HSU.

15. There are a number of overriding royalty interest owners whose interests derive from instruments that do not contain pooling provisions. Those owners are also identified in **Exhibit B** within **Exhibit 1**.

16. **Exhibit A** to **Exhibit 4** and **Exhibit A** to **Exhibit 5** contain the AFEs for the proposed wells. The total dryhole costs are shown as \$4,021,528 and the total Completed Well costs are shown as \$12,636,402. The estimated costs of the wells set forth in the AFE is fair, reasonable, and comparable to the costs of other wells of similar depths and lengths drilled in this area of New Mexico.

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto".

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 24 North, Range 8 West, NMPM
Section 13: Lots 2, 3
Section 14: N/2
Rio Arriba County, New Mexico

Containing 394.86 acres, and this agreement shall include only the Gallup Formation underlying said lands and **crude oil and associated natural gas**, hereafter referred to as "communitized substances," producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas

2.

Attached hereto and made a part hereof is a copy of the
agreement between the parties hereto for the
communitizing of the lands within the

Exhibit 1

interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

3. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal, State or fee land included within the CA area are to be placed in an interest earning escrow or trust account by the designated operator until the land is leased or ownership is established.

4.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.

8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is _____, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occurs in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.

- 13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
- 14. 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 parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

LOGOS Operating, LLC

_____ Date
 By: _____
 Name: Jay Paul McWilliams
 Title: President

ACKNOWLEDGEMENT

STATE OF NEW MEXICO)
 COUNTY OF SAN JUAN)

The foregoing instrument was acknowledged before me this ____ day of _____, 2019 by Jay Paul McWilliams, President of LOGOS Operating, LLC, for and on behalf of said limited liability company.

My Commission Expires

Notary Public

**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD**

LOGOS Resources II, LLC

Date

By: _____
Name: Jay Paul McWilliams
Title: Chief Executive Officer

ACKNOWLEDGEMENT

STATE OF NEW MEXICO)

COUNTY OF SAN JUAN)

The foregoing instrument was acknowledged before me this ____ day of _____, 2019 by Jay Paul McWilliams, Chief Executive Officer of LOGOS Resources II, LLC, for and on behalf of said limited liability company.

My Commission Expires

Notary Public

DJR Nominee Corporation

Date

By: _____
Name: _____
Title: _____

ACKNOWLEDGEMENT

STATE OF _____)

COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2018 by _____, as _____ of DJR Nominee Corporation, for and on behalf of said corporation.

My Commission Expires

Notary Public

EXHIBIT "A"

Plat of communitized area covering:
Township 23 North, Range 8 West, N.M.P.M. Section 13: Lots 2 and 3 and Section 14: N/2
San Juan County, New Mexico

Communitized Formation: Gallup Formation

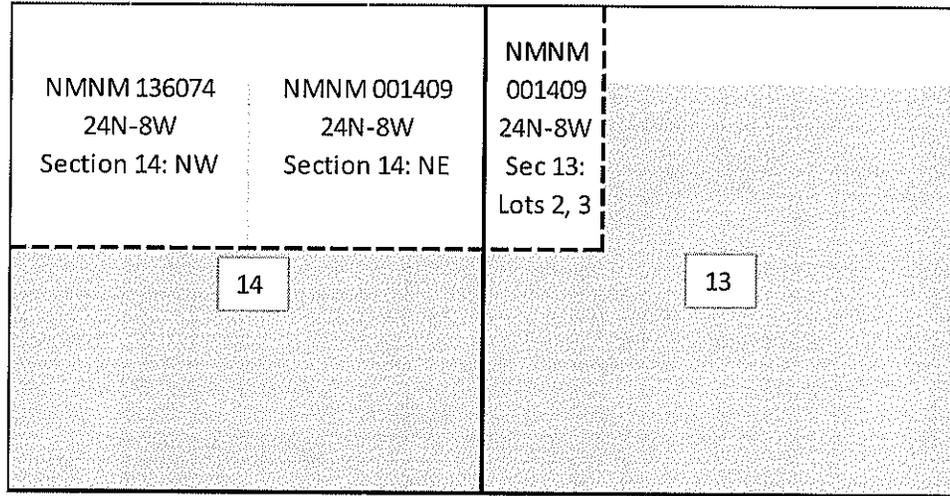


Exhibit B

Attached to and made a part of that Communitization Agreement dated _____, 2019, between LOGOS Operating, LLC, et al.

Subdivision: Township 24 North, Range 8 West, NMPM

Section 13: Lots 2, 3

Section 14: N/2

Limited in depth from the top of the Gallup Formation to the base of the Gallup Formation

Operator of the Communitized Area:
LOGOS Operating, LLC

DESCRIPTION OF LEASES COMMITTED:

<u>Tract No.</u>	<u>Description of Land</u>	<u>Number of Acres</u>	<u>Serial Number & Expiration of Lease</u>	<u>Basic Royalty & Percentage</u>	<u>Lessee of Record & Percentage</u>	<u>Overriding Royalty & Percentage</u>	<u>Working Interest & Percentage</u>
1	T24N-R8W N.M.P.M. Sec 13: Lots 2, 3 Sec 14: NE	234.86	NMNM 001409 (segregated out of NMNM 087657) Date: 4/1/1960 Held by production	United States of America 12.50000%	DJR Nominee Corporation 100.00000%	U.S. Bank, Account #127-787 2.25000% U. S. Bank, Account #388-835 2.25000% Fred Ashbaugh and Susan Ashbaugh Revocable Living Trust dated 8-22-1996 0.01960% James R Cox 0.07183% Noble Royalty Access Fund VII, LP 0.03844% Michelle R Mullaney and Daniel P Mullaney 0.01210% Botros Rizk Mitry Botros Rizk and Mary George Newer Rizk 0.02420% Arthur Gay and Janet Gay, Husband and Wife 0.02845% Gordon L. Worstell 0.01210% Pamela English Allinson 0.01210% The Gene and Pauline Anderson Revocable Trust 0.02420% Lawrence E Anderson, Trustee w/dt August 27, 1979 0.01210% Barony of Rachane LLC 0.18151% National Financial Services LLC CUST FBO Christian Bang, IRA 0.01210% William H Barclay 0.01210% Aivery A. Bartlett Family Trust 0.01210% Yvonne R. Bergero Trustee of the Yvonne R. Bergero Revocable Trust U/A/D July 3, 1996 0.01210% Kristina Bohla and/or Jennifer Wade Bhola 0.01210% Blalecki Kidney Cancer Foundation, Leon Blalecki, President 0.02420% The Booth Family Revocable Trust of 5/27/1994 0.04840% WillowFarm, LLC 0.01210% Mario Brondello an Emma Brondello 1989 Revocable Trust, dtd 12/27/89, Mario Brondello & Emma Brondello, TTEES 0.01210% Mark Barton Charbonnet 0.01210% Richard J. Coverdale Revocable Trust 0.02420%	Insofar and only insofar as said lease covers the Lots 2 and 3 of Section 13 DJR Nominee Corporation 100.00000% Insofar and only insofar as said lease covers the NE of Section 14 LOGOS Resources II, LLC 100.00000%

Exhibit B

Attached to and made a part of that Communitization Agreement dated _____, 2019, between LOGOS Operating, LLC, et al.

Frank and Marie Enterante Irrevocable 1996 Trust	0.02430%
Big Hole Roost Associates a MD Ltd Partnership	0.03713%
R Scott Faley PC Pension Trust	0.03630%
Theodore M Fields	0.01210%
Galatz 1977 Family Trust, Neil G Galatz, Elaine B Galatz, TTEE	0.06050%
Bradley J. Hanson	0.01210%
Linda Hecht	0.02420%
Jennifer Suzanne Irish and Jeffery David Hurlow, Husband and Wife	0.01210%
The Carl and Linda Johnson Living Trust dated 12/11/00	0.01210%
Joseph C Jou	0.01210%
Krupka 1, LLC, a Delaware Limited Liability Company	0.00908%
SEM LLC	0.01210%
The June Levitz Revocable Trust did 12-10-1992 as amended Exempt Child's Trust (5.07) f/b/o Leslie Litwack	0.01210%
Michael Litwack Revocable Trust dtd 3/8/83, Michael Litwack Trustee	0.01210%
Fred & Diana M. Loew Revocable Trust dated 8/28/92	0.01210%
Judith E McEnroe 1996 Trust	0.01210%
National Financial Services LLC CUST	0.01210%
FBO John McNamara	
Loretta B Mealy	0.01210%
Meyers 1, LLC, a Delaware Limited Liability Company	0.00908%
Walter Michielutti & Patricia A Michielutti	0.01267%
Venetia M N Patout	0.01210%
Roger Miles Brown Revocable Trust of October 8, 2004	0.04235%
Peter Petrucci	0.01210%
Garrett F Riegg	0.02180%
Sacki Family Trust	0.03961%
The Rosella H Samson Revocable Trust, Rosella H Samson, TTEE	0.01210%
Joyce S. Sass Revocable Living Trust, Joyce S Sass, Trustee	0.01210%
Henry R Schweitzer, Trustee of the Henry R Schweitzer Trust dtd 3/1/2000	0.01210%
Thunder Investments, LP	0.03025%
Paula K Simmons Revocable Trust	0.01210%
Leonard Stone	0.01210%
National Financial Services LLC CUST	0.01464%
FBO John E. Straw IRA	
Elana Vishandreas	0.01210%
Kandis H Wigley	0.01210%
Melanie E. Van Sant	0.01210%

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John Sheldon Clark	0.01307%
Toril Hunter and Katrina Hunter, Husband and Wife	0.02500%
J. Fred Perry and Margaret Perry	0.01210%
Anthony Aguilar and Karen Aguilar	0.01210%
Brower Family Partnership, L.P.	0.10000%
Harry E Jenkins	0.01210%
H E Ruliman and Michelle M Mullaney as Co-Tenants	0.05000%
STR Investments, LLC	0.05000%
Jimmy Tubbs, Jr.	0.01210%
Whann Family Limited partnership, an Alaskan Limited Partnership	0.05000%
Yates Living Trust	0.05000%
I-TIGE Investments, LTD.	0.01210%
Richard W Buck Trust dtd 11/10/94	0.04225%
John Owen Murring and DeVonna Kae Murrin, Trustees of the Murrin Falcon Trust	0.02178%
Caroline N Hoagland as Trustee under the Hoagland Living Trust dated September 22, 2000	0.05000%
Michael K Maher and Linda Maher Defined Benefit Pension Plan dtd 01/01/00, M. Maher, TTEE	0.01210%
Christopher C Marx and Katherine C. Marx, as Joint Tenants	0.01210%
Michael H McCollum TTEE F/T M.H. McCollum 1996 Charitable Trust 5/8/96	0.03025%
Gail Johnson Miller TTEE Miller Family Trust u/a 7-13-94	0.02420%
Byron Parsons IRA	0.01815%
Byron and Louanne Parsons	0.01210%
Richard K Peters	0.01210%
Sheila Wadman Sayles, Trustee of the Sheila Wadman Sayles Living Trust udt dated June 15, 2007	0.01210%
Jim Scagg, Trustee, Ray Morgan Profit Sharing Plan dtd 9-1-68	0.01210%
Steven K Sterzer, M.D. Pension & Profit Sharing Plan	0.01210%
Joan Stewart	0.01210%
Marilyn Barnett Trust dtd 12/11/1978 as Amended	0.01210%
North Star Partners, LLC	0.03025%
Barbara Stern Fink	0.01210%
LDA Limited Partnership	0.01210%
Falcon Gas, LLC	0.01573%
1998 Chin Family Trust	0.01210%

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Sterling Trust Co. FBO Dan McClaran Hayes, Jr.	0.01210%
Jarboe Realty & Investment Company	0.01210%
Peter Wannier Living Trust	0.01210%
S & A Roach Partners, Ltd	0.00605%
The Denneen Living Trust	0.01210%
James A and Janet L Batista Revocable Trust	0.02892%
Deatsch Family Trust dtd 12-1-88, William Edward Deatsch & Judith Ann Deatsch, Trustees	0.04548%
Charles R Denney & Joan A Denney	0.02420%
Owen A. Ellis and Sandra R. Ellis	0.01210%
Scott E. Ganser or Denise L. Ganser as Trustees of the Ganser Trust dated January 11, 1996	0.10697%
Bolero Trust, Jeffrey R. Grether, Trustee	0.01210%
Carl B Helse Family Trust	0.03140%
Michael Paul Juha, Jr. and Joanna Juha as Co-Trustees of the Michael Paul Juha, Jr and Joanne Juha Family Trust	0.07200%
Alfred Lion Jr and Pearl J Lion As Trustees Under the Alfred Lion Jr Family Trust Agreement Dated 9-24-75	0.01936%
Lakeview Enterprises II, LLC	0.08626%
We Buy Houses, Inc.	0.02420%
L. W. Murphy 1991 Trust	0.03559%
Lloyd A Nelson and/or Margit B Nelson as Trustees of the Nelson 2000 Trust	0.01513%
David L Wichmann	0.01210%
San Antonio 43 Trust	0.01210%
Balk Family Trust u/a/d January 22, 2007	0.01816%
GS1031A, LLC	0.08184%
Don and Elaine Bennion Family LLC	0.05000%
Fred W Berg and Ida R Berg	0.03561%
Barbara Carr, Trustee of the Barbara Carr Trust Dated January 24, 1994	0.01210%
Brian and Lisha Crawford, T/E	0.02420%
Jacqueline Damon and Jean Francois Damon	0.02500%
Wendy A. Davies, Trustee, Seabury L. Davies Family Trust	0.01365%
John Charles Dobson	0.01210%
G L Johns 2002 Living Trust	0.05006%
Dale & Beverly Johnson Family Limited Partnership	0.05000%
Lyle R Keller	0.03750%

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Connell Corp.	0.01593%
Kremer Energy, LLC	0.02500%
Stig H Medby and Laurie J Medby, Trustees of the Trust of Stig H Medby and Laurie J. Medby u.a.d 4-28-94	0.01210%
David E U Morris	0.02178%
Scott R Peterson and Claudia Peterson	0.01210%
Marble Rock Investments, LLC	0.01210%
Preston Reef Estate, LLC	0.01513%
Elsa Z. Rickards, Trustee of the Rickards Trust	0.01210%
Howaida M. Sefain & Maged Mouner Morcos	0.01210%
The Silva Family Trust dated June 23, 1999	0.01210%
Van Woerkom Living Trust dtd 3/17/92, Norman G Van Woerkom & Edith C Van Woerkom, Trustees	0.01210%
The Van Zomeren Family Trust	0.01191%
Ornl Financial Advisors Defined Benefit Plan, Robert L. Vonderharr, Trustee	0.01210%
Wagner Capital Partners, LLC	0.01210%
Zantke Living Trust dtd August 22, 1990, Hardy E Zantke & Jutta Zantke, Trustees	0.03750%
Pinkston Royalties, LP	0.06250%
Foster Royalties, LP	0.06250%
Aguilar Royalties, LP	0.06250%
Rescate Royalties, LP	0.06250%
Joe B Green and Nancy G Green Management Trust Agreement dtd the 21st day of December, 2005	0.01210%
Kastman Oil Company, LLC	0.02500%
TLTG Investments, Ltd.	0.03630%
William C Pfluger, Trustee	0.05000%
William C Pfluger, Trustee	0.05000%
F. L. Stephens Trust	0.10000%
FCC LLC Cust FBO Matthew J Therrell IRA #3635-1648	0.02004%
Matthew J Therrell	0.01747%
FCC LLC FBO Gerald Dan Thompson IRA Acct #51911593	0.01210%
Ronald Averlette and Leslie Averlette	0.02545%
The Helen Castro Family Living Trust, Hector D Escobar, Helen A Castro, TTEES	0.02783%
Edward P Gatti Revocable Trust, Edward P Gatti, TTEE	0.03358%
Richard S Gatti Revocable Trust, Richard S Gatti, TTEE	0.01673%

Exhibit B

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The Grady Family Revocable Trust UTA dtd 11-10-93	0.02420%
The 2004 Chaster B Lee and Rafaela Lim Lee Revocable Trust	0.02420%
The Wayne L. Richards & Christine M Richards Revocable Inter Vivos Trust Agreement Dtd 6-2-03	0.01210%
Robert D Orwig	0.01452%
Royalties Income Holdings, LLC	0.03025%
James E Barber and Barbara G. Barber, Husband and Wife	0.01936%
RKB LLC	0.01210%
David M Cassard, Trustee of the David M Cassard Trust Dated September 7, 2001 as amended from time to time	0.01815%
Laura Lella Fanning and Charlene Fanning, Joint Tenants	0.01210%
Frank William Federico	0.01210%
James S Fleischer Living Trust, James S Fleischer TTEE 4/23/92	0.01210%
Elzbieta Skanska Golonka	0.01210%
R Harold Greenlee	0.01210%
Herbert R Hahn Living Trust, Herbert R Hahn, Trustee	0.01210%
Robert D Husemoller Living Trust dtd December 28, 1995	0.01210%
Thomas E. Hussey and Margaret M. Hussey	0.02420%
Janesky Trust, Lawrence M Janesky Trustee	0.02420%
Judith A. Jobin Revocable Trust	0.01210%
John S Kaelin or Elizabeth Ann Kaelin	0.01210%
Richard D Miller and Jane F Miller Husband and Wife, as Tenants by the Entireties	0.06050%
Robert E. Moroney, Trustee of Robert E. Moroney Trust	0.04840%
Charles R Payleitner Revocable Trust dtd 7-17-95	0.01210%
Doroth M Prue Revocable Trust u/a/d 5/25/95	0.01210%
Steven A Prue Revocable Trust dated February 16, 1999	0.01210%
The Redmond Charitable Remainder Unitrust dated 3/17/99	0.01250%
Pensco Trust Co. FBO Albert Robitaille	0.01210%
Paul E Rolfes & Kathleen C Rolfes Charitable Remainder Unitrust, Paul E Rolfes and Kathleen C Rolfes, Trustees	0.01210%
IHWWS Enterprises, LLC	0.03490%

Exhibit B

Attached to and made a part of that Communitization Agreement dated _____, 2019, between LOGOS Operating, LLC, et al.

The Chau Trust	0.01210%
Richard E Ehlers, MD	0.02420%
The Hammersmith Living Trust	0.01210%
Marion L. Severance (sole and separate owner)	0.01210%
Mark Hayes and Gabriele Hayes	0.01815%
Torrance Nicksic	0.01718%
Jay Franklin Short	0.01210%
Rodenburg, Inc.	0.02057%
Fred R Jensen	0.01857%
Patrick R McMahon and Pamela A McMahon, Trustees of the McMahon Family Trust dtd 2/7/86	0.06050%
Wayne D Buckingham	0.05000%
The John A Udall & Cathy D Udall Revocable Trust utd 12-21-89	0.01210%
Boscamp Family Limited Partnership, L.L.P.	0.05000%
Alpine Royalties, LLC	0.08765%
Vall Consulting, LP	0.01650%
Lamar Loyd	0.01650%
Lauren M. Munn and Richard W. Munn, Co-Trustees of the MMV and JLM Family Trust	0.05000%

2	<u>T24N-88W-N.M.P.M.</u> Sec 14: NW	160.00	NMNM 136074 {segregated out of NMNM 16589}	United States of America	12.50000%	DJR Nominee Coporation	100.00000%	QEP Energy Company	7.50000%	LOGOS Resources II, LLC	100.00000%
			Date: May 1, 1973 Hold by production					Lonesome Dove Petroleum Co.	5.00000%		

RECAPITULATION

Tract Number	Number of Committed Acres	Percentage of Interest in Communitized Area
1	264.86	62.34054%
2	160.00	37.65946%
TOTAL	424.86	100.00000%

Exhibit 2

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

DISTRICT II
611 S. First St., Artesia, N.M. 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-35888		² Pool Code 22619		³ Pool Name ESCRITO GALLUP (ASSOCIATED)	
⁴ Property Code		⁵ Property Name DRAGONFLY 2408 13C COM			⁶ Well Number 1H
⁷ GRID No. 289408		⁸ Operator Name LOGOS OPERATING, LLC			⁹ Elevation 7191

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	13	24-N	8-W	1	750	NORTH	2168	WEST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	14	24-N	8-W		329	NORTH	20	WEST	SAN JUAN

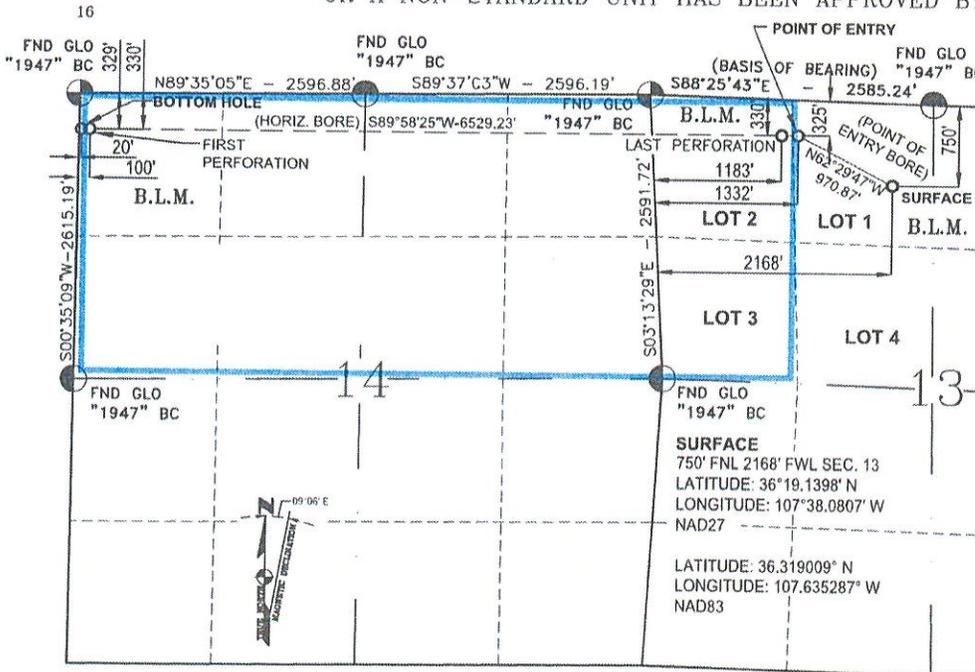
¹² Dedicated Acres
Sec 13: Lots 2 & 3 (74.86 acres)
Sec 14: N/2 (320 acres)
394.86 acres

¹³ Joint or Infill

¹⁴ Consolidation Code

¹⁶ Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or a working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Tamra Sessions 4/30/19
Signature Date

Tamra Sessions
Printed Name
tsessions@logosresourcesllc.com
E-mail Address

¹⁸ SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

JULY 13, 2018
Date of Survey

Signature and Seal



GLEN W. RUSSELL

Certificate Number

15703

BOTTOM HOLE	FIRST PERFORATION	LAST PERFORATION	POINT OF ENTRY
329' FNL 20' FWL SEC. 14 LATITUDE: 36°19.2132' N LONGITUDE: 107°39.5852' W NAD27	330' FNL 100' FWL SEC. 14 LATITUDE: 36°19.2132' N LONGITUDE: 107°39.5689' W NAD27	330' FNL 1183' FWL SEC. 13 LATITUDE: 36°19.2137' N LONGITUDE: 107°38.2865' W NAD27	325' FNL 1332' FWL SEC. 13 LATITUDE: 36°19.2137' N LONGITUDE: 107°38.2560' W NAD27
LATITUDE: 36.320231° N LONGITUDE: 107.660364° W NAD83	LATITUDE: 36.320231° N LONGITUDE: 107.660092° W NAD83	LATITUDE: 36.320240° N LONGITUDE: 107.638718° W NAD83	LATITUDE: 36.320240° N LONGITUDE: 107.638209° W NAD83

BASIS OF BEARING:

BETWEEN FOUND MONUMENTS AT THE NORTHWEST CORNER AND THE NORTH QUARTER CORNER OF SECTION 13, TOWNSHIP 24 NORTH, RANGE 8 WEST, 4-M.P.M. SAN JUAN COUNTY, NEW MEXICO.

LINE BEARS: S 88°25'43" E A DISTANCE OF 2585.24 FEET AS MEASURED BY G.P.S. LOCAL GRID NAD83.



February 19, 2019

DJR Nominee Corporation
Attn: Sharon Crumb
1600 Broadway, Suite 1960
Denver, CO 80202

Re: Proposed drilling of the Dragonfly 2408 13C Com #1H as a Gallup formation horizontal well with a completed interval located within a proposed Communitized Area covering Lots 2 and 3 of Section 13 and the N/2 of Section 14, Township 24 North, Range 8 West, NMPM, San Juan County, New Mexico (the "Subject Well").

Dear Ms. Crumb,

LOGOS Operating, LLC ("LOGOS"), hereby proposes the drilling and completion of the Subject Well as a horizontal Gallup well within the boundaries of a proposed communitized area covering Lots 2 and 3 of Section 13 and the N/2 of Section 14, Township 24 North, Range 8 West, NMPM, San Juan County, New Mexico (the "Communitized Area"). The Subject Well will have an approximate surface location at 750' FNL and 2,168' FWL of Section 13. The Subject Well will have an approximate bottomhole location at 329' FNL and 20' FWL of Section 14. The entire completed interval of the Subject Well will be within the Communitized Area and will comply with New Mexico Oil Conservation Division rules governing horizontal oil wells.

In connection with this ballot, you have been furnished a copy of LOGOS's standard Form of Operating Agreement which has been used for wells drilled in close proximity to the Subject Well. Under this Operating Agreement, you will own an 18.958618% working interest in the Subject Well. The gross estimated cost for drilling and completion of the Subject Well, inclusive of a proportionate share of facilities costs benefiting the surface pad, is \$6,308,998.57. Your share of such estimated cost is \$1,196,098.94. Please see the attached Exhibit "A" for a more complete detail of such costs. Technical questions may be directed to Kristy Graham at 505-436-2627.

Your prompt election in regard to this proposal is requested.

Please return one (1) executed copy of this letter to the address or email noted below, with an executed copy of the Operating Agreement furnished in connection with this letter.

LOGOS Operating, LLC
Attention: AFE Return
2010 Afton Place
Farmington, NM 87401
Email: cjeffus@logosresourcesllc.com

LOGOS Operating, LLC

2010 Afton Place - Farmington, NM 87401 - Direct 505-324-4100 - Fax 505-832-3095

Thank you for your consideration.

Sincerely,

LOGOS Operating, LLC



Christopher J. Jeffus
Vice President – Land/Legal

DJR NOMINEE CORPORATION ELECTS TO:

_____ Participate in the proposed drilling and completion of the Subject Well.

_____ Not participate in the drilling and completion of the Subject Well.

By: _____ Date: _____

Title: _____ Phone: _____

Exhibit 4

Exhibit "A"

		940/950	945/955	
SUE	DESCRIPTION	DRILLING	COMPLETION	TOTAL
T A N G I B L E S	305 CASING - PRODUCTION	\$72,068		\$72,068
	310 CASING - SURFACE	\$7,004		\$7,004
	320 CASING - INTERMEDIATE	\$100,804		\$100,804
	585 MISCELLANEOUS TANGIBLE	\$4,000		\$4,000
	800 ARTIFICIAL LIFT		\$20,500	\$20,500
	820 MATERIALS & PARTS			\$0
	825 WELLHEAD EQUIPMENT	\$20,000	\$13,000	\$33,000
	830 RODS			\$0
	835 TUBING/ATTACHMENTS		\$33,500	\$33,500
	840 PACKERS/ANCHORS/ETC.		\$41,506	\$41,506
895 LINERS	\$68,000		\$68,000	
GROSS TANGIBLES		\$271,876	\$108,506	\$380,382
I N T A N G I B L E S	360 COMPANY LABOR			\$0
	355 COMPANY SUPERVISION	\$6,000	\$11,982	\$17,982
	380 COMPANY VEHICLES			\$0
	365 CONTRACT PUMPER			\$0
	370 CONTRACT SERVICES			\$0
	375 CONSULTANT	\$45,811	\$72,000	\$117,811
	380 SAFETY TRAINING/SUPPLIES			\$0
	385 COMMUNICATIONS	\$10,800		\$10,800
	405 CHEM TREATING (DOWNHOLE)		\$10,000	\$10,000
	415 HOT OIL/WATER TREATMENT			\$0
	445 DIRTWORK-ROADS & LOCATION	\$35,500	\$5,000	\$40,500
	455 EQUIP RENTAL (DOWNHOLE)		\$25,000	\$25,000
	460 EQUIP RENTAL (SURFACE)	\$25,000	\$50,000	\$75,000
	495 ROUSTABOUT/OTHER LABOR	\$15,000	\$20,000	\$35,000
	525 INSURANCE & BONDS			\$0
	540 CONTINGENCY			\$0
	545 OVERHEAD	\$5,000	\$5,000	\$10,000
	555 SURV/PERM/ROW/LAND SERV	\$40,000		\$40,000
	565 ENVIRONMENTAL COMPLIANCE	\$10,000	\$1,500	\$11,500
	575 MISCELLANEOUS INTANGIBLE			\$0
	600 BITS/REAMERS/STABILIZERS	\$35,000	\$4,000	\$39,000
	605 CASING CREWS	\$15,000		\$15,000
	610 CASING SERVICES	\$9,000		\$9,000
	615 CEMENT SERVICES	\$85,000		\$85,000
	620 CLOSED LOOP RENT	\$40,680		\$40,680
	625 DIRECTIONAL DRILLING SER	\$174,300		\$174,300
	630 DRILL FLUID DISPOSAL	\$50,000		\$50,000
	645 FISHING TOOLS & SUPERV			\$0
	650 FLOAT EQUIP & CENTRAL	\$8,000		\$8,000
	655 FRAC TANK RENTAL		\$20,000	\$20,000
	660 FUEL & POWER	\$40,000	\$175,000	\$215,000
	665 GAS & AIR UNIT		\$58,500	\$58,500
	670 INSPECTION-DRILLING EQUI			\$0
	680 LOGGING - CASED HOLE			\$0
	685 LOGGING - MUD	\$53,900		\$53,900
	690 LOGGING - OPEN HOLE			\$0
	695 MUD, FLUID & CHEMICAL	\$65,000		\$65,000
700 PERFORATING		\$166,024	\$166,024	
710 PIPE INSPECTION/REPAIR	\$47,000	\$25,000	\$72,000	
715 PIPE RENTAL	\$28,600		\$28,600	
720 RIG	\$192,000	\$92,086	\$284,086	
725 RIG MOVE	\$48,443	\$6,000	\$54,443	
730 STIMULATION		\$2,963,110	\$2,963,110	
735 WELL TESTING/SURVEYS		\$97,880	\$97,880	
740 WET CUTTINGS/SEISMIC			\$0	
755 TRANSPORTATION & DELIVER	\$30,000	\$36,000	\$66,000	
760 WATER	\$7,500	\$33,825	\$41,325	
765 WATER DISPOSAL	\$1,500	\$13,346	\$14,846	
770 WATER HAULING	\$8,000	\$239,850	\$247,850	
775 WATER TRANSFER		\$61,500	\$61,500	
780 SLICKLINE/WIRELINE			\$0	
785 SWABBING			\$0	
790 RECLAMATION	\$22,500		\$22,500	
GROSS INTANGIBLES		\$1,154,534	\$4,192,603	\$5,347,136
GROSS TOTAL COST		\$1,426,410	\$4,301,109	\$5,727,519

		960		
	SUB	DESCRIPTION	*FACILITY	TOTAL
C A P I T A L F A C I L I T Y C O S T	950	EQUIPMENT TRANSFER INTANGIBLE		\$0
	970	EQUIPMENT TRANSFER TANGIBLE		\$0
	500	WELDING	\$50,000	\$50,000
	350	COMPANY LABOR	\$12,500	\$12,500
	355	COMPANY SUPERVISION		\$0
	360	COMPANY VEHICLES		\$0
	370	CONTRACT SERVICES		\$0
	375	CONSULTANT		\$0
	380	SAFETY TRAINING/SUPPLIES		\$0
	385	COMMUNICATIONS		\$0
	445	DIRTWORK-ROADS & LOCATION		\$0
	450	ELECTRIC POWER		\$0
	460	EQUIP RENTAL (SURFACE)	\$4,980	\$4,980
	470	GATHERING SYSTEM		\$0
	495	ROUSTABOUT/OTHER LABOR	\$60,000	\$60,000
	540	CONTINGENCY		\$0
	555	SURV/PERM/ROW/LAND SERV		\$0
	565	ENVIRONMENTAL COMPLIANCE		\$0
	575	MISCELLANEOUS INTANGIBLE		\$0
	585	MISCELLANEOUS TANGIBLE	\$1,000	\$1,000
	755	TRANSPORTATION & DELIVER	\$22,000	\$22,000
	780	SLICKLINE/WIRELINE		\$0
	810	AUTOMATION	\$50,000	\$50,000
	815	ELECTRICAL SYSTEM	\$130,000	\$130,000
	820	MATERIALS & PARTS	\$6,000	\$6,000
	845	COMPRESSOR/DEHYDRAT UNIT		\$0
	850	EQUIPMENT		\$0
	855	HEATER/TREATER/SEPARATOR	\$67,500	\$67,500
	860	FLOWLINE/VALVES/CONNECTS	\$55,000	\$55,000
	865	METERS	\$10,000	\$10,000
	870	OTHER SURFACE EQUIPMENT	\$20,000	\$20,000
	875	PIPELINE	\$2,500	\$2,500
	885	PUMPING UNIT		\$0
890	TANKS/PITS	\$90,000	\$90,000	
GROSS FACILITY COST			\$581,480	\$581,480



February 19, 2019

DJR Nominee Corporation
Attn: Sharon Crumb
1600 Broadway, Suite 1960
Denver, CO 80202

Re: Proposed drilling of the Dragonfly 2408 13C Com #2H as a Gallup formation horizontal well with a completed interval located within a proposed Communitized Area covering Lots 2 and 3 of Section 13 and the N/2 of Section 14, Township 24 North, Range 8 West, NMPM, San Juan County, New Mexico (the "Subject Well").

Dear Ms. Crumb,

LOGOS Operating, LLC ("LOGOS"), hereby proposes the drilling and completion of the Subject Well as a horizontal Gallup well within the boundaries of a proposed communitized area covering Lots 2 and 3 of Section 13 and the N/2 of Section 14, Township 24 North, Range 8 West, NMPM, San Juan County, New Mexico (the "Communitized Area"). The Subject Well will have an approximate surface location at 781' FNL and 2,191' FWL of Section 13. The Subject Well will have an approximate bottomhole location at 2,285' FNL and 20' FWL of Section 14. The entire completed interval of the Subject Well will be within the Communitized Area and will comply with New Mexico Oil Conservation Division rules governing horizontal oil wells.

In connection with this ballot, you have been furnished a copy of LOGOS's standard Form of Operating Agreement which has been used for wells drilled in close proximity to the Subject Well. Under this Operating Agreement, you will own an 18.958618% working interest in the Subject Well. The gross estimated cost for drilling and completion of the Subject Well, inclusive of a proportionate share of facilities costs benefiting the surface pad, is \$6,327,403.03. Your share of such estimated cost is \$1,199,588.17. Please see the attached Exhibit "A" for a more complete detail of such costs. Technical questions may be directed to Kristy Graham at 505-436-2627.

Your prompt election in regard to this proposal is requested.

Please return one (1) executed copy of this letter to the address or email noted below, with an executed copy of the Operating Agreement furnished in connection with this letter.

LOGOS Operating, LLC
Attention: AFE Return
2010 Afton Place
Farmington, NM 87401
Email: cjeffus@logosresourcesllc.com

Thank you for your consideration.

Sincerely,

LOGOS Operating, LLC


Christopher J. Jeffus
Vice President – Land/Legal

DJR NOMINEE CORPORATION ELECTS TO:

_____ Participate in the proposed drilling and completion of the Subject Well.

_____ Not participate in the drilling and completion of the Subject Well.

By: _____ Date: _____

Title: _____ Phone: _____

Exhibit 5

Exhibit "A"

	SUE	DESCRIPTION	940/950	945/955	TOTAL
			DRILLING	COMPLETION	
T A N G I B L E S	305	CASING - PRODUCTION	\$72,954		\$72,954
	310	CASING - SURFACE	\$7,004		\$7,004
	320	CASING - INTERMEDIATE	\$105,667		\$105,667
	585	MISCELLANEOUS TANGIBLE	\$4,000		\$4,000
	800	ARTIFICIAL LIFT		\$20,500	\$20,500
	820	MATERIALS & PARTS			\$0
	825	WELLHEAD EQUIPMENT	\$20,000	\$13,000	\$33,000
	830	RODS			\$0
	835	TUBING/ATTACHMENTS		\$33,500	\$33,500
	840	PACKERS/ANCHORS/ETC.		\$41,506	\$41,506
	895	LINERS	\$68,000		\$68,000
		GROSS TANGIBLES	\$277,624	\$108,506	\$386,130
I N T A N G I B L E S	350	COMPANY LABOR			\$0
	355	COMPANY SUPERVISION	\$6,000	\$11,982	\$17,982
	360	COMPANY VEHICLES			\$0
	365	CONTRACT PUMPER			\$0
	370	CONTRACT SERVICES			\$0
	375	CONSULTANT	\$45,811	\$72,000	\$117,811
	380	SAFETY TRAINING/SUPPLIES			\$0
	385	COMMUNICATIONS	\$10,800		\$10,800
	405	CHEM TREATING (DOWNHOLE)		\$10,000	\$10,000
	415	HOT OIL/WATER TREATMENT			\$0
	445	DIRTWORK-ROADS & LOCATION	\$35,500	\$5,000	\$40,500
	455	EQUIP RENTAL (DOWNHOLE)		\$25,000	\$25,000
	460	EQUIP RENTAL (SURFACE)	\$25,000	\$50,000	\$75,000
	495	ROUSTABOUT/OTHER LABOR	\$15,000	\$20,000	\$35,000
	525	INSURANCE & BONDS			\$0
	540	CONTINGENCY			\$0
	545	OVERHEAD	\$5,000	\$5,000	\$10,000
	555	SURV/PERM/ROW/LAND SERV	\$40,000		\$40,000
	565	ENVIRONMENTAL COMPLIANCE	\$10,000	\$1,500	\$11,500
	575	MISCELLANEOUS INTANGIBLE			\$0
	600	BITS/REAMERS/STABILIZERS	\$35,000	\$4,000	\$39,000
	605	CASING CREWS	\$15,000		\$15,000
	610	CASING SERVICES	\$9,000		\$9,000
	615	CEMENT SERVICES	\$85,000		\$85,000
	620	CLOSED LOOP RENT	\$40,680		\$40,680
	625	DIRECTIONAL DRILLING SER	\$174,300		\$174,300
	630	DRILL FLUID DISPOSAL	\$50,000		\$50,000
	645	FISHING TOOLS & SUPERV			\$0
	650	FLOAT EQUIP & CENTRAL	\$8,000		\$8,000
	655	FRAC TANK RENTAL		\$20,000	\$20,000
	660	FUEL & POWER	\$40,000	\$175,000	\$215,000
	665	GAS & AIR UNIT		\$68,500	\$68,500
	670	INSPECTION-DRILLING EQUI			\$0
	680	LOGGING - CASED HOLE			\$0
	685	LOGGING - MUD	\$53,900		\$53,900
	690	LOGGING - OPEN HOLE			\$0
	695	MUD, FLUID & CHEMICAL	\$65,000		\$65,000
	700	PERFORATING		\$166,024	\$166,024
	710	PIPE INSPECTION/REPAIR	\$47,000	\$25,000	\$72,000
715	PIPE RENTAL	\$28,600		\$28,600	
720	RIG	\$192,000	\$92,086	\$284,086	
725	RIG MOVE	\$48,443	\$6,000	\$54,443	
730	STIMULATION		\$2,975,767	\$2,975,767	
735	WELL TESTING/SURVEYS		\$97,880	\$97,880	
740	WET CUTTINGS/SEISMIC			\$0	
755	TRANSPORTATION & DELIVER	\$30,000	\$36,000	\$66,000	
760	WATER	\$7,500	\$33,825	\$41,325	
765	WATER DISPOSAL	\$1,500	\$13,346	\$14,846	
770	WATER HAULING	\$8,000	\$239,850	\$247,850	
775	WATER TRANSFER		\$61,500	\$61,500	
780	SLICKLINE/WIRELINE			\$0	
785	SWABBING			\$0	
790	RECLAMATION	\$22,500		\$22,500	
		GROSS INTANGIBLES	\$1,154,534	\$4,205,259	\$5,359,793
		GROSS TOTAL COST	\$1,432,158	\$4,313,765	\$5,745,923

		960		
	SUB	DESCRIPTION	*FACILITY	TOTAL
C A P I T A L F A C I L I T Y C O S T	950	EQUIPMENT TRANSFER INTANGIBLE		\$0
	970	EQUIPMENT TRANSFER TANGIBLE		\$0
	500	WELDING	\$50,000	\$50,000
	350	COMPANY LABOR	\$12,500	\$12,500
	355	COMPANY SUPERVISION		\$0
	360	COMPANY VEHICLES		\$0
	370	CONTRACT SERVICES		\$0
	375	CONSULTANT		\$0
	380	SAFETY TRAINING/SUPPLIES		\$0
	385	COMMUNICATIONS		\$0
	445	DIRTWORK-ROADS & LOCATION		\$0
	450	ELECTRIC POWER		\$0
	460	EQUIP RENTAL (SURFACE)	\$4,980	\$4,980
	470	GATHERING SYSTEM		\$0
	495	ROUSTABOUT/OTHER LABOR	\$60,000	\$60,000
	540	CONTINGENCY		\$0
	555	SURV/PERM/ROW/LAND SERV		\$0
	565	ENVIRONMENTAL COMPLIANCE		\$0
	575	MISCELLANEOUS INTANGIBLE		\$0
	585	MISCELLANEOUS TANGIBLE	\$1,000	\$1,000
	755	TRANSPORTATION & DELIVER	\$22,000	\$22,000
	780	SLICKLINE/WIRELINE		\$0
	810	AUTOMATION	\$50,000	\$50,000
	815	ELECTRICAL SYSTEM	\$130,000	\$130,000
	820	MATERIALS & PARTS	\$6,000	\$6,000
	845	COMPRESSOR/DEHYDRAT UNIT		\$0
	850	EQUIPMENT		\$0
	855	HEATER/TREATER/SEPARATOR	\$67,500	\$67,500
	860	FLOWLINE/VALVES/CONNECTS	\$55,000	\$55,000
	865	METERS	\$10,000	\$10,000
	870	OTHER SURFACE EQUIPMENT	\$20,000	\$20,000
	875	PIPELINE	\$2,500	\$2,500
	885	PUMPING UNIT		\$0
890	TANKS/PITS	\$90,000	\$90,000	
GROSS FACILITY COST			\$581,480	\$581,480

A.A.P.L. FORM 610 - 1989
MODEL FORM OPERATING AGREEMENT

OPERATING AGREEMENT

DATED EFFECTIVE

March 1 , 2019 ,
year

OPERATOR LOGOS Operating, LLC

CONTRACT AREA _____

See Attached Exhibit "A" for Description

COUNTY OR PARISH OF San Juan , STATE OF New Mexico

COPYRIGHT 1989 - ALL RIGHTS RESERVED
AMERICAN ASSOCIATION OF PETROLEUM
LANDMEN, 4100 FOSSIL CREEK BLVD.
FORT WORTH, TEXAS, 76137, APPROVED FORM.

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1 OPERATING AGREEMENT

2 THIS AGREEMENT, entered into by and between See signatories on Page 22
3 hereinafter designated and referred to as "Operator," and the signatory party or parties other than Operator, sometimes
4 hereinafter referred to individually as "Non-Operator," and collectively as "Non-Operators."

5 WITNESSETH:

6 WHEREAS, the parties to this agreement are owners of Oil and Gas Leases and/or Oil and Gas Interests in the land
7 identified in Exhibit "A," and the parties hereto have reached an agreement to explore and develop these Leases and/or Oil
8 and Gas Interests for the production of Oil and Gas to the extent and as hereinafter provided,

9 NOW, THEREFORE, it is agreed as follows:

10 ARTICLE I.

11 DEFINITIONS

12 As used in this agreement, the following words and terms shall have the meanings here ascribed to them:

13 A. The term "AFE" shall mean an Authority for Expenditure prepared by a party to this agreement for the purpose of
14 estimating the costs to be incurred in conducting an operation hereunder. An AFE for a Horizontal Well or Multi-lateral Well shall clearly
15 stipulate that the well being proposed is a Horizontal Well or Multi-lateral Well and shall include all Completion operations for the proposed
16 Horizontal Well or Multi-lateral Well. An AFE is not a contractual commitment, but is only an estimate made in good faith.

17 B. The term "Completion" or "Complete" shall mean a single operation intended to complete a well as a producer of Oil
18 and Gas in one or more Zones, including, but not limited to, the setting of production casing, perforating, well stimulation
19 and production testing conducted in such operation.

20 C. The term "Contract Area" shall mean all of the lands, Oil and Gas Leases and/or Oil and Gas Interests intended to be
21 developed and operated for Oil and Gas purposes under this agreement. Such lands, Oil and Gas Leases and Oil and Gas
22 Interests are described in Exhibit "A."

23 D. The term "Deepen" shall mean a single operation whereby a well is drilled to an objective Zone below the deepest
24 Zone in which the well was previously drilled, or below the Deepest Zone proposed in the associated AFE, whichever is the
25 lesser. When used in connection with a Multi-lateral Well or Horizontal Well, the term "Deepen" shall mean an operation whereby a Lateral
26 is drilled to a horizontal distance greater than the distance set out in the well proposal approved by the Consenting Parties, or to a horizontal
27 distance greater than the total measured depth to which the Lateral was previously drilled.

28 E. The terms "Drilling Party" and "Consenting Party" shall mean a party who agrees to join in and pay its share of the
29 cost of any operation conducted under the provisions of this agreement.

30 F. The term "Drilling Unit" shall mean the area fixed for the drilling of one or more well(s) by order or rule of any state or federal
31 body having authority. If a Drilling Unit is not fixed by any such rule or order, a Drilling Unit shall be the drilling unit as
32 established by the pattern of drilling in the Contract Area unless fixed by express agreement of the Drilling Parties.

33 G. The term "Drillsite" shall mean the Oil and Gas Lease or Oil and Gas Interest on which a proposed well is to be
34 located. The term "Drillsite" when used in connection with a Horizontal Well or Multi-lateral Well shall mean the surface location and the
35 Oil and Gas Leases or Oil and Gas Interests within the spacing unit on which the wellbores, including all Laterals, are located.

36 H. The term "Initial Well" shall mean the well required to be drilled by the parties hereto as provided in Article VI.A.

37 I. The term "Non-Consent Well" shall mean a well in which less than all parties have conducted an operation as
38 provided in Article VI.B.2.

39 J. The terms "Non-Drilling Party" and "Non-Consenting Party" shall mean a party who elects not to participate in a
40 proposed operation.

41 K. The term "Oil and Gas" shall mean oil, gas, casinghead gas, gas condensate, and/or all other liquid or gaseous
42 hydrocarbons and other marketable substances produced therewith, unless an intent to limit the inclusiveness of this term is
43 specifically stated.

44 L. The term "Oil and Gas Interests" or "Interests" shall mean unleased fee and mineral interests in Oil and Gas in tracts
45 of land lying within the Contract Area which are owned by parties to this agreement.

46 M. The terms "Oil and Gas Lease," "Lease" and "Leasehold" shall mean the oil and gas leases or interests therein
47 covering tracts of land lying within the Contract Area which are owned by the parties to this agreement.

48 N. The term "Plug Back" shall mean a single operation whereby a deeper Zone is abandoned in order to attempt a
49 Completion in a shallower Zone. When used in connection with a Horizontal Well or Multi-lateral Well, the term "Plug Back" shall mean an
50 operation to test or Complete the well at a stratigraphically shallower geological horizon in which the operation has been or is being Completed
51 and which is not within an existing Lateral.

52 O. The term "Recompletion" or "Recomplete" shall mean an operation whereby a Completion in one Zone is abandoned
53 in order to attempt a Completion in a different Zone within the existing wellbore.

54 P. The term "Rework" shall mean an operation conducted in the wellbore of a well after it is Completed to secure,
55 restore, or improve production in a Zone which is currently open to production in the wellbore. Such operations include, but
56 are not limited to, well stimulation operations but exclude any routine repair or maintenance work or drilling, Sidetracking,
57 Deepening, Completing, ReCompleting, or Plugging Back of a well.

58 Q. The term "Sidetrack" shall mean the directional control and intentional deviation of a well from vertical so as to
59 change the bottom hole location unless done to straighten the hole or drill around junk in the hole to overcome other
60 mechanical difficulties. When used in connection with a Horizontal Well or Multi-lateral Well, the term "Sidetrack" shall mean the directional
61 control and intentional deviation of a well outside the existing Lateral(s) so as to change the Zone or the direction of a Lateral as originally
62 proposed, unless done to straighten the hole, to drill around junk in the hole and/or to overcome other mechanical difficulties.

63 R. The term "Zone" shall mean a stratum of earth containing or thought to contain a common accumulation of Oil and
64 Gas separately producible from any other common accumulation of Oil and Gas.

65 S. The term "Affiliate" means (i) any person or entity directly or indirectly owning, controlling or holding with power to vote
66 50% or more of the outstanding voting securities of any other person or entity, (b) any person or entity 50% or more of whose voting securities
67 are directly or indirectly owned, controlled, or held with power to vote by any other person or entity, (c) any person or entity directly or
68 indirectly controlling, controlled by or under common control with any other person or entity, and (d) any officer, director, partner or sanguinal
69 or affinal kin of any other person or entity or any person or entity described in subsection (c) of this definition.

70 T. The term "Lateral" shall mean that portion of a wellbore that deviates from approximate vertical orientation to approximate
71 horizontal orientation and all wellbore beyond such deviation to Total Measured Depth.

72 U. The term "Horizontal Well" shall mean a well containing a single Lateral which is drilled, Completed or ReCompleted in a
73 manner in which the horizontal component of the completion interval (1) extends at least one hundred (100') feet in the objective formation
74 and (2) exceeds the vertical component of the completion interval in the objective formation.

Exhibit 6
A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT - 1989

1 V. The term "Multi-lateral Well" shall mean a well which contains more than one Lateral which is drilled, Completed or
2 Recompleted in a manner in which the horizontal component of the completion interval of each Lateral (1) extends at least one hundred (100')
3 feet in the objective formation(s) and (2) exceeds the vertical component of the completion interval in the objective formation(s).

4 W. The term "Total Measured Depth" when used in connection with a Multi-lateral Well or Horizontal Well, shall mean the
5 distance from the surface of the ground to the terminus of the wellbore, as measured along the wellbore. Each Lateral taken together with the
6 common vertical wellbore shall be considered a single wellbore and shall have a corresponding Total Measured Depth. Notwithstanding the
7 foregoing, in the case of a Multi-lateral Well, if the production from each Lateral is to be commingled in the common vertical wellbore then
8 the Laterals and vertical wellbore shall be considered collectively as one wellbore. When the proposed operation(s) is the drilling of, or
9 operation on, a Horizontal Well or Multi-lateral Well, the terms "depth" or "total depth" wherever used in the Agreement shall be deemed to
10 read "Total Measured Depth" insofar as it applies to such well.

11 X. The term "Vertical Well" shall mean a well drilled, Completed or Recompleted other than a Horizontal Well or Multi-lateral
12 Well.

13 Y. The term "Horizontal" shall mean approximately parallel to the earth's surface or more generally a deviation from vertical of
14 more than 30 degrees.

15 Z. The Mancos Formation shall be defined as all depths below the stratigraphic equivalent of the base of the Mesaverde formation,
16 as found at 4,162' measured depth, to the base of the Greenhorn Limestone formation, as found at 5,999' measured depth, in the triple
17 combination log of the LOGOS #6 (API 30-045-35422), located in Section 8, Township 23 North, Range 8 West, NMPM, San Juan County,
18 New Mexico.

19 AA. The Gallup Formation shall be defined as all depths below the stratigraphic equivalent of the base of the Mesaverde formation,
20 as found at 4,162' measured depth, to the stratigraphic equivalent of the top of the Juana Lopez formation, as found at 5,577' measured depth,
21 in the triple combination log of the LOGOS #6 (API 30-045-35422), located in Section 8, Township 23 North, Range 8 West, NMPM, San
22 Juan County, New Mexico.

23 Unless the context otherwise clearly indicates, words used in the singular include the plural, the word "person" includes
24 natural and artificial persons, the plural includes the singular, and any gender includes the masculine, feminine, and neuter.

ARTICLE II.

EXHIBITS

25 The following exhibits, as indicated below and attached hereto, are incorporated in and made a part hereof:

- 26 The following exhibits, as indicated below and attached hereto, are incorporated in and made a part hereof:
- 27 X A. Exhibit "A," shall include the following information:
- 28 (1) Description of lands subject to this agreement
- 29 (2) Restrictions, if any, as to depths, formations, or substances,
- 30 (3) Parties to agreement with addresses and telephone numbers for notice purposes,
- 31 (4) Percentages or fractional interests of parties to this agreement,
- 32 (5) Oil and Gas Leases and/or Oil and Gas Interests subject to this agreement,
- 33 (6) Burdens on production.
- 34 ~~B. Exhibit "B," Form of Lease.~~
- 35 X C. Exhibit "C," Accounting Procedure.
- 36 X D. Exhibit "D," Insurance
- 37 X E. Exhibit "E," Gas Balancing Agreement.
- 38 X F. Exhibit "F," Non-Discrimination and Certification of Non-Segregated Facilities.
- 39 ~~G. Exhibit "G," Tax Partnership.~~
- 40 X H. Other: Memorandum of Operating Agreement and Financing Statement

Exhibit 6
A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT - 1989

1 Operator shall make no charge for services rendered by its staff attorneys or other personnel in the performance of the above
2 functions.

3 No well shall be drilled on the Contract Area until after (1) the title to the Drillsite or Drilling Unit, if appropriate, has
4 been examined as above provided, and (2) the title has been approved by the Operator. ~~examining-attorney-or-title-has-been-accepted-by~~
5 ~~all of the Drilling Parties in such well.~~

6 **B. Loss or Failure of Title:**

7 1. Failure of Title: Should any Oil and Gas Interest or Oil and Gas Lease be lost through failure of title, which results in a
8 reduction of interest from that shown on Exhibit "A," the party credited with contributing the affected Lease or Interest
9 (including, if applicable, a successor in interest to such party) shall have ninety (90) days from final determination of title
10 failure to acquire a new lease or other instrument curing the entirety of the title failure, which acquisition will not be subject
11 to Article VIII.B., and failing to do so, this agreement, nevertheless, shall continue in force as to all remaining Oil and Gas
12 Leases and Interests; and,

13 (a) The party credited with contributing the Oil and Gas Lease or Interest affected by the title failure (including, if
14 applicable, a successor in interest to such party) shall bear alone the entire loss and it shall not be entitled to recover from
15 Operator or the other parties any development or operating costs which it may have previously paid or incurred, but there
16 shall be no additional liability on its part to the other parties hereto by reason of such title failure;

17 (b) There shall be no retroactive adjustment of expenses incurred or revenues received from the operation of the
18 Lease or Interest which has failed, but the interests of the parties contained on Exhibit "A" shall be revised on an acreage
19 basis, as of the time it is determined finally that title failure has occurred, so that the interest of the party whose Lease or
20 Interest is affected by the title failure will thereafter be reduced in the Contract Area by the amount of the Lease or Interest failed;

21 (c) If the proportionate interest of the other parties hereto in any producing well previously drilled on the Contract
22 Area is increased by reason of the title failure, the party who bore the costs incurred in connection with such well attributable
23 to the Lease or Interest which has failed shall receive the proceeds attributable to the increase in such interest (less costs and
24 burdens attributable thereto) until it has been reimbursed for unrecovered costs paid by it in connection with such well
25 attributable to such failed Lease or Interest;

26 (d) Should any person not a party to this agreement, who is determined to be the owner of any Lease or Interest
27 which has failed, pay in any manner any part of the cost of operation, development, or equipment, such amount shall be paid
28 to the party or parties who bore the costs which are so refunded;

29 (e) Any liability to account to a person not a party to this agreement for prior production of Oil and Gas which arises
30 by reason of title failure shall be borne severally by each party (including a predecessor to a current party) who received
31 production for which such accounting is required based on the amount of such production received, and each such party shall
32 severally indemnify, defend and hold harmless all other parties hereto for any such liability to account;

33 (f) No charge shall be made to the joint account for legal expenses, fees or salaries in connection with the defense of
34 the Lease or Interest claimed to have failed, but if the party contributing such Lease or Interest hereto elects to defend its title
35 it shall bear all expenses in connection therewith; and

36 (g) If any party is given credit on Exhibit "A" to a Lease or Interest which is limited solely to ownership of an
37 interest in the wellbore of any well or wells and the production therefrom, such party's absence of interest in the remainder
38 of the Contract Area shall be considered a Failure of Title as to such remaining Contract Area unless that absence of interest
39 is reflected on Exhibit "A"

40 2. Loss by Non-Payment or Erroneous Payment of Amount Due: If, through mistake or oversight, any rental, shut-in well
41 payment, minimum royalty or royalty payment, or other payment necessary to maintain all or a portion of an Oil and Gas
42 Lease or interest is not paid or is erroneously paid, and as a result a Lease or Interest terminates, there shall be no monetary
43 liability against the party who failed to make such payment. Unless the party who failed to make the required payment
44 secures a new Lease or Interest covering the same interest within ninety (90) days from the discovery of the failure to make
45 proper payment, which acquisition will not be subject to Article VIII.B., the interests of the parties reflected on Exhibit "A"
46 shall be revised on an acreage basis, effective as of the date of termination of the Lease or Interest involved, and the party
47 who failed to make proper payment will no longer be credited with an interest in the Contract Area on account of ownership
48 of the Lease or Interest which has terminated. If the party who failed to make the required payment shall not have been fully
49 reimbursed, at the time of the loss, from the proceeds of the sale of Oil and Gas attributable to the lost Lease or Interest,
50 calculated on an acreage basis, for the development and operating costs previously paid on account of such Lease or Interest,
51 it shall be reimbursed for unrecovered actual costs previously paid by it (but not for its share of the cost of any dry hole
52 previously drilled or wells previously abandoned) from so much of the following as is necessary to effect reimbursement:

53 (a) Proceeds of Oil and Gas produced prior to termination of the Lease or Interest, less operating expenses and lease
54 burdens chargeable hereunder to the person who failed to make payment, previously accrued to the credit of the lost Lease or
55 Interest, on an acreage basis, up to the amount of unrecovered costs;

56 (b) Proceeds of Oil and Gas, less operating expenses and lease burdens chargeable hereunder to the person who failed
57 to make payment, up to the amount of unrecovered costs attributable to that portion of Oil and Gas thereafter produced and
58 marketed (excluding production from any wells thereafter drilled) which, in the absence of such Lease or Interest termination,
59 would be attributable to the lost Lease or Interest on an acreage basis and which as a result of such Lease or Interest
60 termination is credited to other parties, the proceeds of said portion of the Oil and Gas to be contributed by the other parties
61 in proportion to their respective interests reflected on Exhibit "A"; and,

62 (c) Any monies, up to the amount of unrecovered costs, that may be paid by any party who is, or becomes, the owner
63 of the Lease or Interest lost, for the privilege of participating in the Contract Area or becoming a party to this agreement.

64 3. Other Losses: All losses of Leases or Interests committed to this agreement, other than those set forth in Articles
65 IV.B.1. and IV.B.2. above, shall be joint losses and shall be borne by all parties in proportion to their interests shown on
66 Exhibit "A." This shall include but not be limited to the loss of any Lease or Interest through failure to develop or because
67 express or implied covenants have not been performed (other than performance which requires only the payment of money),
68 and the loss of any Lease by expiration at the end of its primary term if it is not renewed or extended. There shall be no
69 readjustment of interests in the remaining portion of the Contract Area on account of any joint loss.

70 4. Curing Title: In the event of a Failure of Title under Article IV.B.1. or a loss of title under Article IV.B.2. above, any
71 Lease or interest acquired by any party hereto (other than the party whose interest has failed or was lost) during the ninety
72 (90) day period provided by Article IV.B.1. and Article IV.B.2. above covering all or a portion of the interest that has failed
73 or was lost shall be offered at cost to the party whose interest has failed or was lost, and the provisions of Article VIII.B.
74 shall not apply to such acquisition.

ARTICLE V.
OPERATOR

A. Designation and Responsibilities of Operator:

LOGOS Operating, LLC shall be the Operator of the Contract Area, and shall conduct and direct and have full control of all operations on the Contract Area as permitted and required by, and within the limits of this agreement. In its performance of services hereunder for the Non-Operators, Operator shall be an independent contractor not subject to the control or direction of the Non-Operators except as to the type of operation to be undertaken in accordance with the election procedures contained in this agreement. Operator shall not be deemed, or hold itself out as, the agent of the Non-Operators with authority to bind them to any obligation or liability assumed or incurred by Operator as to any third party. Operator shall conduct its activities under this agreement as a reasonable prudent operator, in a good and workmanlike manner, with due diligence and dispatch, in accordance with good oilfield practice, and in compliance with applicable law and regulation, ~~but in no event shall it have any liability as Operator to the other parties for losses sustained or liabilities incurred except such as may result from gross negligence or willful misconduct.~~ provided that: See Article XVI.E

B. Resignation or Removal of Operator and Selection of Successor:

1. Resignation or Removal of Operator: Operator may resign at any time by giving written notice thereof to Non-Operators. If Operator terminates its legal existence, no longer owns an interest hereunder in the Contract Area, or is no longer capable of serving as Operator, Operator shall be deemed to have resigned without any action by Non-Operators, except the selection of a successor. Operator may be removed only for good cause by the affirmative vote of Non-Operators owning a majority interest based on ownership as shown on Exhibit "A" remaining after excluding the voting interest of Operator; such vote shall not be deemed effective until a written notice has been delivered to the Operator by a Non-Operator detailing the alleged default and Operator has failed to cure the default within thirty (30) days from its receipt of the notice or, if the default concerns an operation then being conducted, within forty-eight (48) hours of its receipt of the notice. For purposes hereof, "good cause" shall mean not only gross negligence or willful misconduct but also the material breach of or inability to meet the standards of operation contained in Article V.A. or material failure or inability to perform its obligations under this agreement.

Subject to Article VII.D.1., such resignation or removal shall not become effective until 7:00 o'clock A.M. on the first day of the calendar month following the expiration of ninety (90) days after the giving of notice of resignation by Operator or action by the Non-Operators to remove Operator, unless a successor Operator has been selected and assumes the duties of Operator at an earlier date. Operator, after effective date of resignation or removal, shall be bound by the terms hereof as a Non-Operator. A change of a corporate name or structure of Operator or transfer of Operator's interest to any single ~~Subsidiary~~^{Affiliate}, parent or successor corporation shall not be the basis for removal of Operator.

2. Selection of Successor Operator: Upon the resignation or removal of Operator under any provision of this agreement, a successor Operator shall be selected by the parties. The successor Operator shall be selected from the parties owning an interest in the Contract Area at the time such successor Operator is selected. The successor Operator shall be selected by the affirmative vote of ~~two (2) or more parties~~^{a party or parties} owning a majority interest based on ownership as shown on Exhibit "A"; provided, however, if an Operator which has been removed or is deemed to have resigned/ fails to vote or votes only to succeed itself, the successor Operator shall be selected by the affirmative vote of the party or parties owning a majority interest based on ownership as shown on Exhibit "A" remaining after excluding the voting interest of the Operator that was removed or resigned. The former Operator shall promptly deliver to the successor Operator all records and data relating to the operations conducted by the former Operator to the extent such records and data are not already in the possession of the successor operator. Any cost of obtaining or copying the former Operator's records and data shall be charged to the joint account. For purposes of this Article V.2, it is agreed that in the event Operator conveys all of its interest in the Contract Area, the party that acquires such interest shall be entitled to vote with that interest for any party, including itself, as Successor Operator.

3. Effect of Bankruptcy: If Operator becomes insolvent, bankrupt or is placed in receivership, it shall be deemed to have resigned without any action by Non-Operators, except the selection of a successor. If a petition for relief under the federal bankruptcy laws is filed by or against Operator, and the removal of Operator is prevented by the federal bankruptcy court, all Non-Operators and Operator shall comprise an interim operating committee to serve until Operator has elected to reject or assume this agreement pursuant to the Bankruptcy Code, and an election to reject this agreement by Operator as a debtor in possession, or by a trustee in bankruptcy, shall be deemed a resignation as Operator without any action by Non-Operators, except the selection of a successor. During the period of time the operating committee controls operations, all actions shall require the approval of two (2) or more parties owning a majority interest based on ownership as shown on Exhibit "A." In the event there are only two (2) parties to this agreement, during the period of time the operating committee controls operations, a third party acceptable to Operator, Non-Operator and the federal bankruptcy court shall be selected as a member of the operating committee, and all actions shall require the approval of two (2) members of the operating committee without regard for their interest in the Contract Area based on Exhibit "A."

C. Employees and Contractors:

The number of employees or contractors used by Operator in conducting operations hereunder, their selection, and the hours of labor and the compensation for services performed shall be determined Operator, and all such employees or contractors shall be the employees or contractors of Operator.

D. Rights and Duties of Operator:

1. Competitive Rates and Use of Affiliates: All wells drilled on the Contract Area shall be drilled on a competitive contract basis at the usual rates prevailing in the area. If it so desires, Operator may employ its own tools and equipment in the drilling/ ~~of wells~~^{and completion}, but its charges therefor shall not exceed the prevailing rates in the area and the rate of such charges shall be agreed upon by the parties in writing before drilling operations are commenced, and such work shall be performed by Operator under the same terms and conditions as are customary and usual in the area in contracts of independent contractors who are doing work of a similar nature. All work performed or materials supplied by affiliates or related parties of Operator shall be performed or supplied at competitive rates, pursuant to written agreement, and in accordance with customs and standards prevailing in the industry.

2. Discharge of Joint Account Obligations: Except as herein otherwise specifically provided, Operator shall promptly pay and discharge expenses incurred in the development and operation of the Contract Area pursuant to this agreement and shall charge each of the parties hereto with their respective proportionate shares upon the expense basis provided in Exhibit "C." Operator shall keep an accurate record of the joint account hereunder, showing expenses incurred and charges and credits made and received.

3. Protection from Liens: Operator shall pay, or cause to be paid, as and when they become due and payable, all accounts of contractors and suppliers and wages and salaries for services rendered or performed, and for materials supplied on, to or in respect of the Contract Area or any operations for the joint account thereof, and shall keep the Contract Area free from

1 liens and encumbrances resulting therefrom except for those resulting from a bona fide dispute as to services rendered or
2 materials supplied.

3 4. Custody of Funds: Operator shall hold for the account of the Non-Operators any funds of the Non-Operators advanced
4 or paid to the Operator, either for the conduct of operations hereunder or as a result of the sale of production from the
5 Contract Area, and such funds shall remain the funds of the Non-Operators on whose account they are advanced or paid until
6 used for their intended purpose or otherwise delivered to the Non-Operators or applied toward the payment of debts as
7 provided in Article VII.B. Nothing in this paragraph shall be construed to establish a fiduciary relationship between Operator
8 and Non-Operators for any purpose other than to account for Non-Operator funds as herein specifically provided. Nothing in
9 this paragraph shall require the maintenance by Operator of separate accounts for the funds of Non-Operators unless the
10 parties otherwise specifically agree.

11 5. Access to Contract Area and Records: Operator shall, except as otherwise provided herein, permit each ^{participating} Non-Operator
12 or its duly authorized representative, at the ^{participating} Non-Operator's sole risk and cost, full and free access at all reasonable times to
13 all operations of every kind and character being conducted for the joint account on the Contract Area and to the records of
14 operations conducted thereon or production therefrom, including Operator's books and records relating thereto. Such access
15 rights shall not be exercised in a manner interfering with Operator's conduct of an operation hereunder and shall not obligate
16 Operator to furnish any geologic or geophysical data of an interpretive nature unless the cost of preparation of such
17 interpretive data was charged to the joint account. Operator will furnish to each ^{participating} Non-Operator upon request copies of any
18 and all reports and information obtained by Operator in connection with production and related items, including, without
19 limitation, meter and chart reports, production purchaser statements, run tickets and monthly ^{participating} gauge reports, but excluding
20 purchase contracts and pricing information to the extent not applicable to the production of the ^{participating} Non-Operator seeking the
21 information. Any audit of Operator's records relating to amounts expended and the appropriateness of such expenditures
22 shall be conducted in accordance with the audit protocol specified in Exhibit "C."

23 6. Filing and Furnishing Governmental Reports: Operator will file, and upon written request promptly furnish copies to
24 each ^{participating} Non-Operator not in default of its payment obligations, all operational notices, reports or applications
25 required to be filed by local, State, Federal or Indian agencies or authorities having jurisdiction over operations hereunder.
26 Each ^{participating} Non-Operator shall provide to Operator on a timely basis all information necessary to Operator to make such filings.

27 7. Drilling and Testing Operations: The following provisions shall apply to each well drilled hereunder, including but not
28 limited to the Initial Well

29 (a) Operator will promptly ^{participating} advise Non-Operators of the date on which the well is spudded, or the date on which
30 drilling operations are commenced.

31 (b) Operator will send to ^{participating} Non-Operators such reports, test results and notices regarding the progress of operations on the well
32 as the ^{participating} Non-Operators shall reasonably request, including, but not limited to, daily drilling reports, completion reports, and well logs.

33 (c) Operator shall adequately test all Zones encountered which may reasonably be expected to be capable of producing
34 Oil and Gas in paying quantities as a result of examination of the electric log or any other logs or cores or tests conducted
35 hereunder.

36 Any information furnished to or obtained by a Non-Operator pursuant to Articles V.D.5, V.D.6 and V.D.7 shall be maintained as confidential
37 by the Non-Operator and shall not be disclosed by the Non-Operator without the prior written consent of Operator.

38 8. Cost Estimates: Upon request of any Consenting Party, Operator shall furnish estimates of current and cumulative costs
39 incurred for the joint account at reasonable intervals during the conduct of any operation ^{which requires a vote of the Consenting Parties} pursuant to this agreement.
40 Operator shall not be held liable for errors in such estimates so long as the estimates are made in good faith.

41 9. Insurance: At all times while operations are conducted hereunder, Operator shall comply with the workers
42 compensation law of the state where the operations are being conducted; provided, however, that Operator may be a self-
43 insurer for liability under said compensation laws in which event the only charge that shall be made to the joint account shall
44 be as provided in Exhibit "C." Operator shall also carry or provide insurance for the benefit of the joint account of the parties
45 as outlined in Exhibit "D" attached hereto and made a part hereof. Operator shall require all contractors engaged in work on
46 or for the Contract Area to comply with the workers compensation law of the state where the operations are being conducted
47 and to maintain such other insurance as Operator may require.

48 In the event automobile liability insurance is specified in said Exhibit "D," or subsequently receives the approval of the
49 parties, no direct charge shall be made by Operator for premiums paid for such insurance for Operator's automotive
50 equipment.

51
52 **ARTICLE VI.**
DRILLING AND DEVELOPMENT

53 **A. Initial Well:**

54 On or before the 1st day of March, 2020, Operator shall commence ^{operations for} the drilling of the Initial
55 Well at the following location: at a legal location of Operator's selection adequate to drill a Horizontal Well with a Lateral at least seventy
56 five percent (75%) within the Contract Area.

57 and shall thereafter continue the drilling of the well with due diligence to a depth sufficient to adequately test the Gallup Formation.

58 Operator shall have the right to cease drilling any Horizontal Well or Multi-lateral Well at any time, for any reason, and any such Well shall
59 be deemed to have reached its objective depth so long as Operator has drilled any such Well to the objective formation(s) and has drilled
60 horizontally in the objective formation(s) sufficient to test the Gallup Formation.

61 The drilling of the Initial Well and the participation therein by all parties is obligatory, subject to Article VI.C.1. as to participation
62 in Completion operations and Article VI.F. as to termination of operations and Article XI as to occurrence of force majeure.

63 **B. Subsequent Operations:**

64 1. Proposed Operations: If any party hereto should desire to drill any well on the Contract Area other than the Initial Well, or
65 if any party should desire to Rework, Sidetrack, Deepen, Recomplete or Plug Back a dry hole or a well no longer capable of
66 producing in paying quantities in which such party has not otherwise relinquished its interest in the proposed objective Zone under
67 this agreement, the party desiring to drill, Rework, Sidetrack, Deepen, Recomplete or Plug Back such a well shall give written
68 notice of the proposed operation to the parties who have not otherwise relinquished their interest in such objective Zone
69

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1 under this agreement and to all other parties in the case of a proposal for Sidetracking or Deepening, specifying the work to be
2 performed, the location, proposed depth, objective Zone and the estimated cost of the operation. The parties to whom such a
3 notice is delivered shall have thirty (30) days after receipt of the notice within which to notify the party proposing to do the work
4 whether they elect to participate in the cost of the proposed operation. If a drilling rig is on location, notice of a proposal to
5 Rework, Sidetrack, Recomplete, Plug Back or Deepen may be given by telephone and the response period shall be limited to forty-
6 eight (48) hours, exclusive of Saturday, Sunday and legal holidays. Failure of a party to whom such notice is delivered to reply
7 within the period above fixed shall constitute an election by that party not to participate in the cost of the proposed operation.
8 Any proposal by a party to conduct an operation conflicting with the operation initially proposed shall be delivered to all parties
9 within the time and in the manner provided in Article VI.B.6.

10 If all parties to whom such notice is delivered elect to participate in such a proposed operation, the parties shall be
11 contractually committed to participate therein provided such operations are commenced within the time period hereafter set
12 forth, and Operator shall, no later than ~~ninety (90)~~ one hundred twenty (120) days after expiration of the notice period of thirty (30) days (or
13 as promptly as practicable after the expiration of the forty-eight (48) hour period when a drilling rig is on location, as the case maybe), actually
14 commence the proposed operation and thereafter complete it with due diligence at the risk and expense of
15 the parties participating therein; provided, however, said commencement date may be extended upon written notice of same
16 by Operator to the other parties, for a period of up to ~~thirty (30)~~ sixty (60) additional days if, in the sole opinion of Operator, such
17 additional time is reasonably necessary to obtain permits from governmental authorities, surface rights (including rights-of-
18 way) or appropriate drilling equipment, or to complete title examination or curative matter required for title approval or
19 acceptance. If the actual operation has not been commenced within the time provided (including any extension thereof as
20 specifically permitted herein or in the force majeure provisions of Article XI) and if any party hereto still desires to conduct
21 said operation, written notice proposing same must be resubmitted to the other parties in accordance herewith as if no prior
22 proposal had been made. Those parties that did not participate in the drilling of a well for which a proposal to Deepen or
23 Sidetrack is made hereunder shall, if such parties desire to participate in the proposed Deepening or Sidetracking operation,
24 reimburse the Drilling Parties in accordance with Article VI.B.4. in the event of a Deepening operation and in accordance
25 with Article VI.B.5. in the event of a Sidetracking operation.

26
27
28
29 2. Operations by Less Than All Parties:

30 (a) Determination of Participation If any party to whom such notice is delivered as provided in Article VI.B.1. or
31 ~~or is deemed to have elected~~ V.I.C.1. (Option No. 2) elects/ not to participate in the proposed operation, then, in order to be entitled to the benefits of this
32 Article, the party or parties giving the notice and such other parties as shall elect to participate in the operation shall, no
33 later than ~~ninety (90)~~ one hundred twenty (120) days after the expiration of the notice period of thirty (30) days (or as promptly as practicable after the
34 expiration of the forty-eight (48) hour period when a drilling rig is on location, as the case may be) actually commence the
35 proposed operation and complete it with due diligence. Operator shall perform all work for the account of the Consenting
36 Parties; provided, however, if no drilling rig or other equipment is on location, and if Operator is a Non-Consenting Party,
37 the Consenting Parties shall either: (i) request Operator to perform the work required by such proposed operation for the
38 account of the Consenting Parties, or (ii) designate one of the Consenting Parties as Operator to perform such work. The
39 rights and duties granted to and imposed upon the Operator under this agreement are granted to and imposed upon the party
40 designated as Operator for an operation in which the original Operator is a Non-Consenting Party. Consenting Parties, when
41 conducting operations on the Contract Area pursuant to this Article VI.B.2., shall comply with all terms and conditions of this
42 agreement.

43 If less than all parties approve any proposed operation, the proposing party, immediately after the expiration of the
44 applicable notice period, shall advise all Parties of the total interest of the parties approving such operation and its
45 recommendation as to whether the Consenting Parties should proceed with the operation as proposed. Each Consenting Party,
46 within forty-eight (48) hours (exclusive of Saturday, Sunday, and legal holidays) after delivery of such notice, shall advise the
47 proposing party of its desire to (i) limit participation to such party's interest as shown on Exhibit "A" or (ii) carry only its
48 proportionate part (determined by dividing such party's interest in the Contract Area by the interests of all Consenting Parties in
49 the Contract Area) of Non-Consenting Parties' interests, or (iii) carry its proportionate part (determined as provided in (ii)) of
50 Non-Consenting Parties' interests together with all or a portion of its proportionate part of any Non-Consenting Parties'
51 interests that any Consenting Party did not elect to take. Any interest of Non-Consenting Parties that is not carried by a
52 Consenting Party shall be deemed to be carried by the party proposing the operation if such party does not withdraw its
53 proposal. Failure to advise the proposing party within the time required shall be deemed an election under (i). In the event a
54 drilling rig is on location, notice may be given by telephone, and the time permitted for such a response shall not exceed a
55 total of forty-eight (48) hours (exclusive of Saturday, Sunday and legal holidays). The proposing party, at its election, may
56 withdraw such proposal if there is less than 100% participation and shall notify all parties of such decision within ten (10)
57 days, or within twenty-four (24) hours if a drilling rig is on location, following expiration of the applicable response period.
58 If 100% subscription to the proposed operation is obtained, the proposing party shall promptly notify the Consenting Parties
59 of their proportionate interests in the operation and the party serving as Operator shall commence such operation within the
60 period provided in Article VI.B.1., subject to the same extension right as provided therein.

61 (b) Relinquishment of Interest for Non-Participation The entire cost and risk of conducting such operations shall be
62 borne by the Consenting Parties in the proportions they have elected to bear same under the terms of the preceding
63 paragraph. Consenting Parties shall keep the leasehold estates involved in such operations free and clear of all liens and
64 encumbrances of every kind created by or arising from the operations of the Consenting Parties. If such an operation results
65 in a dry hole, then subject to Articles VI.B.6. and VI.E.3., the Consenting Parties shall plug and abandon the well and restore
66 the surface location at their sole cost, risk and expense; provided, however, that those Non-Consenting Parties that
67 participated in the drilling, Deepening or Sidetracking of the well shall remain liable for, and shall pay, their proportionate
68 shares of the cost of plugging and abandoning the well and restoring the surface location insofar only as those costs were not
69 increased by the subsequent operations of the Consenting Parties. If any well drilled, Reworked, Sidetracked, Deepened,
70 Recompleted or Plugged Back under the provisions of this Article results in a well capable of producing Oil and/or Gas in
71 paying quantities, the Consenting Parties shall Complete and equip the well to produce at their sole cost and risk, and the
72 well shall then be turned over to Operator (if the Operator did not conduct the operation) and shall be operated by it at the
73 expense and for the account of the Consenting Parties. Upon commencement of operations for the drilling, Reworking,
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1 Sidetracking, ReCompleting, Deepening or Plugging Back of any such well by Consenting Parties in accordance with the
2 provisions of this Article, each Non-Consenting Party shall be deemed to have relinquished to Consenting Parties, and the
3 Consenting Parties shall own and be entitled to receive, in proportion to their respective interests, all of such Non-
4 Consenting Party's interest in the well and share of production therefrom or, in the case of a Reworking, Sidetracking,
5 Deepening, ReCompleting or Plugging Back, or a Completion pursuant to Article VI.C.1. Option No. 2, all of such Non-
6 Consenting Party's interest in the production obtained from the operation in which the Non-Consenting Party did not elect
7 to participate. Such relinquishment shall be effective until the proceeds of the sale of such share, calculated at the well, or
8 market value thereof if such share is not sold (after deducting applicable ad valorem, production, severance, and excise taxes,
9 royalty, overriding royalty and other interests not excepted by Article III.C. payable out of or measured by the production
10 from such well accruing with respect to such interest until it reverts), shall equal the total of the following:

11 (i) 100 % of each such Non-Consenting Party's share of the cost of any newly acquired surface equipment
12 beyond the wellhead connections (including but not limited to stock tanks, separators, treaters, pumping equipment and
13 piping), plus 100% of each such Non-Consenting Party's share of the cost of operation of the well commencing with first
14 production and continuing until each such Non-Consenting Party's relinquished interest shall revert to it under other
15 provisions of this Article, it being agreed that each Non-Consenting Party's share of such costs and equipment will be that
16 interest which would have been chargeable to such Non-Consenting Party had it participated in the well from the beginning
17 of the operations; and

18 (ii) 400 % of (a) that portion of the costs and expenses of drilling, Reworking, Sidetracking, Deepening,
19 Plugging Back, testing, Completing, and ReCompleting, after deducting any cash contributions received under Article VIII.C.,
20 and of (b) that portion of the cost of newly acquired equipment in the well (to and including the wellhead connections),
21 which would have been chargeable to such Non-Consenting Party if it had participated therein.

22 Notwithstanding anything to the contrary in this Article VI.B., if the well does not reach the deepest objective Zone
23 described in the notice proposing the well for reasons other than the encountering of granite or practically impenetrable
24 substance or other condition in the hole rendering further operations impracticable, Operator shall give notice thereof to each
25 Non-Consenting Party who submitted or voted for an alternative proposal under Article VI.B.6. to drill the well to a
26 shallower Zone than the deepest objective Zone proposed in the notice under which the well was drilled, and each such Non-
27 Consenting Party shall have the option to participate in the initial proposed Completion of the well by paying its share of the
28 cost of drilling the well to its actual depth, calculated in the manner provided in Article VI.B.4. (a). If any such Non-
29 Consenting Party does not elect to participate in the first Completion proposed for such well, the relinquishment provisions
30 of this Article VI.B.2. (b) shall apply to such party's interest.

31 (c) Reworking, ReCompleting or Plugging Back. An election not to participate in the drilling, Sidetracking or
32 Deepening of a well shall be deemed an election not to participate in any Reworking or Plugging Back operation proposed in
33 such a well, or portion thereof, to which the initial non-consent election applied that is conducted at any time prior to full
34 recovery by the Consenting Parties of the Non-Consenting Party's recoupment amount. Similarly, an election not to
35 participate in the Completing or ReCompleting of a well shall be deemed an election not to participate in any Reworking
36 operation proposed in such a well, or portion thereof, to which the initial non-consent election applied that is conducted at
37 any time prior to full recovery by the Consenting Parties of the Non-Consenting Party's recoupment amount. Any such
38 Reworking, ReCompleting or Plugging Back operation conducted during the recoupment period shall be deemed part of the
39 cost of operation of said well and there shall be added to the sums to be recouped by the Consenting Parties 400% of
40 that portion of the costs of the Reworking, ReCompleting or Plugging Back operation which would have been chargeable to
41 such Non-Consenting Party had it participated therein. If such a Reworking, ReCompleting or Plugging Back operation is
42 proposed during such recoupment period, the provisions of this Article VI.B. shall be applicable as between said Consenting
43 Parties in said well.

44 (d) Recoupment Matters. During the period of time Consenting Parties are entitled to receive Non-Consenting Party's
45 share of production, or the proceeds therefrom, Consenting Parties shall be responsible for the payment of all ad valorem,
46 production, severance, excise, gathering and other taxes, and all royalty, overriding royalty and other burdens applicable to
47 Non-Consenting Party's share of production not excepted by Article III.C.

48 In the case of any Reworking, Sidetracking, Plugging Back, ReCompleting or Deepening operation, the Consenting
49 Parties shall be permitted to use, free of cost, all casing, tubing and other equipment in the well, but the ownership of all
50 such equipment shall remain unchanged; and upon abandonment of a well after such Reworking, Sidetracking, Plugging Back,
51 ReCompleting or Deepening, the Consenting Parties shall account for all such equipment to the owners thereof, with each
52 party receiving its proportionate part in kind or in value, less cost of salvage.

53 Within ninety (90) days after the completion of any operation under this Article, the party conducting the operations
54 for the Consenting Parties shall furnish each Non-Consenting Party with an inventory of the equipment in and connected to
55 the well, and an itemized statement of the cost of drilling, Sidetracking, Deepening, Plugging Back, testing, Completing,
56 ReCompleting, and equipping the well for production; or, at its option, the operating party, in lieu of an itemized statement
57 of such costs of operation, may submit a detailed statement of monthly billings. Each month thereafter, during the time the
58 Consenting Parties are being reimbursed as provided above, the party conducting the operations for the Consenting Parties
59 shall furnish the Non-Consenting Parties with an itemized statement of all costs and liabilities incurred in the operation of
60 the well, together with a statement of the quantity of Oil and Gas produced from it and the amount of proceeds realized from
61 the sale of the well's working interest production during the preceding month. In determining the quantity of Oil and Gas
62 produced during any month, Consenting Parties shall use industry accepted methods such as but not limited to metering or
63 periodic well tests. Any amount realized from the sale or other disposition of equipment newly acquired in connection with
64 any such operation which would have been owned by a Non-Consenting Party had it participated therein shall be credited
65 against the total unreturned costs of the work done and of the equipment purchased in determining when the interest of such
66 Non-Consenting Party shall revert to it as above provided; and if there is a credit balance, it shall be paid to such Non-
67 Consenting Party.

68 If and when the Consenting Parties recover from a Non-Consenting Party's relinquished interest the amounts provided
69 for above, the relinquished interests of such Non-Consenting Party shall automatically revert to it as of 7:00 a.m. on the day
70 following the day on which such recoupment occurs, and, from and after such reversion, such Non-Consenting Party shall
71 own the same interest in such well, the material and equipment in or pertaining thereto, and the production therefrom as
72 such Non-Consenting Party would have been entitled to had it participated in the drilling, Sidetracking, Reworking,
73 Deepening, ReCompleting or Plugging Back of said well. Thereafter, such Non-Consenting Party shall be charged with and
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1 shall pay its proportionate part of the further costs of the operation of said well including without limitation, plugging and abandonment, clean
2 up and damages in accordance with the terms of this agreement and Exhibit C attached hereto.

3 3. Stand-By Costs: When a well which has been drilled or Deepened has reached its authorized depth and all tests have
4 been completed and the results thereof furnished to the parties, or when operations on the well have been otherwise
5 terminated pursuant to Article VI.F., stand-by costs incurred pending response to a party's notice proposing a Reworking,
6 Sidetracking, Deepening, Recompleting, Plugging Back or Completing operation in such a well (including the period required
7 under Article VI.B.6. to resolve competing proposals) shall be charged and borne as part of the drilling or Deepening
8 operation just completed. Stand-by costs subsequent to all parties responding, or expiration of the response time permitted,
9 whichever first occurs, and prior to agreement as to the participating interests of all Consenting Parties pursuant to the terms
10 of the second grammatical paragraph of Article VI.B.2. (a), shall be charged to and borne as part of the proposed operation,
11 but if the proposal is subsequently withdrawn because of insufficient participation, such stand-by costs shall be allocated
12 between the Consenting Parties in the proportion each Consenting Party's interest as shown on Exhibit "A" bears to the total
13 interest as shown on Exhibit "A" of all Consenting Parties.

14 In the event that notice for a Sidetracking ^{or Deepening} operation is given while the drilling rig to be utilized is on location, any party
15 may request and receive up to five (5) additional days after expiration of the forty-eight hour response period specified in
16 Article VI.B.1. within which to respond by paying for all stand-by costs and other costs incurred during such extended
17 response period; Operator may require such party to pay the estimated stand-by time in advance as a condition to extending
18 the response period. If more than one party elects to take such additional time to respond to the notice, standby costs shall be
19 allocated between the parties taking additional time to respond on a day-to-day basis in the proportion each electing party's
20 interest as shown on Exhibit "A" bears to the total interest as shown on Exhibit "A" of all the electing parties.

21 4. Deepening: If less than all parties elect to participate in a drilling, Sidetracking, or Deepening operation proposed
22 pursuant to Article VI.B.1., the interest relinquished by the Non-Consenting Parties to the Consenting Parties under Article
23 VI.B.2. shall relate only and be limited to the lesser of (i) the total depth actually drilled or (ii) the objective depth or Zone
24 of which the parties were given notice under Article VI.B.1. ("Initial Objective"). Such well shall not be Deepened beyond the
25 Initial Objective without first complying with this Article to afford the Non-Consenting Parties the opportunity to participate
26 in the Deepening operation.

27 In the event any Consenting Party desires to drill or Deepen a Non-Consent Well to a depth below the Initial Objective,
28 such party shall give notice thereof, complying with the requirements of Article VI.B.1., to all parties (including Non-
29 Consenting Parties). Thereupon, Articles VI.B.1. and 2. shall apply and all parties receiving such notice shall have the right to
30 participate or not participate in the Deepening of such well pursuant to said Articles VI.B.1. and 2. If a Deepening operation
31 is approved pursuant to such provisions, and if any Non-Consenting Party elects to participate in the Deepening operation,
32 such Non-Consenting party shall pay or make reimbursement (as the case may be) of the following costs and expenses.

33 (a) If the proposal to Deepen is made prior to the Completion of such well as a well capable of producing in paying
34 quantities, such Non-Consenting Party shall pay (or reimburse Consenting Parties for, as the case may be) that share of costs
35 and expenses incurred in connection with the drilling of said well from the surface to the Initial Objective which Non-
36 Consenting Party would have paid had such Non-Consenting Party agreed to participate therein, plus the Non-Consenting
37 Party's share of the cost of Deepening and of participating in any further operations on the well in accordance with the other
38 provisions of this Agreement; provided, however, all costs for testing and Completion or attempted Completion of the well
39 incurred by Consenting Parties prior to the point of actual operations to Deepen beyond the Initial Objective shall be for the
40 sole account of Consenting Parties.

41 (b) If the proposal is made for a Non-Consent Well that has been previously Completed as a well capable of producing
42 in paying quantities, but is no longer capable of producing in paying quantities, such Non-Consenting Party shall pay (or
43 reimburse Consenting Parties for, as the case may be) its proportionate share of all costs of drilling, Completing, and
44 equipping said well from the surface to the Initial Objective, calculated in the manner provided in paragraph (a) above, less
45 those costs recouped by the Consenting Parties from the sale of production from the well. The Non-Consenting Party shall
46 also pay its proportionate share of all costs of re-entering said well. The Non-Consenting Parties' proportionate part (based
47 on the percentage of such well Non-Consenting Party would have owned had it previously participated in such Non-Consent
48 Well) of the costs of salvable materials and equipment remaining in the hole and salvable surface equipment used in
49 connection with such well shall be determined in accordance with Exhibit "C." If the Consenting Parties have recouped the
50 cost of drilling, Completing, and equipping the well at the time such Deepening operation is conducted, then a Non-
51 Consenting Party may participate in the Deepening of the well with no payment for costs incurred prior to re-entering the
52 well for Deepening

53 The foregoing shall not imply a right of any Consenting Party to propose any Deepening for a Non-Consent Well prior
54 to the drilling of such well to its Initial Objective without the consent of the other Consenting Parties as provided in Article
55 VI.F. This Article VI.B.4 shall not apply to Deepening operations within an existing Lateral of a Horizontal Well or Multi-Lateral Well. The
56 Non-Consenting Parties non-consent election shall be deemed to also apply to any Deepening or extending operation within an existing Lateral
57 of a Horizontal Well or Multi-Lateral well.

58 5. Sidetracking: Any party having the right to participate in a proposed Sidetracking operation that does not own an
59 interest in the affected wellbore at the time of the notice shall, upon electing to participate, tender to the wellbore owners its
60 proportionate share (equal to its interest in the Sidetracking operation) of the value of that portion of the existing wellbore
61 to be utilized as follows:

62 (a) If the proposal is for Sidetracking an existing dry hole, reimbursement shall be on the basis of the actual costs
63 incurred in the initial drilling of the well down to the depth at which the Sidetracking operation is initiated.

64 (b) If the proposal is for Sidetracking a well which has previously produced, reimbursement shall be on the basis of
65 such party's proportionate share of drilling and equipping costs incurred in the initial drilling of the well down to the depth
66 at which the Sidetracking operation is conducted, calculated in the manner described in Article VI.B.4(b) above. Such party's
67 proportionate share of the cost of the well's salvable materials and equipment down to the depth at which the Sidetracking
68 operation is initiated shall be determined in accordance with the provisions of Exhibit "C."

69 This Article VI.B.5, "Sidetracking" shall not apply to operations in an existing Lateral of a Horizontal Well or Multi-Lateral Well. Drilling
70 Operations which are intended to recover penetration of the objective formation(s) which are conducted in a Horizontal Well or Multi-Lateral
71 Well shall be considered as included in the original proposed drilling operations.

72 6. Order of Preference of Operations. Except as otherwise specifically provided in this agreement, if any party desires to
73 propose the conduct of an operation that conflicts with a proposal that has been made by a party under this Article VI, such
74 party shall have fifteen (15) days from delivery of the initial proposal, in the case of a proposal to drill a well or to perform

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1 an operation on a well where no drilling rig is on location, or twenty-four (24) hours, exclusive of Saturday, Sunday and legal
2 holidays, from delivery of the initial proposal, if a drilling rig is on location for the well on which such operation is to be
3 conducted, to deliver to all parties entitled to participate in the proposed operation such party's alternative proposal, such
4 alternate proposal to contain the same information required to be included in the initial proposal. Each party receiving such
5 proposals shall elect by delivery of notice to Operator within five (5) days after expiration of the proposal period, or within
6 twenty-four (24) hours (exclusive of Saturday, Sunday and legal holidays) if a drilling rig is on location for the well that is the
7 subject of the proposals, to participate in one of the competing proposals. Any party not electing within the time required
8 shall be deemed not to have voted. The proposal receiving the vote of parties owning the largest aggregate percentage
9 interest of the parties voting shall have priority over all other competing proposals; in the case of a tie vote, the initial proposal shall
10 prevail. Operator shall deliver notice of such result to all parties entitled to participate in the operation
11 within five (5) days after expiration of the election period (or within twenty-four (24) hours, exclusive of Saturday, Sunday
12 and legal holidays, if a drilling rig is on location). Each party shall then have two (2) days (or twenty-four (24) hours if a rig
13 is on location) from receipt of such notice to elect by delivery of notice to Operator to participate in such operation or to
14 relinquish interest in the affected well pursuant to the provisions of Article VI.B.2.; failure by a party to deliver notice within
15 such period shall be deemed an election not to participate in the prevailing proposal.

16 7. Conformity to Spacing Pattern. Notwithstanding the provisions of this Article VI.B.2., it is agreed that no wells shall be
17 proposed to be drilled to or Completed in or produced from a Zone from which a well located elsewhere on the Contract
18 Area is producing, unless such well conforms to the then-existing well spacing pattern or an approved exception thereto for such Zone.

19 8. Paying Wells. No party shall conduct any Reworking, Deepening, Plugging Back, Completion, Recompletion, or
20 Sidetracking operation under this agreement with respect to any well then capable of producing in paying quantities except
21 with the consent of all parties that have not relinquished interests in the well at the time of such operation.

22 **C. Completion of Wells; Reworking and Plugging Back:**

23 1. Completion: Without the consent of all parties, no well shall be drilled, Deepened or Sidetracked, except any well
24 drilled, Deepened or Sidetracked pursuant to the provisions of Article VI.B.2. of this agreement. Consent to the drilling,
25 Deepening or Sidetracking shall include as to Horizontal Well or Multi-Lateral Wells Option 1 below:

26 Option No. 1: All necessary expenditures for the drilling, Deepening or Sidetracking, testing, Completing and
27 equipping of ~~the well~~, a Horizontal Well or Multi-Lateral Well including necessary tankage and/or surface facilities. For any
28 Horizontal Well or Multi-Lateral Well subject to this Agreement, Completion operations shall be included in the proposed drilling
29 operations for such well.

30 Option No. 2: All necessary expenditures for the drilling, Deepening or Sidetracking and testing of the well a
31 ~~Vertical well. When such well has reached its authorized depth, and all logs, cores and other tests have been completed, and the~~
32 ~~Results thereof furnished to the parties, Operator shall give immediate notice to the Non-Operators having the right to~~
33 ~~participate in a Completion attempt whether or not Operator recommends attempting to Complete the well,~~
34 ~~together with Operator's AFE for Completion costs if not previously provided. The parties receiving such notice~~
35 ~~shall have forty-eight (48) hours (exclusive of Saturday, Sunday and legal holidays) in which to elect by delivery of~~
36 ~~notice to Operator to participate in a recommended Completion attempt or to make a Completion proposal with an~~
37 ~~accompanying AFE. Operator shall deliver any such Completion proposal, or any Completion proposal conflicting~~
38 ~~with Operator's proposal, to the other parties entitled to participate in such Completion in accordance with the~~
39 ~~procedures specified in Article VI.B.6. Election to participate in a Completion attempt shall include consent to all~~
40 ~~necessary expenditures for the Completing and equipping of such well, including necessary tankage and/or surface~~
41 ~~facilities but excluding any stimulation operation not contained on the Completion AFE. Failure of any party~~
42 ~~receiving such notice to reply within the period above fixed shall constitute an election by that party not to~~
43 ~~participate in the cost of the Completion attempt; provided, that Article VI.B.6. shall control in the case of~~
44 ~~conflicting Completion proposals. If one or more, but less than all of the parties, elect to attempt a Completion, the~~
45 ~~provision of Article VI.B.2. hereof (the phrase "Reworking, Sidetracking, Deepening, Recompleting or Plugging~~
46 ~~Back" as contained in Article VI.B.2. shall be deemed to include "Completing") shall apply to the operations~~
47 ~~thereafter conducted by less than all parties; provided, however, that Article VI.B.2. shall apply separately to each~~
48 ~~separate Completion or Recompletion attempt undertaken hereunder, and an election to become a Non-Consenting~~
49 ~~Party as to one Completion or Recompletion attempt shall not prevent a party from becoming a Consenting Party~~
50 ~~in subsequent Completion or Recompletion attempts regardless whether the Consenting Parties as to earlier~~
51 ~~Completions or Recompletion have recouped their costs pursuant to Article VI.B.2.; provided further, that any~~
52 ~~recoupment of costs by a Consenting Party shall be made solely from the production attributable to the Zone in~~
53 ~~which the Completion attempt is made. Election by a previous Non-Consenting party to participate in a subsequent~~
54 ~~Completion or Recompletion attempt shall require such party to pay its proportionate share of the cost of salvable~~
55 ~~materials and equipment installed in the well pursuant to the previous Completion or Recompletion attempt;~~
56 ~~insofar and only insofar as such materials and equipment benefit the Zone in which such party participates in a~~
57 ~~Completion attempt.~~

58 2. Rework, Recomplete or Plug Back: No well shall be Reworked, Recompleted or Plugged Back except a well Reworked,
59 Recompleted, or Plugged Back pursuant to the provisions of Article VI.B.2. of this agreement. Consent to the Reworking,
60 Recompleting or Plugging Back of a well shall include all necessary expenditures in conducting such operations and
61 Completing and equipping of said well, including necessary tankage and/or surface facilities.

62 **D. Other Operations:**

63 Operator shall not undertake any single project reasonably estimated to require an expenditure in excess of _____
64 One Hundred Thousand Dollars (\$ 100,000.00) except in connection with the
65 drilling, Sidetracking, Reworking, Deepening, Completing, Recompleting or Plugging Back of a well that has been previously
66 authorized by or pursuant to this agreement; provided, however, that, in case of explosion, fire, flood or other sudden
67 emergency, whether of the same or different nature, Operator may take such steps and incur such expenses as in its opinion
68 are required to deal with the emergency to safeguard life and property but Operator, as promptly as possible, shall report the
69 emergency to the other parties. If Operator prepares an AFE for its own use, Operator shall furnish any Non-Operator so
70 requesting an information copy thereof for any single project costing in excess of Fifty Thousand Dollars
71 (\$ 50,000.00). Any party who has not relinquished its interest in a well shall have the right to propose that
72 Operator perform repair work or undertake the installation of artificial lift equipment or ancillary production facilities such as
73 salt water disposal wells or to conduct additional work with respect to a well drilled hereunder or other similar project (but

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1 not including the installation of gathering lines or other transportation or marketing facilities, the installation of which shall
2 be governed by separate agreement between the parties) reasonably estimated to require an expenditure in excess of the
3 amount first set forth above in this Article VI.D. (except in connection with an operation required to be proposed under
4 Articles VI.B.1. or VI.C.1. Option No. 2, which shall be governed exclusively by those Articles). Operator shall deliver such
5 proposal to all parties entitled to participate therein. If within thirty (30) days thereof Operator secures the written consent
6 of any party or parties owning at least 65 % of the interests of the parties entitled to participate in such operation,
7 each party having the right to participate in such project shall be bound by the terms of such proposal and shall be obligated
8 to pay its proportionate share of the costs of the proposed project as if it had consented to such project pursuant to the terms
9 of the proposal.

10 **E. Abandonment of Wells:**

11 1. Abandonment of Dry Holes: Except for any well drilled or Deepened pursuant to Article VI.B.2., any well which has
12 been drilled or Deepened under the terms of this agreement and is proposed to be completed as a dry hole shall not be plugged and
13 abandoned without the consent of all parties. Should Operator, after diligent effort, be unable to contact any
14 party, or should any party fail to reply within forty-eight (48) hours (exclusive of Saturday, Sunday and legal holidays) after
15 delivery of notice of the proposal to plug and abandon such well, such party shall be deemed to have consented to the
16 proposed abandonment. All such wells shall be plugged and abandoned in accordance with applicable regulations and at the
17 cost, risk and expense of the parties who participated in the cost of drilling or Deepening such well. Any party who objects to
18 plugging and abandoning such well by notice delivered to Operator within forty-eight (48) hours (exclusive of Saturday,
19 Sunday and legal holidays) after delivery of notice of the proposed plugging shall take over the well as of the end of such
20 forty-eight (48) hour notice period and conduct further operations in search of Oil and/or Gas subject to the provisions of
21 Article VI.B.; failure of such party to provide proof reasonably satisfactory to Operator of its financial capability to conduct
22 such operations or to take over the well within such period or thereafter to conduct operations on such well or plug and
23 abandon such well shall entitle Operator to retain or take possession of the well and plug and abandon the well. The party
24 taking over the well shall indemnify Operator (if Operator is an abandoning party) and the other abandoning parties against
25 liability for any further operations conducted on such well except for the costs of plugging and abandoning the well and
26 restoring the surface, for which the abandoning parties shall remain proportionately liable.

27 2. Abandonment of Wells That Have Produced: Except for any well in which a Non-Consent operation has been
28 conducted hereunder for which the Consenting Parties have not been fully reimbursed as herein provided, any well which has
29 been completed as a producer shall not be plugged and abandoned without the consent of all parties. If all parties consent to
30 such abandonment, the well shall be plugged and abandoned in accordance with applicable regulations and at the cost, risk
31 and expense of all the parties hereto. Failure of a party to reply within sixty (60) days of delivery of notice of proposed
32 abandonment shall be deemed an election to consent to the proposal. If, within sixty (60) days after delivery of notice of the
33 proposed abandonment of any well, all parties do not agree to the abandonment of such well, those wishing to continue its
34 operation from the Zone then open to production shall be obligated to take over the well as of the expiration of the
35 applicable notice period and shall indemnify Operator (if Operator is an abandoning party) and the other abandoning parties
36 against liability for any further operations on the well conducted by such parties. Failure of such party or parties to provide
37 proof reasonably satisfactory to Operator of their financial capability to conduct such operations or to take over the well
38 within the required period or thereafter to conduct operations on such well shall entitle operator to retain or take possession
39 of such well and plug and abandon the well.

40 Parties taking over a well as provided herein shall tender to each of the other parties its proportionate share of the value of
41 the well's salvable material and equipment, determined in accordance with the provisions of Exhibit "C," less the estimated cost
42 of salvaging and the estimated cost of plugging and abandoning and restoring the surface; provided, however, that in the event
43 the estimated plugging and abandoning and surface restoration costs and the estimated cost of salvaging are higher than the
44 value of the well's salvable material and equipment, each of the abandoning parties shall tender to the parties continuing
45 operations their proportionate shares of the estimated excess cost. Each abandoning party shall assign to the non-abandoning
46 parties, without warranty, express or implied, as to title or as to quantity, or fitness for use of the equipment and material, all
47 of its interest in the wellbore of the well and related equipment, together with its interest in the Leasehold insofar and only
48 insofar as such Leasehold covers the right to obtain production from that wellbore in the Zone then open to production. If the
49 interest of the abandoning party is or includes an Oil and Gas Interest, such party shall execute and deliver to the non-
50 abandoning party or parties an oil and gas lease, limited to the wellbore and the Zone then open to production, for a term of
51 one (1) year and so long thereafter as Oil and/or Gas is produced from the Zone covered thereby, such lease to be on the form
52 attached as Exhibit "B." The assignments or leases so limited shall encompass the Drilling Unit upon which the well is located.
53 The payments by, and the assignments or leases to, the assignees shall be in a ratio based upon the relationship of their
54 respective percentage of participation in the Contract Area to the aggregate of the percentages of participation in the Contract
55 Area of all assignees. There shall be no readjustment of interests in the remaining portions of the Contract Area.

56 Thereafter, abandoning parties shall have no further responsibility, liability, or interest in the operation of or production
57 from the well in the Zone then open other than the royalties retained in any lease made under the terms of this Article. Upon
58 request, Operator shall continue to operate the assigned well for the account of the non-abandoning parties at the rates and
59 charges contemplated by this agreement, plus any additional cost and charges which may arise as the result of the separate
60 ownership of the assigned well. Upon proposed abandonment of the producing Zone assigned or leased, the assignor or lessor
61 shall then have the option to repurchase its prior interest in the well (using the same valuation formula) and participate in
62 further operations therein subject to the provisions hereof.

63 3. Abandonment of Non-Consent Operations: The provisions of Article VI.E.1. or VI.E.2. above shall be applicable as
64 between Consenting Parties in the event of the proposed abandonment of any well excepted from said Articles; provided,
65 however, no well shall be permanently plugged and abandoned unless and until all parties having the right to conduct further
66 operations therein have been notified of the proposed abandonment and afforded the opportunity to elect to take over the well
67 in accordance with the provisions of this Article VI.E.; and provided further, that Non-Consenting Parties who own an interest
68 in a portion of the well shall pay their proportionate shares of abandonment and surface restoration cost for such well as
69 provided in Article VI.B.2.(b).

70 **F. Termination of Operations:**

71 Upon the commencement of an operation for the drilling, Reworking, Sidetracking, Plugging Back, Deepening, testing,
72 Completion or plugging of a well, including but not limited to the Initial Well, such operation shall not be terminated without
73 consent of parties bearing 65 % of the costs of such operation; provided, however, that in the event granite or other

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1 practically impenetrable substance or condition in the hole is encountered which renders further operations impractical,
2 Operator may discontinue operations and give notice of such condition in the manner provided in Article VII.B.1, and the
3 provisions of Article VI B. or VI.E. shall thereafter apply to such operation, as appropriate.

4 **G. Taking Production in Kind:**

5 **Option No. 1: Gas Balancing Agreement Attached**

6 Each party shall take in kind or separately dispose of its proportionate share of all Oil and Gas produced from the Contract Area,
7 exclusive of production which may be used in development and producing operations and in preparing and
8 treating Oil and Gas for marketing purposes and production unavoidably lost. Any extra expenditure incurred in the taking
9 in kind or separate disposition by any party of its proportionate share of the production shall be borne by such party. ~~Any~~
10 ~~party taking its share of production in kind shall be required to pay for only its proportionate share of such part of~~
11 ~~Operator's surface facilities which it uses.~~

12 Each party shall execute such division orders and contracts as may be necessary for the sale of its interest in
13 production from the Contract Area, and, except as provided in Article VII.B., shall be entitled to receive payment
14 directly from the purchaser thereof for its share of all production.

15 If any party fails to make the arrangements necessary to take in kind or separately dispose of its proportionate
16 share of the Oil and/or gas produced from the Contract Area, Operator shall have the right, subject to the revocation at will by
17 the party owning it, but not the obligation, to purchase such Oil and/or gas or sell it to others at any time and from time to
18 time, for the account of the non-taking party. Any such purchase or sale by Operator may be terminated by
19 Operator upon at least ten (10) days written notice to the owner of said production and shall be subject always to
20 the right of the owner of the production upon at least ten (10) days written notice to Operator to exercise at any
21 time its right to take in kind, or separately dispose of, its share of all Oil and/or gas not previously delivered to a purchaser.
22 Any purchase or sale by Operator of any other party's share of Oil and/or gas shall be only for such reasonable periods of time
23 as are consistent with the minimum needs of the industry under the particular circumstances, but in no event for a
24 period in excess of one () year.

25 Any such sale by Operator shall be in a manner commercially reasonable under the circumstances but Operator
26 shall have no duty to share any existing market or to obtain a price equal to that received under any existing
27 market. The sale or delivery by Operator of a non-taking party's share of Oil and/or gas under the terms of any existing
28 contract of Operator shall not give the non-taking party any interest in or make the non-taking party a party to said
29 contract. No purchase shall be made by Operator without first giving the non-taking party at least ten (10) days
30 written notice of such intended purchase and the price to be paid or the pricing basis to be used.

31 All parties shall give timely written notice to Operator of their Gas marketing arrangements for the following
32 month, excluding price, and shall notify Operator immediately in the event of a change in such arrangements.
33 Operator shall maintain records of all marketing arrangements, and of volumes actually sold or transported, which
34 records shall be made available to Non-Operators upon reasonable request.

35 In the event one or more parties' separate disposition of its share of the Gas causes split-stream deliveries to separate
36 pipelines and/or deliveries which on a day-to-day basis for any reason are not exactly equal to a party's respective proportion-
37 ate share of total Gas sales to be allocated to it, the balancing or accounting between the parties shall be in accordance with
38 any Gas balancing agreement between the parties hereto, whether such an agreement is attached as Exhibit "E" or is a
39 separate agreement. Operator shall give notice to all parties of the first sales of Gas from any well under this agreement.

40 **Option No. 2: No Gas Balancing Agreement:**

41 ~~Each party shall take in kind or separately dispose of its proportionate share of all Oil and Gas produced from~~
42 ~~the Contract Area, exclusive of production which may be used in development and producing operations and in~~
43 ~~preparing and treating Oil and Gas for marketing purposes and production unavoidably lost. Any extra expenditures~~
44 ~~incurred in the taking in kind or separate disposition by any party of its proportionate share of the production shall~~
45 ~~be borne by such party. Any party taking its share of production in kind shall be required to pay for only its~~
46 ~~proportionate share of such part of Operator's surface facilities which it uses.~~

47 ~~Each party shall execute such division orders and contracts as may be necessary for the sale of its interest in~~
48 ~~production from the Contract Area, and, except as provided in Article VII.B., shall be entitled to receive payment~~
49 ~~directly from the purchaser thereof for its share of all production.~~

50 ~~If any party fails to make the arrangements necessary to take in kind or separately dispose of its proportionate~~
51 ~~share of the Oil and/or Gas produced from the Contract Area, Operator shall have the right, subject to the~~
52 ~~revocation at will by the party owning it, but not the obligation, to purchase such Oil and/or Gas or sell it to others~~
53 ~~at any time and from time to time, for the account of the non-taking party. Any such purchase or sale by Operator~~
54 ~~may be terminated by Operator upon at least ten (10) days written notice to the owner of said production and shall~~
55 ~~be subject always to the right of the owner of the production upon at least ten (10) days written notice to Operator~~
56 ~~to exercise its right to take in kind, or separately dispose of, its share of all Oil and/or Gas not previously delivered~~
57 ~~to a purchaser, provided, however, that the effective date of any such revocation may be deferred at Operator's~~
58 ~~election for a period not to exceed ninety (90) days if Operator has committed such production to a purchase~~
59 ~~contract having a term extending beyond such ten (10) day period. Any purchase or sale by Operator of any other~~
60 ~~party's share of Oil and/or Gas shall be only for such reasonable periods of time as are consistent with the~~
61 ~~minimum needs of the industry under the particular circumstances, but in no event for a period in excess of one (1)~~
62 ~~year.~~

63 ~~Any such sale by Operator shall be in a manner commercially reasonable under the circumstances, but Operator~~
64 ~~shall have no duty to share any existing market or transportation arrangement or to obtain a price or transportation~~
65 ~~fee equal to that received under any existing market or transportation arrangement. The sale or delivery by~~
66 ~~Operator of a non-taking party's share of production under the terms of any existing contract of Operator shall not~~
67 ~~give the non-taking party any interest in or make the non-taking party a party to said contract. No purchase of Oil~~
68 ~~and Gas and no sale of Gas shall be made by Operator without first giving the non-taking party ten days written~~
69 ~~notice of such intended purchase or sale and the price to be paid or the pricing basis to be used. Operator shall give~~
70 ~~notice to all parties of the first sale of Gas from any well under this Agreement.~~

71 ~~All parties shall give timely written notice to Operator of their Gas marketing arrangements for the following~~
72 ~~month, excluding price, and shall notify Operator immediately in the event of a change in such arrangements.~~
73 ~~Operator shall maintain records of all marketing arrangements, and of volumes actually sold or transported, which~~
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1 ~~records shall be made available to Non-Operators upon reasonable request.~~

2 ARTICLE VII.

3 EXPENDITURES AND LIABILITY OF PARTIES

4 A. Liability of Parties:

5 The liability of the parties shall be several, not joint or collective. Each party shall be responsible only for its obligations,
6 and shall be liable only for its proportionate share of the costs of developing and operating the Contract Area. Accordingly, the
7 liens granted among the parties in Article VII.B. are given to secure only the debts of each severally, and no party shall have
8 any liability to third parties hereunder to satisfy the default of any other party in the payment of any expense or obligation
9 hereunder. It is not the intention of the parties to create, nor shall this agreement be construed as creating, a mining or other
10 partnership, joint venture, agency relationship or association, or to render the parties liable as partners, co-venturers, or
11 principals. In their relations with each other under this agreement, the parties shall not be considered fiduciaries or to have
12 established a confidential relationship but rather shall be free to act on an arm's-length basis in accordance with their own
13 respective self-interest, subject, however, to the obligation of the parties to act in good faith in their dealings with each other
14 with respect to activities hereunder.

15 B. Liens and Security Interests:

16 Each party grants to the other parties hereto a lien upon any interest it now owns or hereafter acquires in Oil and Gas
17 Leases and Oil and Gas Interests in the Contract Area, and a security interest and/or purchase money security interest in any
18 interest it now owns or hereafter acquires in the personal property and fixtures on or used or obtained for use in connection
19 therewith, to secure performance of all of its obligations under this agreement including but not limited to payment of expense,
20 interest and fees, the proper disbursement of all monies paid hereunder, the assignment or relinquishment of interest in Oil
21 and Gas Leases as required hereunder, and the proper performance of operations hereunder. Such lien and security interest
22 granted by each party hereto shall include such party's leasehold interests, working interests, operating rights, and royalty and
23 overriding royalty interests in the Contract Area now owned or hereafter acquired and in lands pooled or unitized therewith or
24 otherwise becoming subject to this agreement, the Oil and Gas when extracted therefrom and equipment situated thereon or
25 used or obtained for use in connection therewith (including, without limitation, all wells, tools, and tubular goods), and accounts
26 (including, without limitation, accounts arising from gas imbalances or from the sale of Oil and/or Gas at the wellhead),
27 contract rights, inventory and general intangibles relating thereto or arising therefrom, and all proceeds and products of the
28 foregoing.

29 To perfect the lien and security interest provided herein, each party hereto shall execute and acknowledge the recording
30 Supplement/ and/or any financing statement prepared and submitted by any party hereto in conjunction herewith or at any time
31 following execution hereof, and Operator is authorized to file this agreement or the recording supplement executed herewith as
32 a lien or mortgage in the applicable real estate records and as a financing statement with the proper officer under the Uniform
33 Commercial Code in the state in which the Contract Area is situated and such other states as Operator shall deem appropriate
34 to perfect the security interest granted hereunder. Any party may file/ ~~this agreement, the recording supplement executed~~
35 ~~herewith,~~ or such other documents as it deems necessary as a lien or mortgage in the applicable real estate records and/or a
36 financing statement with the proper officer under the Uniform Commercial Code.

37 Each party represents and warrants to the other parties hereto that the lien and security interest granted by such party to
38 the other parties shall be a first and prior lien, and each party hereby agrees to maintain the priority of said lien and security
39 interest against all persons acquiring an interest in Oil and Gas Leases and Interests covered by this agreement by, through or
40 under such party. All parties acquiring an interest in Oil and Gas Leases and Oil and Gas Interests covered by this agreement,
41 whether by assignment, merger, mortgage, operation of law, or otherwise, shall be deemed to have taken subject
42 to the lien and security interest granted by this Article VII.B. as to all obligations attributable to such interest hereunder
43 whether or not such obligations arise before or after such interest is acquired.

44 To the extent that parties have a security interest under the Uniform Commercial Code of the state in which the
45 Contract Area is situated, they shall be entitled to exercise the rights and remedies of a secured party under the Code.
46 The bringing of a suit and the obtaining of judgment by a party for the secured indebtedness shall not be deemed an
47 election of remedies or otherwise affect the lien rights or security interest as security for the payment thereof. In
48 addition, upon default by any party in the payment of its share of expenses, interests or fees, or upon the improper use
49 of funds by the Operator, the other parties shall have the right, without prejudice to other rights or remedies, to collect
50 from the purchaser the proceeds from the sale of such defaulting party's share of Oil and Gas until the amount owed by
51 such party, plus interest as provided in "Exhibit C," has been received, and shall have the right to offset the amount
52 owed against the proceeds from the sale of such defaulting party's share of Oil and Gas. All purchasers of production
53 may rely on a notification of default from the non-defaulting party or parties stating the amount due as a result of the
54 default, and all parties waive any recourse available against purchasers for releasing production proceeds as provided in
55 this paragraph.

56 If any party fails to pay its share of cost within one hundred twenty (120) days after rendition of a statement therefor by
57 Operator, the non-defaulting parties, including Operator, shall upon request by Operator, pay the unpaid amount in the
58 proportion that the interest of each such party bears to the interest of all such parties. The amount paid by each party so
59 paying its share of the unpaid amount shall be secured by the liens and security rights described in Article VII.B., and each
60 paying party may independently pursue any remedy available hereunder or otherwise.

61 If any party does not perform all of its obligations hereunder, and the failure to perform subjects such party to foreclosure
62 or execution proceedings pursuant to the provisions of this agreement, to the extent allowed by governing law, the defaulting
63 party waives any available right of redemption from and after the date of judgment, any required valuation or appraisal
64 of the mortgaged or secured property prior to sale, any available right to stay execution or to require a marshaling of assets
65 and any required bond in the event a receiver is appointed. In addition, to the extent permitted by applicable law, each party
66 hereby grants to the other parties a power of sale as to any property that is subject to the lien and security rights granted
67 hereunder, such power to be exercised in the manner provided by applicable law or otherwise in a commercially reasonable
68 manner and upon reasonable notice.

69 Each party agrees that the other parties shall be entitled to utilize the provisions of Oil and Gas lien law or other lien
70 law of any state in which the Contract Area is situated to enforce the obligations of each party hereunder. Without limiting
71 the generality of the foregoing, to the extent permitted by applicable law, Non-Operators agree that Operator may invoke or
72 utilize the mechanics' or materialmen's lien law of the state in which the Contract Area is situated in order to secure the
73 payment to Operator of any sum due hereunder for services performed or materials supplied by Operator.

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1 **C. Advances:**

2 Operator, at its election, shall have the right from time to time to demand and receive from one or more of the other
3 parties payment in advance of their respective shares of the estimated amount of the expense to be incurred in operations
4 hereunder during the next succeeding month, which right may be exercised only by submission to each such party ofⁿ an
5 itemized statement of such estimated expense, together with an invoice for its share thereof. Each such statement and invoice
6 for the payment in advance of estimated expense shall be submitted on or before the 20th day of the next preceding month.
7 Each party shall pay to Operator its proportionate share of such estimate within fifteen (15) days after such estimate and
8 invoice is received. If any party fails to pay its share of said estimate within said time, the amount due shall bear interest as
9 provided in Exhibit "C" until paid. Proper adjustment shall be made monthly between advances and actual expense to the end
10 that each party shall bear and pay its proportionate share of actual expenses incurred, and no more.

11 **D. Defaults and Remedies:**

12 If any party fails to discharge any financial obligation under this agreement, including without limitation the failure to
13 make any advance under the preceding Article VII.C. or any other provision of this agreement, within the period required for
14 such payment hereunder, then in addition to the remedies provided in Article VII.B. or elsewhere in this agreement, the
15 remedies specified below shall be applicable. For purposes of this Article VII.D., all notices and elections shall be delivered
16 only by Operator, except that Operator shall deliver any such notice and election requested by a non-defaulting Non-Operator,
17 and when Operator is the party in default, the applicable notices and elections can be delivered by any Non-Operator.
18 Election of any one or more of the following remedies shall not preclude the subsequent use of any other remedy specified
19 below or otherwise available to a non-defaulting party.

20 1. **Suspension of Rights:** Any party may deliver to the party in default a Notice of Default, which shall specify the default,
21 specify the action to be taken to cure the default, and specify that failure to take such action will result in the exercise of one
22 or more of the remedies provided in this Article. If the default is not cured within thirty (30) days of the delivery of such
23 Notice of Default, all of the rights of the defaulting party granted by this agreement may upon notice be suspended until the
24 default is cured, without prejudice to the right of the non-defaulting party or parties to continue to enforce the obligations of
25 the defaulting party previously accrued or thereafter accruing under this agreement. If Operator is the party in default, the
26 Non-Operators shall have in addition the right, by vote of Non-Operators owning a majority in interest in the Contract Area
27 after excluding the voting interest of Operator, to appoint a new Operator effective immediately. The rights of a defaulting
28 party that may be suspended hereunder at the election of the non-defaulting parties shall include, without limitation, the right
29 to receive information as to any operation conducted hereunder during the period of such default, the right to^{propose or} elect
30 to participate in an operation proposed under Article VI.B. of this agreement, the right to participate in an operation being
31 conducted under this agreement even if the party has previously elected to participate in such operation, and the right to
32 receive proceeds of production from any well subject to this agreement.

33 2. **Suit for Damages:** Non-defaulting parties or Operator for the benefit of non-defaulting parties may sue (at joint
34 account expense) to collect the amounts in default, plus interest accruing on the amounts recovered from the date of default
35 until the date of collection at the rate specified in Exhibit "C" attached hereto. Nothing herein shall prevent any party from
36 suing any defaulting party to collect consequential damages accruing to such party as a result of the default.

37 3. **Deemed Non-Consent:** The non-defaulting party may deliver a written Notice of Non-Consent Election to the
38 defaulting party at any time after the expiration of the thirty-day cure period following delivery of the Notice of Default, in
39 which event if the billing is for the drilling a new well or the Plugging Back, Sidetracking, Reworking or Deepening of a
40 well which is to be or has been plugged as a dry hole, or for the Completion or Recompletion of any well, the defaulting
41 party will be conclusively deemed to have elected not to participate in the operation and to be a Non-Consenting Party with
42 respect thereto under Article VI.B. or VI.C., as the case may be, to the extent of the costs unpaid by such party,
43 notwithstanding any election to participate theretofore made. If election is made to proceed under this provision, then the
44 non-defaulting parties may not elect to sue for the unpaid amount pursuant to Article VII.D.2.

45 Until the delivery of such Notice of Non-Consent Election to the defaulting party, such party shall have the right to cure
46 its default by paying its unpaid share of costs plus interest at the rate set forth in Exhibit "C," provided, however, such
47 payment shall not prejudice the rights of the non-defaulting parties to pursue remedies for damages incurred by the non-
48 defaulting parties as a result of the default. Any interest relinquished pursuant to this Article VII.D.3. shall be offered to the
49 non-defaulting parties in proportion to their interests, and the non-defaulting parties electing to participate in the ownership
50 of such interest shall be required to contribute their shares of the defaulted amount upon their election to participate therein.

51 4. **Advance Payment:** If a default is not cured within thirty (30) days of the delivery of a Notice of Default, Operator, or
52 Non-Operators if Operator is the defaulting party, may thereafter require advance payment from the defaulting
53 party of such defaulting party's anticipated share of any item of expense for which Operator, or Non-Operators, as the case may
54 be, would be entitled to reimbursement under any provision of this agreement, whether or not such expense was the subject of
55 the previous default. Such right includes, but is not limited to, the right to require advance payment for the estimated costs of
56 drilling a well or Completion of a well as to which an election to participate in drilling or Completion has been made. If the
57 defaulting party fails to pay the required advance payment, the non-defaulting parties may pursue any of the remedies provided
58 in the Article VII.D. or any other default remedy provided elsewhere in this agreement. Any excess of funds advanced remaining
59 when the operation is completed and all costs have been paid shall be promptly returned to the advancing party.

60 5. **Costs and Attorneys' Fees:** In the event any party is required to bring legal proceedings to enforce any financial
61 obligation of a party hereunder, the prevailing party in such action shall be entitled to recover all court costs, costs of
62 collection, and a reasonable attorney's fee, which the lien provided for herein shall also secure.

63 **E. Rentals, Shut-in Well Payments and Minimum Royalties:**

64 Rentals, shut-in well payments and minimum royalties which may be required under the terms of any lease shall be paid
65 by the party or parties who subjected such lease to this agreement at its or their expense. In the event two or more parties
66 own and have contributed interests in the same lease to this agreement, such parties may designate one of such parties to
67 make said payments for and on behalf of all such parties. Any party may request, and shall be entitled to receive, proper
68 evidence of all such payments. In the event of failure to make proper payment of any rental, shut-in well payment or
69 minimum royalty through mistake or oversight where such payment is required to continue the lease in force, any loss which
70 results from such non-payment shall be borne in accordance with the provisions of Article IV.B.2.

71 Operator shall notify Non-Operators of the anticipated completion of a shut-in well, or the shutting in or return to
72 production of a producing well, at least five (5) days (excluding Saturday, Sunday, and legal holidays) prior to taking such
73 action, or at the earliest opportunity permitted by circumstances, but assumes no liability for failure to do so.—In the event of
74

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~~1 failure by Operator to so notify Non-Operators, the loss of any lease contributed hereto by Non-Operators for failure to make
2 timely payments of any shut-in well payment shall be borne jointly by the parties hereto under the provisions of Article
3 IV.B.3.~~

4 **F. Taxes:**

5 Beginning with the first calendar year after the effective date hereof, Operator shall render for ad valorem taxation all
6 property subject to this agreement which by law should be rendered for such taxes, and it shall pay all such taxes assessed
7 thereon before they become delinquent. Prior to the rendition date, each Non-Operator shall furnish Operator information as
8 to burdens (to include, but not be limited to, royalties, overriding royalties and production payments) on Leases and Oil and
9 Gas Interests contributed by such Non-Operator. If the assessed valuation of any Lease is reduced by reason of its being
10 subject to outstanding excess royalties, overriding royalties or production payments, the reduction in ad valorem taxes
11 resulting therefrom shall inure to the benefit of the owner or owners of such Lease, and Operator shall adjust the charge to
12 such owner or owners so as to reflect the benefit of such reduction. If the ad valorem taxes are based in whole or in part
13 upon separate valuations of each party's working interest, then notwithstanding anything to the contrary herein, charges to
14 the joint account shall be made and paid by the parties hereto in accordance with the tax value generated by each party's
15 working interest. Operator shall bill the other parties for their proportionate shares of all tax payments in the manner
16 provided in Exhibit "C."

17 If Operator considers any tax assessment improper, Operator may, at its discretion, protest within the time and manner
18 prescribed by law, and prosecute the protest to a final determination, unless all parties agree to abandon the protest prior to final
19 determination. During the pendency of administrative or judicial proceedings, Operator may elect to pay, under protest, all such taxes
20 and any interest and penalty. When any such protested assessment shall have been finally determined, Operator shall pay the tax for
21 the joint account, together with any interest and penalty accrued, and the total cost shall then be assessed against the parties, and be
22 paid by them, as provided in Exhibit "C."

23 Each party shall pay or cause to be paid all production, severance, excise, gathering and other taxes imposed upon or with respect
24 to the production or handling of such party's share of Oil and Gas produced under the terms of this agreement.

25 **ARTICLE VIII.**

26 **ACQUISITION, MAINTENANCE OR TRANSFER OF INTEREST**

27 **A. Surrender of Leases:**

28 The Leases covered by this agreement, insofar as they embrace acreage in the Contract Area, shall not be surrendered in whole
29 or in part unless all parties consent thereto.
30 provided, however, that no consent shall be required for an Oil and Gas Lease that has expired or terminated by its terms

31 However, should any party desire to surrender its interest in any Lease or in any portion thereof, such party shall give written
32 notice of the proposed surrender to all parties, and the parties to whom such notice is delivered shall have thirty (30) days after
33 delivery of the notice within which to notify the party proposing the surrender whether they elect to consent thereto. Failure of a
34 party to whom such notice is delivered to reply within said 30-day period shall constitute a consent to the surrender of the Leases
35 described in the notice. If all parties do not agree or consent thereto, the party desiring to surrender shall assign, without express or
36 implied warranty of title, all of its interest in such Lease, or portion thereof, and any well, material and equipment which may be
37 located thereon and any rights in production thereafter secured, to the parties not consenting to such surrender. If the interest of the
38 assigning party is or includes an Oil and Gas Interest, the assigning party shall execute and deliver to the party or parties not
39 consenting to such surrender an oil and gas lease covering such Oil and Gas Interest for a term of one (1) year and so long
40 thereafter as Oil and/or Gas is produced from the land covered thereby, such lease to be on the form attached hereto as Exhibit "B."
41 Upon such assignment or lease, the assigning party shall be relieved from all obligations thereafter accruing, but not theretofore
42 accrued, with respect to the interest assigned or leased and the operation of any well attributable thereto, and the assigning party
43 shall have no further interest in the assigned or leased premises and its equipment and production other than the royalties retained
44 in any lease made under the terms of this Article. The party assignee or lessee shall pay to the party assignor or lessor the
45 reasonable salvage value of the latter's interest in any well's salvable materials and equipment attributable to the assigned or leased
46 acreage. The value of all salvable materials and equipment shall be determined in accordance with the provisions of Exhibit "C," less
47 the estimated cost of salvaging and the estimated cost of plugging and abandoning and restoring the surface. If such value is less
48 than such costs, then the party assignor or lessor shall pay to the party assignee or lessee the amount of such deficit. If the
49 assignment or lease is in favor of more than one party, the interest shall be shared by such parties in the proportions that the
50 interest of each bears to the total interest of all such parties. If the interest of the parties to whom the assignment is to be made
51 varies according to depth, then the interest assigned shall similarly reflect such variances.

52 Any assignment, lease or surrender made under this provision shall not reduce or change the assignor's, lessor's or surrendering
53 party's interest as it was immediately before the assignment, lease or surrender in the balance of the Contract Area; and the acreage
54 assigned, leased or surrendered, and subsequent operations thereon, shall not thereafter be subject to the terms and provisions of this
55 agreement but shall be deemed subject to an Operating Agreement in the form of this agreement.

56 **B. Renewal or Extension of Leases:**

57 If any party secures a renewal or replacement of an Oil and Gas Lease or Interest subject to this agreement, then all other parties
58 shall be notified promptly upon such acquisition or, in the case of a replacement Lease taken before expiration of an existing Lease,
59 promptly upon expiration of the existing Lease. The parties notified shall have the right for a period of thirty (30) days following
60 delivery of such notice in which to elect to participate in the ownership of the renewal or replacement Lease, insofar as such Lease
61 affects lands within the Contract Area, by paying to the party who acquired it their proportionate shares of the acquisition cost
62 allocated to that part of such Lease within the Contract Area, which shall be in proportion to the interest held at that time by the
63 parties in the Contract Area. Each party who participates in the purchase of a renewal or replacement Lease shall be given an
64 assignment of its proportionate interest therein by the acquiring party.

65 If some, but less than all, of the parties elect to participate in the purchase of a renewal or replacement Lease, it shall be owned
66 by the parties who elect to participate therein, in a ratio based upon the relationship of their respective percentage of participation in
67 the Contract Area to the aggregate of the percentages of participation in the Contract Area of all parties participating in the
68 purchase of such renewal or replacement Lease. The acquisition of a renewal or replacement Lease by any or all of the parties hereto
69 shall not cause a readjustment of the interests of the parties stated in Exhibit "A," but any renewal or replacement Lease in which
70 less than all parties elect to participate shall not be subject to this agreement but shall be deemed subject to a separate Operating
71 Agreement in the form of this agreement.

72 If the interests of the parties in the Contract Area vary according to depth, then their right to participate proportionately in
73 renewal or replacement Leases and their right to receive an assignment of interest shall also reflect such depth variances.

74 The provisions of this Article shall apply to renewal or replacement Leases whether they are for the entire interest covered by

1 the expiring Lease or cover only a portion of its area or an interest therein. Any renewal or replacement Lease taken before the
2 expiration of its predecessor Lease, or taken or contracted for or becoming effective within six (6) months after the expiration of the
3 existing Lease, shall be subject to this provision so long as this agreement is in effect at the time of such acquisition or at the time
4 the renewal or replacement Lease becomes effective; but any Lease taken or contracted for more than six (6) months after the
5 expiration of an existing Lease shall not be deemed a renewal or replacement Lease and shall not be subject to the provisions of this
6 agreement.

7 The provisions in this Article shall also be applicable to extensions of all or part of Oil and Gas Leases.

8 **C. Acreage or Cash Contributions:**

9 While this agreement is in force, if any party contracts for a contribution of cash towards the drilling of a well or any other
10 operation on the Contract Area, such contribution shall be paid to the party who conducted the drilling or other operation and shall
11 be applied by it again: the cost of such drilling or other operation. If the contribution be in the form of acreage, the party to whom
12 the contribution is made shall promptly tender an assignment of the acreage, without warranty of title, to the Drilling Parties in the
13 proportions said Drilling Parties shared the cost of drilling the well. Such acreage shall become a separate Contract Area and, to the
14 extent possible, be governed by provisions identical to this agreement. Each party shall promptly notify all other parties of any
15 acreage or cash contributions it may obtain in support of any well or any other operation on the Contract Area. The above
16 provisions shall also be applicable to optional rights to earn acreage outside the Contract Area which are in support of well drilled
17 inside Contract Area.

18 If any party contracts for any consideration relating to disposition of such party's share of substances produced hereunder,
19 such consideration shall not be deemed a contribution as contemplated in this Article VIII.C.

20 **D. Assignment-Maintenance-of-Uniform-Interest:**

21 ~~For the purpose of maintaining uniformity of ownership in the Contract Area in the Oil and Gas Leases, Oil and Gas~~
22 ~~Interests, wells, equipment and production covered by this agreement no~~ party shall sell, encumber, transfer or make other
23 disposition of its interest in the Oil and Gas Leases and Oil and Gas Interests embraced within the Contract Area or in wells,
24 equipment and production unless such disposition covers either:

- 25 1. the entire interest of the party in all Oil and Gas Leases, Oil and Gas Interests, wells, equipment and production; or
- 26 2. an equal undivided percent of the party's present interest in all Oil and Gas leases, Oil and Gas Interests, wells,
27 equipment and production in the Contract Area.

28 Every sale, encumbrance, transfer or other disposition made by any party shall be made expressly subject to this agreement
29 and shall be made without prejudice to the right of the other parties, and any transferee of an ownership interest in any Oil and
30 Gas Lease or Interest shall be deemed a party to this agreement as to the interest conveyed from and after the effective date of
31 the transfer of ownership; provided, however, that the other parties shall not be required to recognize any such sale,
32 encumbrance, transfer or other disposition for any purpose hereunder until thirty (30) days after they have received a copy of the
33 instrument of transfer or other satisfactory evidence thereof in writing from the transferor or transferee. No assignment or other
34 disposition of interest by a party shall relieve such party of obligations previously incurred by such party hereunder with respect
35 to the interest transferred, including without limitation the obligation of a party to pay all costs attributable to an operation
36 conducted hereunder in which such party has agreed to participate prior to making such assignment, and the lien and security
37 interest granted by Article VII.B. shall continue to burden the interest transferred to secure payment of any such obligations.

38 If, at any time the interest of any party is divided among and owned by four or more co-owners, Operator, at its discretion,
39 may require such co-owners to appoint a single trustee or agent with full authority to receive notices, approve expenditures,
40 receive billings for and approve and pay such party's share of the joint expenses, and to deal generally with, and with power to
41 bind, the co-owners of such party's interest within the scope of the operations embraced in this agreement; however, all such co-
42 owners shall have the right to enter into and execute all contracts or agreements for the disposition of their respective shares of
43 the Oil and Gas produced from the Contract Area and they shall have the right to receive, separately, payment of the sale
44 proceeds thereof.*See Additional Provision Article XVI.O.

45 **E. Waiver of Rights to Partition:**

46 If permitted by the laws of the state or states in which the property covered hereby is located, each party hereto owning an
47 undivided interest in the Contract Area waives any and all rights it may have to partition and have set aside to it in severally its
48 undivided interest therein.

49 **F. Preferential Right to Purchases:**

50 (Optional; Check if applicable.)

51 ~~Should any party desire to sell all or any part of its interests under this agreement, or its rights and interests in the Contract~~
52 ~~Area, it shall promptly give written notice to the other parties, with full information concerning its proposed disposition, which~~
53 ~~shall include the name and address of the prospective transferee (who must be ready, willing and able to purchase), the purchase~~
54 ~~price, a legal description sufficient to identify the property, and all other terms of the offer. The other parties shall then have an~~
55 ~~optional prior right, for a period of ten (10) days after the notice is delivered, to purchase for the stated consideration on the~~
56 ~~same terms and conditions the interest which the other party proposes to sell; and, if this optional right is exercised, the~~
57 ~~purchasing parties shall share the purchased interest in the proportions that the interest of each bears to the total interest of all~~
58 ~~purchasing parties. However, there shall be no preferential right to purchase in those cases where any party wishes to mortgage~~
59 ~~its interests, or to transfer title to its interests to its mortgagee in lieu of or pursuant to foreclosure of a mortgage of its interest,~~
60 ~~or to dispose of its interests by merger, reorganization, consolidation, or by sale of all or substantially all of its Oil and Gas assets~~
61 ~~to any party, or by transfer of its interest to a subsidiary or a parent company or to a subsidiary of a parent company, or to any~~
62 ~~company in which such party owns a majority of the stock.~~

63 **ARTICLE IX.**

64 **INTERNAL REVENUE CODE ELECTION**

65 If, for federal income tax purposes, this agreement and the operations hereunder are regarded as a partnership, and if the
66 parties have not otherwise agreed to form a tax partnership pursuant to Exhibit "G" or other agreement between them, each
67 party hereby affected elects to be excluded from the application of all of the provisions of Subchapter "K," Chapter 1, Subtitle
68 "A," of the Internal Revenue Code of 1986, as amended ("Code"), as permitted and authorized by Section 761 of the Code and
69 the regulations promulgated thereunder. Operator is authorized and directed to execute on behalf of each party hereby affected
70 such evidence of this election as may be required by the Secretary of the Treasury of the United States or the Federal Internal
71 Revenue Service, including specifically, but not by way of limitation, all of the returns, statements, and the data required by
72 Treasury Regulation §1.761. Should there be any requirement that each party hereby affected give further evidence of this
73 election, each such party shall execute such documents and furnish such other evidence as may be required by the Federal Internal
74

1 Revenue Service or as may be necessary to evidence this election. No such party shall give any notices or take any other action
2 inconsistent with the election made hereby. If any present or future income tax laws of the state or states in which the Contract
3 Area is located or any future income tax laws of the United States contain provisions similar to those in Subchapter "K," Chapter
4 1, Subtitle "A," of the Code, under which an election similar to that provided by Section 761 of the Code is permitted, each party
5 hereby affected shall make such election as may be permitted or required by such laws. In making the foregoing election, each
6 such party states that the income derived by such party from operations hereunder can be adequately determined without the
7 computation of partnership taxable income.

8
9
10 **ARTICLE X.**
CLAIMS AND LAWSUITS

11 Operator may settle any single uninsured third party damage claim or suit arising from operations hereunder if the expenditure
12 does not exceed Fifty Thousand Dollars (\$ 50,000.00) and if the payment is in complete settlement
13 of such claim or suit. If the amount required for settlement exceeds the above amount, the parties hereto shall assume and take over
14 the further handling of the claim or suit, unless such authority is delegated to Operator/. All costs and expenses of handling settling,
15 or otherwise discharging such claim or suit shall be a the joint expense of the parties participating in the operation from which the
16 claim or suit arises. If a claim is made against any party or if any party is sued on account of any matter arising from operations
17 hereunder over which such individual has no control because of the rights given Operator by this agreement, such party shall
18 immediately notify all other parties, and the claim or suit shall be treated as any other claim or suit involving operations hereunder.

19
20 **ARTICLE XI.**
FORCE MAJEURE

21 If any party is rendered unable, wholly or in part, by force majeure to carry out its obligations under this agreement, other
22 than the obligation to indemnify or make money payments or furnish security, that party shall give to all other parties
23 prompt written notice of the force majeure with reasonably full particulars concerning it; thereupon, the obligations of the
24 party giving the notice, so far as they are affected by the force majeure, shall be suspended during, but no longer than, the
25 continuance of the force majeure. The term "force majeure," as here employed, shall mean an act of God, strike, lockout, or
26 other industrial disturbance, act of the public enemy, war, blockade, public riot, lightning, fire, storm, flood or other act of
27 nature, explosion, governmental action, governmental delay, restraint or inaction, unavailability of equipment, and any other
28 cause, whether of the kind specifically enumerated above or otherwise, which is not reasonably within the control of the party
29 claiming suspension.

30 The affected party shall use all reasonable diligence to remove the force majeure situation as quickly as practicable. The
31 requirement that any force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes,
32 lockouts, or other labor difficulty by the party involved, contrary to its wishes; how all such difficulties shall be handled shall
33 be entirely within the discretion of the party concerned.

34
35 **ARTICLE XII.**
NOTICES

36 All notices authorized or required between the parties by any of the provisions of this agreement, unless otherwise
37 specifically provided, shall be in writing and delivered in person or by United States mail, courier service, telegram, telex,
38 telecopier or any other form of facsimile/^{electronic transmittal (such as email)} postage or charges prepaid, and addressed to such parties at the addresses listed on
39 Exhibit "A." All telephone or oral notices permitted by this agreement shall be confirmed immediately thereafter by written
40 notice. The originating notice given under any provision hereof shall be deemed delivered only when received by the party to
41 whom such notice is directed, and the time for such party to deliver any notice in response thereto shall run from the date
42 the originating notice is received. "Receipt" for purposes of this agreement with respect to written notice delivered hereunder
43 shall be actual delivery of the notice to the address of the party to be notified specified in accordance with this agreement, or
44 to the telecopy/^{email address,} facsimile or telex machine of such party. The second or any responsive notice shall be deemed delivered when
45 deposited in the United States mail or at the office of the courier or telegraph service, or upon transmittal by telex, telecopy
46 /or facsimile, or when personally delivered to the party to be notified, provided, that when response is required within 24 or
47 48 hours, such response shall be given orally or by telephone, telex, telecopy or other facsimile within such period. Each party
48 shall have the right to change its address at any time, and from time to time, by giving written notice thereof to all other
49 parties. If a party is not available to receive notice orally or by telephone when a party attempts to deliver a notice required
50 to be delivered within 24 or 48 hours, the notice may be delivered in writing by any other method specified herein and shall
51 be deemed delivered in the same manner provided above for any responsive notice.

52
53 **ARTICLE XIII.**
TERM OF AGREEMENT

54 This agreement shall remain in full force and effect as to the Oil and Gas Leases and/or Oil and Gas Interests subject
55 hereto for the period of time selected below; provided, however, no party hereto shall ever be construed as having any right, title
56 or interest in or to any Lease or Oil and Gas Interest contributed by any other party beyond the term of this agreement.

57 Option No. 1: So long as any of the Oil and Gas Leases subject to this agreement remain or are continued in
58 force as to any part of the Contract Area, whether by production, extension, renewal or otherwise.

59 ~~Option No. 2: In the event the well described in Article VI.A., or any subsequent well drilled under any provision~~
60 ~~of this agreement, results in the completion of a well as a well capable of production of Oil and/or Gas in paying~~
61 ~~quantities, this agreement shall continue in force so long as any such well is capable of production, and for an~~
62 ~~additional period of _____ days thereafter; provided, however, if, prior to the expiration of such~~
63 ~~additional period, one or more of the parties hereto are engaged in drilling, Reworking, Deepening, Sidetracking,~~
64 ~~Plugging Back, testing or attempting to Complete or Re-complete a well or wells hereunder, this agreement shall~~
65 ~~continue in force until such operations have been completed and if production results therefrom, this agreement~~
66 ~~shall continue in force as provided herein. In the event the well described in Article VI.A., or any subsequent well~~
67 ~~drilled hereunder, results in a dry hole, and no other well is capable of producing Oil and/or Gas from the~~
68 ~~Contract Area, this agreement shall terminate unless drilling, Deepening, Sidetracking, Completing, Re-~~
69 ~~completing, Plugging Back or Reworking operations are commenced within _____ days from the~~
70 ~~date of abandonment of said well. "Abandonment" for such purposes shall mean either (i) a decision by all parties~~
71 ~~not to conduct any further operations on the well or (ii) the lapse of 180 days from the conduct of any~~
72 ~~operations on the well, whichever first occurs.~~

73 The termination of this agreement shall not relieve any party hereto from any expense, liability or other obligation or any
74 remedy therefor which has accrued or attached prior to the date of such termination.

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1 Upon termination of this agreement and the satisfaction of all obligations hereunder, in the event a memorandum of this
2 Operating Agreement has been filed of record, Operator is authorized to file of record in all necessary recording offices a
3 notice of termination, and each party hereto agrees to execute such a notice of termination as to Operator's interest, upon
4 request of Operator, if Operator has satisfied all its financial obligations.

5 **ARTICLE XIV.**

6 **COMPLIANCE WITH LAWS AND REGULATIONS**

7 **A. Laws, Regulations and Orders:**

8 This agreement shall be subject to the applicable laws of the state in which the Contract Area is located, to the valid rules,
9 regulations, and orders of any duly constituted regulatory body of said state; and to all other applicable federal, state,
10 and local laws, ordinances, rules, regulations and orders.

11 **B. Governing Law:**

12 This agreement and all matters pertaining hereto, including but not limited to matters of performance, non-
13 performance, breach, remedies, procedures, rights, duties, and interpretation or construction, shall be governed and
14 determined by the law of the state in which the Contract Area is located. If the Contract Area is in two or more states,
15 the law of the state of New Mexico shall govern.

16 **C. Regulatory Agencies:**

17 Nothing herein contained shall grant, or be construed to grant, Operator the right or authority to waive or release any
18 rights, privileges, or obligations which Non-Operators may have under federal or state laws or under rules, regulations or
19 orders promulgated under such laws in reference to oil, gas and mineral operations, including the location, operation, or
20 production of wells, on tracts offsetting or adjacent to the Contract Area.

21 With respect to the operations hereunder, Non-Operators agree to release Operator from any and all losses, damages,
22 injuries, claims and causes of action arising out of, incident to or resulting directly or indirectly from Operator's interpretation
23 or application of rules, rulings, regulations or orders of the Department of Energy or Federal Energy Regulatory Commission
24 or predecessor or successor agencies to the extent such interpretation or application was made in good faith and does not
25 constitute gross negligence. Each Non-Operator further agrees to reimburse Operator for such Non-Operator's share of
26 production or any refund, fine, levy or other governmental sanction that Operator may be required to pay as a result of such
27 an incorrect interpretation or application, together with interest and penalties thereon owing by Operator as a result of such
28 incorrect interpretation or application.

29 **ARTICLE XV.**

30 **MISCELLANEOUS**

31 **A. Execution:**

32 This agreement shall be binding upon each Non-Operator when this agreement or a counterpart thereof has been
33 executed by such Non-Operator and Operator notwithstanding that this agreement is not then or thereafter executed by all of
34 the parties to which it is tendered or which are listed on Exhibit "A" as owning an interest in the Contract Area or which
35 own, in fact, an interest in the Contract Area. Operator may, however, by written notice to all Non-Operators who have
36 become bound by this agreement as aforesaid, given at any time prior to the actual spud date of the Initial Well but in no
37 event later than five days prior to the date specified in Article VI.A. for commencement of the Initial Well, terminate this
38 agreement if Operator in its sole discretion determines that there is insufficient participation to justify commencement of
39 drilling operations. In the event of such a termination by Operator, all further obligations of the parties hereunder shall cease
40 as of such termination. In the event any Non-Operator has advanced or prepaid any share of drilling or other costs
41 hereunder, all sums so advanced shall be returned to such Non-Operator without interest. In the event Operator proceeds
42 with drilling operations for the Initial Well without the execution hereof by all persons listed on Exhibit "A" as having a
43 current working interest in such well, Operator shall indemnify Non-Operators with respect to all costs incurred for the
44 Initial Well which would have been charged to such person under this agreement if such person had executed the same and
45 Operator shall receive all revenues which would have been received by such person under this agreement if such person had
46 executed the same.

47 **B. Successors and Assigns:**

48 This agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs,
49 devisees, legal representatives, successors and assigns, and the terms hereof shall be deemed to run with the Leases or
50 Interests included within the Contract Area.

51 **C. Counterparts:**

52 This instrument may be executed in any number of counterparts, each of which shall be considered an original for all
53 purposes.

54 **D. Severability:**

55 For the purposes of assuming or rejecting this agreement as an executory contract pursuant to federal bankruptcy laws,
56 this agreement shall not be severable, but rather must be assumed or rejected in its entirety, and the failure of any party to
57 this agreement to comply with all of its financial obligations provided herein shall be a material default.

58 **ARTICLE XVI.**

59 **OTHER PROVISIONS**

60 **A. Conflict of Terms**

61 Notwithstanding anything in this Agreement to the contrary, in the event of any conflict between the provisions of Article I through Article
62 XV of this Agreement and the provisions of this Article XVI, the provisions of this Article XVI shall control.

63 **B. Priority of Operations - Horizontal Wells**

64 Notwithstanding Article VI.B.6 or anything else in this Agreement to the contrary, it is agreed that where a Horizontal Well or Multi-Lateral
65 Well subject to this agreement has been drilled to the objective formation and the Consenting Parties cannot agree upon the sequence and
66 timing of further operations regarding such Horizontal Well or Multi-Lateral Well, the following elections shall control in the order of priority
67 enumerated hereafter:

68 1. Prior to Reaching the Objective Depth:

69 First: Drilling a well to its objective depth.

70 Second: In the event that impenetrable conditions or mechanical difficulties prevent reaching the objective depth, a proposal to
71 Sidetrack in an effort to reach the objective depth shall have priority over a proposal to attempt a Completion in a
72 formation already reached.

73 2. After the Objective Depth has been reached:

74

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- 1 First: Testing, coring or logging;
- 2 Second: Complete drilling operations of all proposed Laterals;
- 3 Third: Extend or Deepen a Lateral;
- 4 Fourth: Kick out and drill an additional Lateral in the same Zone;
- 5 Fifth: Plug Back the well to a Zone above the Zone in which a Lateral was drilled; if there is more than one proposal to Plug
- 6 Back, the proposal to Plug Back to the next deepest prospective Zone shall have priority over a proposal to Plug Back to a shallower
- 7 prospective Zone;
- 8 Sixth: S:etrack; and
- 9 Seventh: Plug and abandon as provided for in Article VI.E.

10 It is provided, however, that if at the time the Consenting Parties are considering any of the above elections, the hole is in such a condition
11 that a reasonably prudent Operator would not conduct the operations contemplated by the particular election involved for fear of placing the
12 hole in jeopardy or losing the hole prior to Completing the Horizontal Well or Multi-Lateral Well in the objective formation, such election
13 shall be eliminated from priorities hereinabove set forth.

14 C. Operator's Right to Net Out Revenue

15 In the event any Non-Operator becomes over ninety (90) days delinquent on payment of any joint interest billing, except for any payments
16 related to charges on any joint interest billing that such Non-Operator has provided written notice of good faith dispute, Operator is authorized
17 to deduct operating costs and charges assessable to such Non-Operator as permitted under this Agreement, and remit to such Non-Operator
18 its respective net share of any proceeds attributable to the interest of the Non-Operator being received directly from any purchasers of
19 production from the Contract Area. At such time as the delinquency has been recovered by Operator, Operator will restore full payment of
20 revenues to the delinquent Non-Operator. The rights granted hereunder shall be ongoing and may be utilized at any time that a Non-Operator
21 is delinquent on the payment of joint interest billings. The foregoing provision shall not diminish any of Operator's statutory rights, rights
22 under Article VII.B, or rights under Article XVI.K

23 D. Federal and State Administration

24 Operator shall act as the representative for the parties hereto concerning all filings required by and hearings and proceedings before a Federal
25 or State administrative bodies having jurisdiction over the Contract Area and all costs and expenses incurred by Operator, directly or by
26 retention of outside personnel, in making such filings or participating in such hearings or proceedings shall be proper charges against the joint
27 account. Nothing herein contained shall prohibit any of the parties to this Agreement from participating in any such hearings or proceedings
28 on its own behalf and at its own cost, expense and risk, so long as such party does not take an adverse position to that being taken by the
29 Operator on behalf of the Non-Operators under this Agreement.

30 E. Designation and Responsibilities of Operator. Continued

31 (1) IN NO EVENT WILL OPERATOR HAVE ANY LIABILITY, AS OPERATOR, TO THE NON-OPERATORS, AND NON-
32 OPERATORS EXPRESSLY RELEASE OPERATOR FROM SUCH LIABILITY, EXCEPT AS MAY RESULT FROM THE
33 OPERATOR'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT; (2) UNLESS CHANGED BY OTHER PROVISIONS HEREOF,
34 THE LIABILITY, IF ANY, OF THE PARTIES HERETO IN DAMAGES FOR CLAIMS ARISING OUT OF PERSONAL INJURY TO,
35 OR DEATH OF, THIRD PARTIES, OR INJURY TO, OR DESTRUCTION OF, PROPERTY OF THIRD PARTIES, OR ANY OTHER
36 DAMAGES, RESULTING FROM THE OPERATIONS CONDUCTED HEREUNDER SHALL BE BORNE BY THE PARTIES HERETO
37 AS THEIR INTERESTS ARE SET FORTH IN EXHIBIT "A" OR AS SUCH INTERESTS ARE OTHERWISE DETERMINED UNDER
38 THE PROVISIONS HEREOF; (3) EXCEPT TO THE EXTENT OF OPERATOR'S INTEREST IN THE CONTRACT AREA, NON-
39 OPERATORS SHALL INDEMNIFY AND DEFEND OPERATOR AGAINST ANY AND ALL CLAIMS, DAMAGES, LOSSES, AND
40 LIABILITY OF EVERY KIND AND CHARACTER (COLLECTIVELY, "LIABILITIES") RESULTING FROM, OR INCIDENTAL TO,
41 OPERATOR'S PERFORMANCE OF, OR FAILURE TO PERFORM, ITS DUTIES ON THE CONTRACT AREA, OR OPERATOR'S
42 ACTIONS AND ACTIVITIES PURSUANT TO THIS AGREEMENT; AND (4) IT IS EXPRESSLY UNDERSTOOD AND AGREED
43 THAT (2) AND (3) WILL APPLY WITH REGARD TO ANY LIABILITIES THAT ARISE FROM, OR RELATE TO, OPERATOR'S
44 NEGLIGENCE (WHETHER SOLE, JOINT OR CONCURRENT, STRICT LIABILITIES OR OTHER LEGAL FAULT OF OPERATOR),
45 BUT NOT WITH REGARD TO LIABILITIES THAT ARISE FROM, OR RELATE TO, OPERATOR'S GROSS NEGLIGENCE OR
46 WILLFUL MISCONDUCT.

47 F. Limitation on Damages

48 WITH RESPECT TO ANY DISPUTE, CLAIM, COUNTERCLAIM, CONTROVERSY OR OTHER MATTERS (THE "CLAIMS")
49 ARISING BETWEEN THE PARTIES OUT OF OR RELATING TO THIS AGREEMENT OR THE SUBJECT MATTER HEREOF, OR
50 ANY ALLEGED BREACH THEREOF, OR OF THE RELATIONSHIP BETWEEN THE PARTIES CREATED BY THIS AGREEMENT,
51 EVEN THOUGH SOME OR ALL OF SUCH CLAIMS MAY NOT SOUND IN CONTRACT, TORT, WARRANTY OR OTHERWISE,
52 INCLUDING ALLEGATIONS OF FRAUD IN THE INDUCEMENT, DUTY TO DEAL IN GOOD FAITH OR CONFIDENTIAL
53 RELATIONSHIP, NO PARTY SHALL EVER BE LIABLE FOR EXEMPLARY, PUNITIVE, CONSEQUENTIAL, SPECIAL,
54 INCIDENTAL, INDIRECT OR OTHER SIMILAR DAMAGES, INCLUDING LOST PROFITS, BUSINESS INTERRUPTION OR LOSS
55 OF OPPORTUNITY, WHETHER SUCH DAMAGES ARE CLAIMED UNDER BREACH OF CONTRACT, BREACH OF WARRANTY,
56 TORT OR ANY OTHER THEORY OR CAUSE OF ACTION AT LAW OR IN EQUITY, THE LIMITATIONS IN THIS SECTION XVI(E)
57 ARE PART OF THE MATERIAL, BARGAINED-FOR CONSIDERATION FOR ENTERING INTO THIS AGREEMENT. For purposes
58 of the foregoing, actual damages may include indirect, special, consequential, incidental or indirect losses or exemplary or punitive damages
59 to the extent (i) the injuries or losses resulting in or giving rise to such damages are incurred or suffered by a third party which is not a party
60 to this agreement and (ii) such damages are recovered against such party by a third party which is not a party hereto. This Article XVI.E shall
61 operate only to limit a party's liability and shall not operate to increase or expand any contractual obligation of a party hereunder.

62 G. Joinder of Contract Area and Pooling of Leasehold

63 By executing this Agreement, each party agrees to join the Drilling Unit and pool or communitize its leasehold interests within the Contract
64 Area into the Drilling Unit. The Drilling Unit will consist of all or a portion of the leasehold working interests that are described in Exhibit
65 "A" hereto. In the event the entire working interest in the Gallup Formation in the Drilling Unit is subjected to this Agreement, then the
66 parties agree to execute suitable forms necessary to unitize and/or communitize the Drilling Unit under one or more form(s) determined
67 reasonably necessary by Operator to allow development of the Contract Area as a single Drilling Unit under this Agreement.

68 H. Construction

69 The parties acknowledge and agree that each has had the opportunity to contribute to the drafting of this Agreement or opportunity to have it
70 reviewed by its legal counsel; therefore, the parties agree that in the event of a dispute over the meaning or application of this Agreement, it
71 shall be construed as if each party participated equally in the preparation and drafting of this Agreement.

72 I. Contract Area Adjustments

73 The size of the Contract Area shall not be increased or decreased absent written consent of all parties hereto, such consent not to be
74 unreasonably withheld. Notwithstanding the foregoing, the quantum of acreage comprising the Contract Area as well as the allocation of
75 acreage within the Contract Area may be adjusted prospectively in accordance with any order or demand of the United States Department of

Exhibit 6
A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT - 1989

1 the Interior – Bureau of Land Management or other governmental body with appropriate authority notifying Operator of an alteration in the
2 acreage assigned to one or more committed governmental subdivision(s) within the Contract Area.

3
4 J. Assignment and Notice of Assignment

5 No assignment or other transfer or disposition of an interest subject to this Agreement shall be effective as to Operator or the other parties
6 hereto until the (a) Operator receives an authenticated copy of the instrument evidencing such assignment, transfer or disposition, and (b) the
7 person receiving such assignment, transfer or disposition has become obligated by instrument to observe, perform and be bound by all of the
8 covenants, terms and conditions of this Agreement. Prior to such date, neither Operator nor any other party shall be required to recognize such
9 assignment, transfer or disposition for any purpose but may continue to deal exclusively with the party making such assignment, transfer, or
10 disposition in all matters under this Agreement including billings. No assignment or other transfer or disposition of an interest subject to this
11 Agreement shall relieve a party of its obligation accrued prior to the effective date of such assignment or transfer defined in this Article XVI.J.
12 Further, no assignment, transfer or other disposition shall relieve any party of its liability for its share of costs and expenses which may be
13 incurred in any operation to which such party has previously agreed or consented prior to the effective date of such assignment or transfer
14 defined in this Article XVI.J, for the drilling, testing, completing and equipping, reworking, recompleting, side-tracking, deepening, plugging-
15 back, or plugging and abandoning of a well even though such operations are performed after said effective date, subject however to such
16 party's right to elect not to participate in completion operations to which such party has not previously consented.

16 K. Operator's Right to Withhold Well Information for Past Due Joint Interest Billings

17 If any party to this Agreement shall fail to pay its share of costs and expenses incurred and/or fails to pay any advance invoice as provided
18 for in Article VII.C herein for cost to be incurred in operations of the Contract Area for a period of ninety (90) days from the date of receipt
19 of Operator's invoice therefore, Operator may notify the affected party of its default by certified mail, return receipt requested, and if such
20 party fails to cure the default within ten (10) days from the date of receipt of Operator's notice, by payment in full of the invoices for operating
21 costs which have been due for more than thirty (30) days, at Operator's election, the affected party shall be deemed in non-consent status and
22 for as long as the affected party remains in default they shall have no further access to the Contract Area or information obtained in connection
23 with operations hereunder and shall not be entitled to vote on any matter herein, as long as the invoices remain unpaid. This remedy shall be
24 in addition to any and all other remedies provided for in this Agreement including but not limited to Operator's right to set-off and/or net out
25 revenues and right to file liens.

26 L. Headings

27 The descriptive headings used in this Agreement are for convenience only and will not be deemed to affect the meaning of the Agreement.

28
29 M. Commencement of Operations

30 Notwithstanding anything in Article VI.B to the contrary, Operator's election to commence operations prior to and during the notice period
31 (as defined in Article VI.B), will not alter or extend the period in which a party is required to make an election to participate in the proposed
32 operation or constitute an election by that party not to participate in the cost of the proposed operation.

33 N. Confidentiality

34 In the event that Operator and Non-Operator mutually agree in writing that a particular process, information, equipment or data developed or
35 obtained by Operator in connection with drilling or completion of wells pursuant to this Operating Agreement or that the terms of this
36 Operating Agreement itself, should be maintained confidential ("Confidential Information"), each of Operator and Non-Operator shall use
37 the same means they use to protect their own confidential, proprietary information to protect the confidentiality of the Confidential
38 Information.

39 O. Parties Right to Farmout

40 Notwithstanding anything contained herein to the contrary, it is expressly understood and agreed that the provisions hereof shall not preclude
41 party from entering into a farmout agreement, or a similar arrangement, covering all or any portion of its interest in the Contract Area as to
42 some or all of the depths therein, provided that, in the event there are any wells located on the Contract Area that are capable or producing oil
43 and/or gas, such farmout or other agreement shall cover either all or none of the depths in which such wells are completed. It is expressly
44 understood and agreed that no assignment made under a farmout agreement or similar arrangement entered into by a party pursuant to the
45 terms hereof shall jointly protect, indemnify and hold harmless the other parties from any expenses or damages caused by such enlargement
46 of burdens or diminishment of rights.

47 P. Drilling Operations on Multi Well Pad

48 Notwithstanding anything to the contrary contained in Article VI.B, in the event Operator desires to drill multiple wells from the same drill
49 site pad as part of a "continuous operation" (the "Continuous Operation Wells"), Operator shall propose all Continuous Operation Wells,
50 including the Initial Well, simultaneously. Should Non-Operators desire to participate in all Continuous Operation Wells, each Non-Operator
51 shall be obligated to participate in all (and not some) of such well for the same working interest. Further, the provisions of the second
52 paragraph of Article VI.B.1 regarding the time period for commencement of operations shall not apply for so long as "continuous operations"
53 for the Continuous Operation Wells are ongoing, and during such time each such election in a well shall remain in full force and effect. In
54 the event "continuous operations" should cease, and should Operator thereafter desire to drill additional wells from the drill site pad, Non-
55 Operators shall be entitled to receive written notice of such proposed operations and to elect to participate therein as set forth in Article VI.B,
56 (as modified by this Article XVI.P). For the purposes hereof, operations shall be deemed to be "continuous operations" for so long as a rig
57 capable of drilling to target depth remains on the same drill site location. Notwithstanding the foregoing, a party's obligatory participation in
58 the Initial Well shall not require consent to any Continuous Operation Wells drilled as part of a "continuous operation" with the Initial Well,
59 and any party may elect to participate or not participate in all Continuous Operations Wells drilled as part of a "continuous operation" with
60 the Initial Well other than the Initial Well.

61 Q. Creation of Subsequent Interests If after the date hereof, any party hereto creates an overriding royalty, production payment or any other
62 burden against its working interests production and subsequently becomes a Non-Consenting Party under the provisions of this Agreement,
63 the Consenting Party or Consenting Parties entitled to receive the working interest production otherwise belonging to the Non-Consenting
64 Party shall receive such production free and clear of burdens against such production that have been created subsequent to the effective date
65 of this Agreement. Any burden created subsequent to the effective date of this Agreement and discussed in the preceding sentence shall ipso
66 facto vest in the Consenting Parties until such time as the Non-Consenting Party whose interest is subject to such burden is entitled to receive
67 its working interest production under the terms of this Agreement.

68 R. Bankruptcy If any party becomes insolvent or files for relief under the United States Bankruptcy Code and all or any part of this Agreement
69 is held to be an executory contract, then Operator, or any other party if the Operator is the debtor, shall be entitled to a determination by the
70 debtor in possession or any trustee as to the rejection or assumption of this agreement within thirty (30) days from the date an order for relief
71 is entered to seek adequate assurances as to the future performance of the debtor's obligations hereunder, and the protection of all interests
72 affected thereby. To the extent permitted by order of the Bankruptcy Court, the debtor party shall satisfy its obligation to provide adequate
73 assurances by advancing payments or depositing funds or appropriate legal instruments pursuant to a mutually acceptable escrow agreement.

A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT - 1989

1 S. Surplus Material Disposal Operator may dispose of any items of surplus or obsolete materials or equipment, if the current price of new
2 materials or equipment similar thereto is less than fifty thousand dollars (\$50,000.00).
3

4 T. Exclusion of Vertical Wells All pre-existing and future Vertical Wells within the Contract Area drilled and completed in the Gallup
5 Formation, including those identified on Exhibit "A", are excluded from this Agreement. This Agreement is applicable only to Horizontal
6 Wells and Multi-lateral Wells containing a Lateral or Laterals drilled, Completed or recompleted so that the Horizontal component of the
7 Completion interval extends at least one hundred feet (100') in the objective formation.

8 U. [RESERVED]
9

10 V. Recording of Agreement

11 The Parties hereto agree that this Agreement shall not be filed of record in any County, State, Federal or other venue, but instead, that the
12 Recording Supplement and Financing Statement, Form 610RS, attached hereto as Exhibit "H", shall be recorded in the County of the Contract
13 Area. Notwithstanding the foregoing, a Party may file this Agreement in the event that it is related to a pending lawsuit or other administrative
14 procedure, or as required by law.

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Exhibit 6
A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT - 1989

1 IN WITNESS WHEREOF, this agreement shall be effective as of the _____ 1st _____ day of March, 2019.
2
3 LOGOS Operating, LLC, who has prepared and circulated this form for execution, represents and warrants
4 that the form was printed from and, with the exception(s) listed below, is identical to the AAPL Form 610-1989 Model Form
5 Operating Agreement, as published in computerized form by Forms On-A-Disk, Inc. No changes, alterations, or
6 modifications, other than those made by strikethrough and/or insertion and that are clearly recognizable as changes in
7 Articles I, II, III, IV, V, VI, VII, VIII, X, XII, XIII, XIV and XVI, have been made to the form.

8
9 **ATTEST OR WITNESS:**

OPERATOR

LOGOS Operating, LLC

10
11
12
13 By _____

Jay Paul McWilliams
Type or print name

Title President

Date _____

Tax ID or S.S. No. _____

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NON-OPERATORS

LOGOS Resources II, LLC

By _____

Type or print name

Title _____

Date _____

Tax ID or S.S. No. _____

DJR Nominee Corporation

By _____

Type or print name

Title _____

Date _____

Tax ID or S.S. No. _____

By _____

Type or print name

Title _____

Date _____

Tax ID or S.S. No. _____

EXHIBIT "A"

Attached to and made part of that certain Operating Agreement dated the _____ day of _____, 2019
by and between LOGOS Operating, LLC, Operator, and the Signatory Parties thereto, Non-Operators.

A. CONTRACT AREA:

Township 24 North, Range 8 West, NMPM
Section 13: Lots 2 and 3
Section 14: N/2
San Juan County, New Mexico
Containing 394.86 acres, more or less

B. DEPTH RESTRICTIONS:

The coverage of this Agreement shall be limited in depth to the Gallup Formation. Further, as detailed in Article XVI.T of this Agreement, this Agreement shall apply only to Horizontal Wells and Multi-lateral Wells and shall not apply to existing and future Vertical Wells.

C. PARTIES TO AGREEMENT WITH ADDRESS, TELEPHONE AND FAX NUMBER FOR NOTICE PURPOSES:

LOGOS Operating, LLC
2010 Afton Place
Farmington, NM 87401
Phone: 505-324-4100
Fax: 505-832-3095

LOGOS Resources II, LLC
2010 Afton Place
Farmington, NM 87401
Phone: 505-324-4100
Fax: 505-832-3095

DJR Nominee Corporation
1600 Broadway, Suite 1960
Denver, CO 80202
Phone: _____
Fax: _____

D. PERCENTAGE OF FRACTIONAL INTERESTS OF PARTIES TO THIS AGREEMENT:

<u>Working Interest Owner</u>	<u>Percentage of Costs</u>
LOGOS Resources II, LLC	81.041382%
DJR Nominee Corporation	18.958618%

E. OIL AND GAS LEASES AND/OR OIL AND GAS INTERESTS:

I. Lease Number:	NMNM 001409 (segregated out of NMNM 087657)
Effective Date:	April 1, 1960
Lessor:	United States of America
Original Lessee:	Southwood Exploration Company, Inc., et al
Lessee:	DJR Nominee Corporation
Description:	<u>Township 24 North, Range 8 West, NMPM</u> Section 13: Lots 2 and 3 Section 14: NE Containing 234.86 acres of land, more or less, San Juan County, NM
Primary Term:	10 years
Royalty:	1/8

2. Lease Number: NMNM 136074 (segregated out of NMNM 16589)
Effective Date: May 1, 1973
Lessor: United States of America
Original Lessee: L.D. Lansdale III
Lessee: DJR Nominee Corporation
Description: Township 24 North, Range 8 West, NMPM
Section 14: NW
Containing 160.00 acres of land, more or less, San Juan County, NM
Primary Term: 10 years
Royalty: 1/8

F. BURDENS ON PRODUCTION

Lease 1

9.5% of 8/8 overriding royalty interest burdening the interest of LOGOS Resources II, LLC, insofar as said lease covers the Gallup Formation underlying the NE of Section 14, Township 24 North, Range 8 West, NMPM, San Juan County, New Mexico.

9.5% of 8/8 overriding royalty interest burdening the interest of DJR Nominee Corporation, insofar as said lease covers the Gallup Formation underlying Lots 2 and 3 of Section 13, Township 24 North, Range 8 West, NMPM, San Juan County, New Mexico.

Lease 2

12.5% of 8/8 overriding royalty interest burdening the interest of LOGOS Resources II, LLC, insofar as said lease covers the Gallup Formation underlying the NW of Section 14, Township 24 North, Range 8 West, NMPM, San Juan County, New Mexico.

THERE IS NO EXHIBIT 7

EXHIBIT B

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

**APPLICATION OF LOGOS OPERATING, LLC FOR COMPULSORY POOLING,
SAN JUAN COUNTY, NEW MEXICO**

Case No. 20491

AFFIDAVIT OF TREVOR GATES

I, being duly sworn on oath, state the following:

1. I am over the age of 18, and I have personal knowledge of the matters stated herein.
2. I am employed as a petroleum geologist for LOGOS Resources II, LLC (“LOGOS”), and I am familiar with the subject application and the geology involved.
3. This affidavit is submitted in connection with the filing by LOGOS of the above-referenced compulsory pooling application pursuant to 19.15.4.12.A(1) NMAC.
4. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology matters. My credentials as a petroleum geologist have been accepted by the Division and made a matter of record.
 - a. I hold a Bachelor’s degree in Geology from the University of Colorado, Boulder. I completed my education in 2006.
 - b. I have been employed as a petroleum geologist since 2006. I have worked in New Mexico since 2015.
5. **Exhibit 8** is a structure map of the Basal Niobrara pick, which lies directly above the regressive Gallup sands. The proposed area of compulsory pooling is depicted by a red rectangle. The structure is labeled in sub-sea vertical depth. The contour intervals are 25 ft each.

There is a gentle dip down to the northeast. To date there are no other horizontal wells in the section that have targeted the Gallup sands. The vertical wells controlling the structure map have the sub-sea vertical depth posted. The subsequent cross-section from A-A' is also identified to locate our closest control on the reservoir properties for the Dragonfly 2408 13C Com wells. I do not observe any faulting, pinch-outs, or other geologic impediments or hazards to developing this targeted interval with a horizontal well.

6. **Exhibit 9** is a stratigraphic cross-section of the Gallup Interval. Each well is a triple combo log. Track 1 is gamma ray log scaled from 0 to 200 api units. Lower gamma readings indicate more sand while higher gamma readings indicate more shale. Track 2 shows the deep resistivity log from 0 ohmm to 50 ohmm. Track 3 is the porosity track with neutron porosity identified by the red curve scaled from 30% to -10%. The density porosity curve is the blue curve from 30% to -10%. The cross-section identifies tops used to evaluate reservoirs and landing targets for the Dragonfly 2408 13C Com No. 1H and 2H wells. Perfs in the vertical wells are shown by the pink boxes in the depth track and indicate historic targets. The reservoir in this area has constant thickness and reservoir facies.

7. **Exhibit 10** is a Gross Isopach map from the Basal Niobrara to the Base Gallup picks. The contour intervals are 5 ft each. This map shows the location of the Dragonfly 2408 13C Com spacing unit outlined by the red box and the surface/bottom hole locations of the Dragonfly 2408 13C 1H and 2H wells. The anticipated gross thickness of the interval is 95 ft. through the entire Horizontal Spacing Unit. The location of the previous cross-section from A-A' is also shown on this map.

8. Based on my geologic study of the area, I conclude the following:

a. The horizontal spacing unit is justified from a geologic standpoint.

- b. There are no structural impediments or faulting that will interfere with horizontal development.
- c. Each quarter-quarter section in the unit will contribute more or less equally to production. Each well is reasonably expected to be classified as an oil well with producing characteristics similar to other Gallup oil wells in the area.
- d. The preferred well orientation for the proposed unit in this area is east-west. This is because the inferred orientation of the maximum horizontal stress is roughly northwest-southeast.
- e. The reserves underlying the proposed unit can be efficiently and economically developed by the three wells.

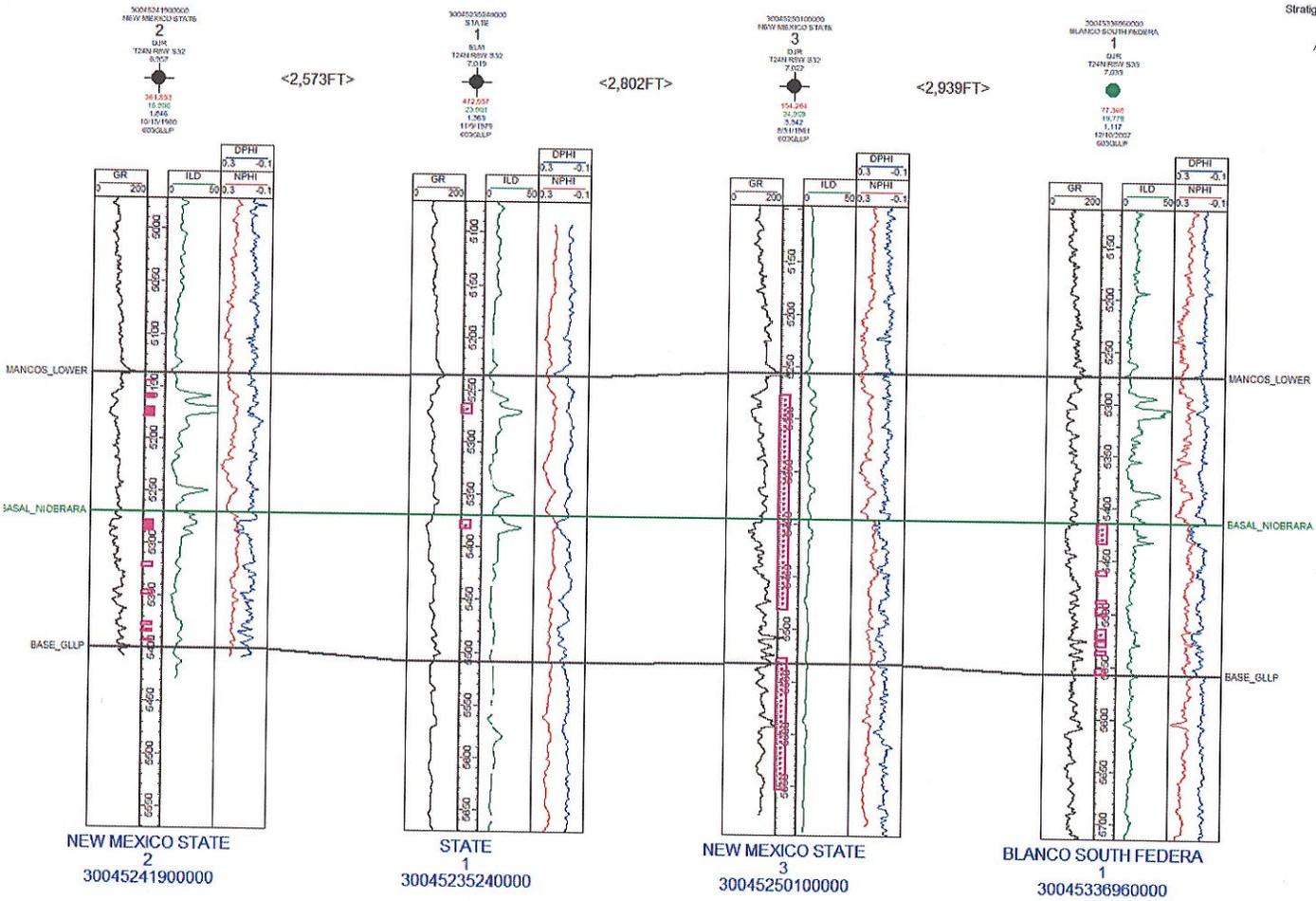
9. The Exhibits to this Affidavit were prepared by me, or compiled from LOGOS's company business records.

10. The granting of this Application is in the interests of conservation and the prevention of waste.

11. The foregoing is correct and complete to the best of my knowledge and belief.



Exhibit 9
Stratigraphic Cross-Section
By: Iqates
April 30, 2019 8:39 AM



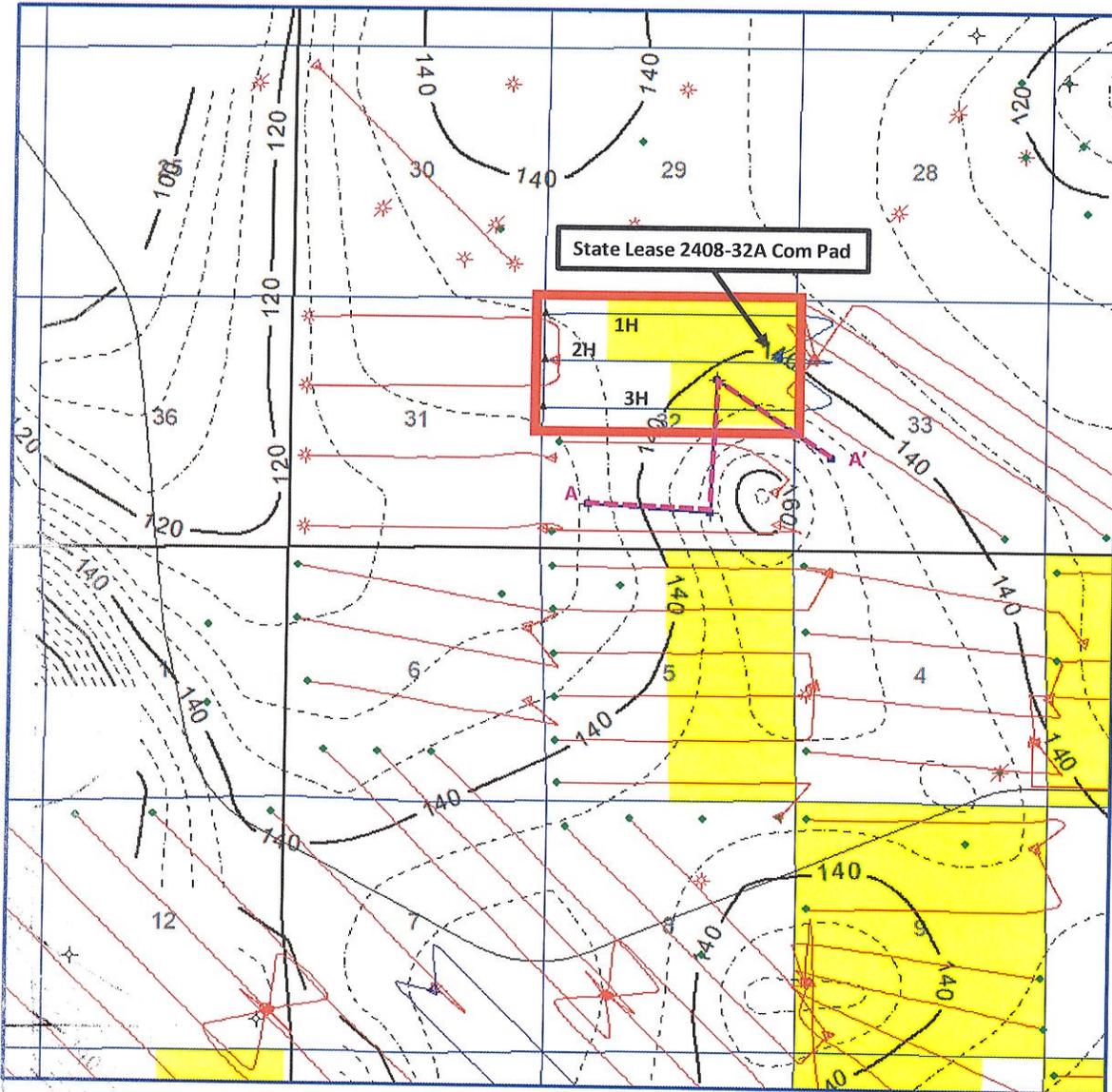


Exhibit 10

Gross Isopach

Contour Interval = 5 ft

WELL SYMBOLS

- Dry Hole, With Show of Gas
- Dry Hole, With Show of Oil
- Dry Hole
- Gas Well
- Oil Well
- Plugged and Abandoned
- Plugged Gas Well
- Plugged Oil Well
- Approved APD

By: lgates

MAP PROJECTION

Datum: North American Datum 1927 (NAD27)



April 30, 2019

EXHIBIT C

EXHIBIT C 11



J. Scott Hall
Senior Attorney
LOGOS Resources II, LLC
317 Paseo de Peralta
P. O. Box 1946
Santa Fe, NM 87504
Office: 505.303.7236
Mobile: 505.670.7362
shall@logosresourcesllc.com

June 4, 2019

VIA CERTIFIED MAIL

RETURN RECEIPT REQUESTED

DJR Nominee Corporation
Attn: Sharon Crumb
1600 Broadway, Suite 1960
Denver, CO 80202

Re: NMOCD Case No. 20491: Amended Application of LOGOS Operating, LLC for Compulsory Pooling, San Juan County, New Mexico

Dear Ms. Crumb:

This will advise that LOGOS Operating, LLC has filed an Application with the New Mexico Oil Conservation Division for an order pooling all interests in the Gallup formation Lots 2 (Unit D) and 3 (Unit E) of Section 13 and the N/2 of Section 14, Township 24 North, Range 8 West, NMPM in San Juan County, New Mexico. LOGOS seeks to establish a 196.98-acre \pm horizontal spacing unit in the Escrito-Gallup Oil Pool (22619; Order No. R-5353) underlying the subject lands. The unit will be subject to a federal communitization agreement and will be dedicated to two wells to be drilled by Applicant as follow: (1) the **Dragonfly 2408 13C Com No. 1H** (defining well) at an approximate surface hole location in Lot 1 (Unit C) of Section 13 with an estimated bottom hole location in the NW/4 NW/4 (Unit D) of Section 14; and (2) the **Dragonfly 2408 13C Com No. 2H** (infill well) at an approximate surface hole location in Lot 1 (Unit C) of Section 13 with an estimated bottom hole location in the SW/4 NW/4 (Unit E) of Section 14, all within T24N R8W. The producing interval of each well will be orthodox. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost, the designation of LOGOS Operating, LLC as Operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. LOGOS will also provisionally request an exception to the acreage dedication requirements of Division Rule 19.15.16.15.B (2).

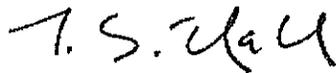
A copy of the Amended Application for hearing is enclosed.

June 4, 2019

Page 2

This Application will be set for hearing before a Division Examiner on June 27, 2019, at 8:15 a.m. at the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico. You are not required to attend this hearing, but as an owner of an interest that may be affected, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this application at a later time. If you intend to attend the hearing and present testimony or evidence, you must enter your appearance and serve the Division, counsel for the Applicant and other parties with a pre-hearing statement at least four business days before the scheduled hearing date in accordance with Division Rule 19.15.4.13.

Very truly yours,

A handwritten signature in black ink that reads "J. S. Hall". The signature is written in a cursive, slightly slanted style.

J. Scott Hall

JSH

Enclosure



J. Scott Hall
Senior Attorney
LOGOS Resources II, LLC
317 Paseo de Peralta
P. O. Box 1946
Santa Fe, NM 87504
Office: 505.303.7236
Mobile: 505.670.7362
shall@logosresourcesllc.com

June 4, 2019

VIA CERTIFIED MAIL

RETURN RECEIPT REQUESTED

Encana Oil & Gas (USA) Inc.
370 17th Street, Suite 1700
Denver, CO 80202

Re: NMOC D Case No. 20491: Amended Application of LOGOS Operating, LLC for Compulsory Pooling, San Juan County, New Mexico

Dear Sir or Madam:

This will advise that LOGOS Operating, LLC has filed an Application with the New Mexico Oil Conservation Division for an order pooling all interests in the Gallup formation Lots 2 (Unit D) and 3 (Unit E) of Section 13 and the N/2 of Section 14, Township 24 North, Range 8 West, NMPM in San Juan County, New Mexico. LOGOS seeks to establish a 196.98-acre \pm horizontal spacing unit in the Escrito-Gallup Oil Pool (22619; Order No. R-5353) underlying the subject lands. The unit will be subject to a federal communitization agreement and will be dedicated to two wells to be drilled by Applicant as follow: (1) the **Dragonfly 2408 13C Com No. 1H** (defining well) at an approximate surface hole location in Lot 1 (Unit C) of Section 13 with an estimated bottom hole location in the NW/4 NW/4 (Unit D) of Section 14; and (2) the **Dragonfly 2408 13C Com No. 2H** (infill well) at an approximate surface hole location in Lot 1 (Unit C) of Section 13 with an estimated bottom hole location in the SW/4 NW/4 (Unit E) of Section 14, all within T24N R8W. The producing interval of each well will be orthodox. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost, the designation of LOGOS Operating, LLC as Operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. LOGOS will also provisionally request an exception to the acreage dedication requirements of Division Rule 19.15.16.15.B (2).

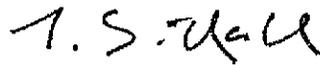
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June 4, 2019

Page 2

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Very truly yours,

A handwritten signature in black ink that reads "J. S. Hall". The signature is written in a cursive, slightly slanted style.

J. Scott Hall

JSH

Enclosure



J. Scott Hall
Senior Attorney
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P. O. Box 1946
Santa Fe, NM 87504
Office: 505.303.7236
Mobile: 505.670.7362
shall@logosresourcesllc.com

June 4, 2019

VIA CERTIFIED MAIL

RETURN RECEIPT REQUESTED

Bureau of Land Management
Farmington Field Office
6251 College Blvd., Suite A
Farmington, NM 87402

Re: NMOCD Case No. 20491: Amended Application of LOGOS Operating, LLC for Compulsory Pooling, San Juan County, New Mexico

Dear Sir or Madam:

This will advise that LOGOS Operating, LLC has filed an Application with the New Mexico Oil Conservation Division for an order pooling all interests in the Gallup formation Lots 2 (Unit D) and 3 (Unit E) of Section 13 and the N/2 of Section 14, Township 24 North, Range 8 West, NMPM in San Juan County, New Mexico. LOGOS seeks to establish a 196.98-acre \pm horizontal spacing unit in the Escrito-Gallup Oil Pool (22619; Order No. R-5353) underlying the subject lands. The unit will be subject to a federal communitization agreement and will be dedicated to two wells to be drilled by Applicant as follow: (1) the **Dragonfly 2408 13C Com No. 1H** (defining well) at an approximate surface hole location in Lot 1 (Unit C) of Section 13 with an estimated bottom hole location in the NW/4 NW/4 (Unit D) of Section 14; and (2) the **Dragonfly 2408 13C Com No. 2H** (infill well) at an approximate surface hole location in Lot 1 (Unit C) of Section 13 with an estimated bottom hole location in the SW/4 NW/4 (Unit E) of Section 14, all within T24N R8W. The producing interval of each well will be orthodox. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost, the designation of LOGOS Operating, LLC as Operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. LOGOS will also provisionally request an exception to the acreage dedication requirements of Division Rule 19.15.16.15.B (2).

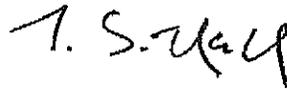
A copy of the Amended Application for hearing is enclosed.

June 4, 2019

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This Application will be set for hearing before a Division Examiner on June 27, 2019, at 8:15 a.m. at the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico. You are not required to attend this hearing, but as an owner of an interest that may be affected, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this application at a later time. If you intend to attend the hearing and present testimony or evidence, you must enter your appearance and serve the Division, counsel for the Applicant and other parties with a pre-hearing statement at least four business days before the scheduled hearing date in accordance with Division Rule 19.15.4.13.

Very truly yours,

A handwritten signature in black ink that reads "J. Scott Hall". The signature is written in a cursive, slightly slanted style.

J. Scott Hall

JSH

Enclosure

EXHIBIT C 12

No.	Name	Address	Address 2	City	State	Zip	ORRI in Lease
1	U.S. Bank, Account #127-787	950 17th Street		Denver	CO	80202	2.250000%
2	U. S. Bank, Account #388-335	950 17th Street		Denver	CO	80202	2.250000%
7	Fred Ashbaugh and Susan Ashbaugh Revocable Living Trust dated 8-22-1996	104 Sussex Ct.		Belton	MO	64012	0.019603%
8	James R Cox	4 Caloosa Road		Key Largo	FL	33037	0.071832%
9	Noble Royalty Access Fund VII, LP	15601 N. Dallas Parkway	Suite 900	Addison	TX	75001	0.038438%
10	Michelle R Mullaney and Daniel P Mullaney	4519 Burnhill		Plano	TX	75024	0.012101%
11	Botros Rizk Mitry Botros Rizk and Mary George Nawer Rizk	2500 Muir Woods Drive East		Miobile	AL	36693	0.024201%
12	Arthur Gay and Janet Gay, Husband and Wife			Tallahassee	FL	32309	0.028446%
13	Gordon L Worstell	2518 Dana Street		Berkeley	CA	94704	0.012101%
14	Pamela English Allinson	P O Box 2425		Placerville	CA	95667	0.012101%
15	The Gene and Pauline Anderson Revocable Trust	3544 Custer Street, #3		Oakland	CA	94601	0.024201%
16	Lawrence E Anderson, Trustee udt August 27, 1979	3208 Blackhawk Meadow Drive		Darville	CA	94506	0.012101%
17	Barony of Rachane LLC	P.O. Box 470307		San Francisco	CA	94147	0.181509%
18	National Financial Services LLC CUST FBO Christian Bang, IRA	200 Liberty Street		New York	NY	10281	0.012101%
19	William H Barclay	6803 54th Avenue N.E.		Seattle	WA	96115	0.012101%
20	Alvery A. Bartlett Family Trust	8000 Maryland Avenue, Suite 1031		St. Louis	MO	63105	0.012101%
21	Yvonne R. Bergero Trustee of the Yvonne R. Bergero Revocable Trust U/A/D July 3, 1996	135 Mesa Verde Way		San Carlos	CA	94070	0.042661%
22	Krishna Bohnla and/or Jennifer Wade Bohnla	700 West San Martin Avenue		San Martin	CA	95046	0.012101%
23	Bialecki Kidney Cancer Foundation, Leon Bialecki, President	#6 Salem Estates		St. Louis	MO	63124	0.024201%
24	The Booth Family Revocable Trust of 9/27/1994	30 Hollywood Avenue		Los Gatos	CA	95030	0.048402%
25	WillowFarm, LLC	168 Brookview Road		Glen Head	NY	11545	0.012101%
26	Mario Brondello an Emma Brondello 1989 Revocable Trust, dtd 12/27/89, Mario Brondello & Emma Brondello, TTEES	678 Wisconsin Street		San Francisco	CA	94107	0.012101%
27	Mark Barton Charbonnet	P O Box 12109		New Iberia	LA	70562	0.012101%
28	Richard J. Coverdale Revocable Trust	513 Spring Lake Dr.		Melbourne	FL	32940	0.024201%
29	Frank and Maria Enterante Irrevocable 1996 Trust	19401 Romar Street		Northridge	CA	91324	0.024302%
30	Big Hole Roost Associates a MD Ltd Partnership	25 Primrose Street		Chevy Chase	MD	20615	0.037131%
31	R Scott Faley PC Pension Trust	5100 Wisconsin Avenue NW	Suite 401	Washington	DC	20016	0.036302%
32	Theodore M Fields	1934 Biltmore Street NW		Washington	DC	20009	0.012101%
33	Galatz 1977 Family Trust, Neil G Galatz, Elaine B Galatz, TTEE	428 S 4th Street		Las Vegas	NV	89101	0.060504%
34	Bradley J. Hanson	7202 79th Avenue, S.E.		Mercer Island	WA	96040	0.012101%
35	Linda Hecht	23750 Via Trevi Way	Suite 1002	Bonita Springs	FL	34134	0.024201%
36	Jennifer Suzanne Irish and Jeffery David Hurlow, Husband and Wife	1418 Linda Rosa Ave.		Los Angeles	CA	90041	0.012101%
37	The Carl and Linda Johnson Living Trust dated 12/11/00	29 Skymountain Circle		Chico	CA	95928	0.012101%
38	Joseph C Jou	5879 Mireilla Drive		San Jose	CA	95118	0.012101%
39	Krupka 1, LLC, a Delaware Limited Liability Company	867 42nd Avenue		San Francisco	CA	94121	0.009075%
40	SEMXX LLC	4 John Street		Ithaca	NY	14850	0.012101%
41	The June Levitz Revocable Trust dtd 12-10-1992 as amended Exempt Child's Trust (5.07) f/b/o Leslie Litwack	208 N Central		St. Louis	MO	63105	0.012101%
42	Michael Litwack Revocable Trust dtd 3/8/83, Michael Litwack Trustee	208 N Central		St. Louis	MO	63105	0.012101%
43	Fred & Diana M. Loew Revocable Trust dated 8/28/92	717 Valley Way		Santa Clara	CA	95051	0.012101%
44	Judith E McEnroe 1996 Trust	1250 Hearst Avenue		Berkeley	CA	94702	0.012101%
45	National Financial Services LLC CUST FBO John McNamara	200 Liberty Street		New York	NY	10281	0.012101%
46	Loretta B Mealy	301 East Second Street		Muscatine	IA	52761	0.012101%
47	Meyers 1, LLC, a Delaware Limited Liability Company	867 42nd Avenue		San Francisco	CA	94121	0.009075%
48	Walter Michielutti & Patricia A Michielutti	718 East Hillcrest Drive		Lincoln	NE	68520	0.012666%
49	Venetia M N Patout	511 East Main Street		New Iberia	LA	70560	0.012101%
50	Roger Miles Brown Revocable Trust of October 8, 2004	4862 Gakcia Way		Oceanside	CA	92056	0.042352%
51	Peter Petrucci	4733 Olc Dominion Drive		Arlington	VA	22207	0.012101%
52	Garrett F Riegg	1946 Embarcadero		Oakland	CA	94806	0.021800%
53	Sackl Family Trust	933 Hopkins Way		Pleasanton	CA	94566	0.039608%
54	The Rosella H Samson Revocable Trust, Rosella H Samson, TTEE	274 Hewlett Court		St. Louis	MO	63141	0.012101%

55	Joyce S. Sass Revocable Living Trust, Joyce S Sass, Trustee	1148 Conway Rd.		St. Louis	MO	63131	0.012101%
56	Henry R Schweitzer, Trustee of the Henry R Schweltzer Trust dtd 3/1/2000	9 Dockside Drive		Lake Tapawingo	MO	64015	0.012101%
57	Thunder Investments, LP	22 Vouga Lane		St. Louis	MO	63131	0.030252%
58	Paula K Simmons Revocable Trust	716 Hermleigh Road		Silver Springs	MD	20902	0.012101%
59	Leonard Stone	710 South 4th Street		Las Vegas	NV	89101	0.012101%
60	National Financial Services LLC CUST FBO John E. Straw IRA	200 Liberty Street		New York	NY	10281	0.014642%
61	Elana Viahandreas	6114 La Salle Avenue, #460		Oakland	CA	94611	0.012101%
62	Kandis H Wrigley	479 North Washington Road		Lake Forest	IL	60045	0.012101%
63	Melanie E. Van Sant	79 Windward Drive		Portsmouth	RI	02871	0.012101%
64	John Sheldon Clark	3701 Turtle Creek Boulevard, Apt. 10J		Dallas	TX	75219	0.013069%
65	Tori Hunter and Katrina Hunter, Husband and Wife	2405 FM 423, S. 300 PMB 819		Little Elm	TX	75068	0.025000%
66	J. Fred Perry and Margaret Perry	2501 11th Street		Brownwood	TX	76801	0.012101%
67	Anthony Aguilar and Karen Aguilar	3006 Meadowview Court		Colletville	TX	76034	0.012101%
68	Brower Family Partnership, L.P.	P O Box 702481		Dallas	TX	75370	0.100000%
69	Harry E Jenkins	4038 Villa Grove Drive		Dallas	TX	75287	0.012101%
70	H E Ruhlman and Michelle M Mullaney as Co-Tenants	107 Azinger Drive		Laredo	TX	78045	0.050000%
71	STR Investments, LLC	P.O. Box 560747		Dallas	TX	72356	0.050000%
72	Jimmy Tubbs, Jr.	638 Sycamore Drive		De Soto	TX	75115	0.012101%
73	Whann Family Limited partnership, an Alaskan Limited Partnership	3924 Certenary Avenue		Dallas	TX	75225	0.050000%
74	Yates Living Trust	10500 Heritage	Suite 100	San Antonio	TX	76216	0.050000%
75	I-TIGE Investments, LTD.	5209 Rurnin River Drive		Plano	TX	75093	0.012101%
76	Richard W Buck Trust dtd 11/10/94	12995 Albert Way		Colorado Springs	CO	80908	0.042248%
77	John Owen Murring and DeVonna Kae Murrin, Trustees of the Murrin Falcon Trust	120 Sth Street		Seal Beach	CA	90740	0.021781%
78	Caroline N Hoagland as Trustee under the Hoagland Living Trust dated September 22, 2000	9611 West Charleston Blvd	Suite 2-431	Las Vegas	NV	89117	0.050000%
79	Michael K Maher and Linda Maher Defined Benefit Pension Plan dtd 01/01/00, M. Maher, TTEE	5 Carriage Court		Los Altos	CA	94022	0.012101%
80	Christopher C Marx and Katherine C. Marx, as Joint Tenants	620 Walnutshire Lane		Chico	CA	95973	0.012101%
81	Michael H McCollum TTEE F/T M.H. McCollum 1996 Charitable Trust 5/8/96	1290 Butterfield Road		San Anseimo	CA	94960	0.030252%
82	Gail Johnson Miller TTEE Miller Family Trust u/a 7-13-94	5 Wildwood Ct.		Oroville	CA	95966	0.024201%
83	Byron Parsons IRA	4171 Rio Bravo		Chico	CA	95973	0.018151%
84	Byron and Louanne Parsons	4171 Rio Bravo		Chico	CA	95973	0.012101%
85	Richard K Peters	4171 Rio Bravo		Sedona	AZ	86340	0.012101%
86	Sheila Wadman Sayles, Trustee of the Sheila Wadman Sayles Living Trust udt dated June 15, 2007	P.O. Box 1434		Solana Beach	CA	92705	0.012101%
87	Jim Scargg, Trustee, Ray Morgan Profit Sharing Plan dtd 9-1-68	3131 Esplanade		Chico	CA	95973	0.012101%
88	Steven K Sterzer, M.D. Pension & Profit Sharing Plan	621 Langel CT		Chico	CA	95973	0.012101%
89	Joan Stewart	400 Spanish Garden Drive		Chico	CA	95928	0.012101%
90	Marilyn Barnett Trust dtd 12/11/1978 as Amended	28400 Tavistock Trail		Southfield	MI	48034	0.012101%
91	North Star Partners, LLC	838 W Long Lanke Road	Suite 205	Bloomfield Hills	MI	48302	0.030252%
92	Barbara Stern Fink	4587 Hawkwoods		West Bloomfield	MI	48322	0.012101%
93	LDA Limited Partnership	30301 Northwestern Hwy	Suite 200	Farmington Hills	MI	48334	0.012101%
94	Falcon Gas, LLC	18557 Canal Road		Clinton TWP	MI	48038	0.015731%
95	1998 Chin Family Trust	746 Christine Drive		Palo Alto	CA	94303	0.012101%
96	Sterling Trust Co. FBO Dan McClaran Hayes, Jr.	4381 Old Bayou Trail		Destin	FL	32541	0.012101%
97	Jarboe Realty & Investment Company	9200 Latty Avenue		Hazlewood	MO	63042	0.012101%
98	Peter Wannier Living Trust	5131 Gould Avenue		La Canada	CA	91011	0.012101%
99	S & A Roach Partners, Ltd	P O Box 459		Frisco	TX	75034	0.005050%
100	The Denneen Living Trust	100 Putnam Street		Marshfield	MA	2050 Zip Ct	0.012101%
101	James A and Janet L Batista Revocable Trust	2855 Sierra Mesa Court		Minden	NV	89423	0.028920%
102	Deatsch Family Trust dtd 12-1-88, William Edward Deatsch & Judith Ann Deatsch, Trustees	11696 Tundra Drive		Truckee	CA	96161	0.045481%
103	Charles R Denney & Joan A Denney	3235 E Palmyra Avenue		Orange	CA	92889	0.024201%
104	Owen A. Ellis and Sandra R. Ellis	7624 Malamute Dr.		Evergreen	CO	80439	0.012101%
105	Scott E. Ganser or Denise L. Ganser as Trustees of the Ganser Trust dated January 11, 1996	15426 East Olive Avenue		Sanger	CA	93657	0.106974%
106	Bolero Trust, Jeffrey R. Grether, Trustee	27174 Ortega Hwy		San Juan Capistrano	CA	92675	0.012101%
107	Carl B Heise Family Trust	1596 Foxdale Court		Upland	CA	91786	0.031401%

108	Michael Paul Juha, Jr. and Joanna Juha as Co-Trustees of the Michael Paul Juga, Jr and Joanne Juha Family Trust	3609 46th Avenue SW	Seattle	WA	96116	0.072000%
109	Alfred Lion Jr and Pearl J Lion As Trustees Under the Alfred Lion Jr Family Trust Agreement Dated 9-24-75	2627 West Lake Van Ness	Fresno	CA	93711	0.019361%
110	Lakeview Enterprises II, LLC	17860 Tramanto Drive	Pacific Palisades	CA	90272	0.086259%
111	We Buy Houses, Inc.	13857 Hawthorne Boulevard	Hawthorne	CA	90250	0.024201%
112	L. W. Murphy 1991 Trust	1821 Ashberry Drive	Palmdale	CA	93551	0.035586%
113	Lloyd A Nelson and/or Margit B Nelson as Trustees of the Nelson 2000 Trust	17861 Tacoma Cicle	Vilia Park	CA	92861	0.015126%
114	David L Wichmann	P O Box 4285	Park City	UT	84060	0.012101%
115	San Antonio 43 Trust	1439 W. Chapman Ave., #63	Orange	CA	92858	0.012101%
116	Balk Family Trust u/a/d January 22, 2007	4678 Barker Way	Long Beach	CA	90814	0.018162%
117	GS1031A, LLC	152 Linncln Rd.	Medford	NY	11763	0.081837%
118	Don and Elaine Bennion Family LLC	2850 Delsa Drive	Salt Lake City	UT	84024	0.050000%
119	Fred W Berg and Ida R Berg	21 Cottage Road	Cushing	ME	4563(Zip Cr	0.035614%
120	Barbara Carr, Trustee of the Barbara Carr Trust Dated January 24, 1994	10123 E. Elmwood Dr.	Sun Lakes	AZ	85248	0.012101%
121	Brian and Lisha Crawford, T/E	350 Lehua Street	Hilo	HI	96720	0.024201%
122	Jacqueline Damon and Jean Francois Damon	24 Rue de Dome	Boulogne	FRANCE	92100	0.025000%
123	Wendy A. Davies, Trustee, Seabury L. Davies Family Trust	2889 Hackney Court	Park City	UT	84060	0.013647%
124	John Charles Dobson	40 SW 31 Road	Miami	FL	33129	0.012101%
125	G I Johns 2002 Living Trust	P O Box 225	Adin	CA	96006	0.050064%
126	Dale & Beverly Johnson Family Limited Partnership	447 Northmont Way	Salt Lake City	UT	84103	0.050000%
127	Lyle R Keller	130 East Montecito Avenue, #106	Sierra Madre	CA	91024	0.037505%
128	Connell Corp.	540 Aspen Drive	Park City	UT	84098	0.015925%
129	Kremer Energy, LLC	2228 Ruby Rd.	Hudson	WI	54016	0.025000%
130	Stig H Medby and Laurie J Medby, Trustees of the Trust of Stig H Medby and Laurie J. Medby u.a.d 4-28-94	1255 Laurs Lane	Escondido	CA	92025	0.012101%
131	David E U Morris	2011 Hummingbird Lane	Auburn	AL	36830	0.021781%
132	Scott R Peterson and Claudia Peterson	1495 E Stanford Court	Draper	UT	84020	0.012101%
133	Marble Rock Investments, LLC	2900 Douglas Street	Omaha	NE	68131	0.012101%
134	Preston Real Estate, LLC	206 S 96th Street	Omaha	NE	68114	0.015126%
135	Elsa Z. Rickards, Trustee of the Rickards Trust	395 South Oakland Ave. No. 202	Pasadena	CA	91101	0.012101%
136	Howaida M. Sefain & Maged Mouner Morcos	1508 E. Maple St.	Glendale	CA	91205	0.012101%
137	The Silva Family Trust dated June 23, 1999	5807 North River Parkway	Provo	UT	84604	0.012101%
138	Van Woerkom Living Trust dtd 3/17/92, Norman G Van Woerkom & Edith C Van Woerkom, Trustees	130 Belvale Drive	Los Gatos	CA	95032	0.012101%
139	The Van Zomeran Family Trust	5155 Simoni Court	Richmond	CA	34803	0.011907%
140	Omni Financial Advisors Defined Benefit Plan, Robert L. Vonderharr, Trustee	1896 E Vintage Woods Court	Salt Lake City	UT	84117	0.012101%
141	Wagner Capital Partners, LLC	2772 Delsa Drive	Salt Lake City	UT	84124	0.012101%
142	Zantke Living Trust dtd August 22, 1990, Hardy E Zantke & Jutta Zantke, Trustees	4622 Paseo de las Tortugas	Torrance	CA	90505	0.037501%
143	Pinkston Royalties, LP	P.O. Box 53188	Lubbock	TX	79453	0.062499%
144	Foster Royalties, LP	P.O. Box 53188	Lubbock	TX	79453	0.062499%
145	Aguilar Royalties, LP	P.O. Box 53188	Lubbock	TX	79453	0.062501%
146	Rescate Royalties, LP	P.O. Box 53188	Lubbock	TX	79453	0.062501%
147	Joe B Green and Nancy G Green Management Trust Agreement dtd the 21st day of December, 2005	6627 Wagner Way	San Antonio	TX	78258	0.012101%
148	Kastman Oil Company, LLC	P O Box 5930	Lubbock	TX	79408	0.025000%
149	TLTG Investments, Ltd.	13601 Preston Road Suite 800E	Dallas	TX	75240	0.036302%
150	William C Pfluger, Trustee	2133 Office Park Drive	San Angelo	TX	76902	0.050000%
151	William C Pfluger, Trustee	2133 Office Park Drive	San Angelo	TX	76902	0.050000%
152	F. L. Stephens Trust	3471 Knickerbocker Road Suite 312	San Angelo	TX	76904	0.100000%
153	FCC LLC Cust FBO Matthew J Therrell IRA #3635-1648	10700 Wheat First Drive	Glen Allen	VA	23060	0.020043%
154	Matthew J Therrell	426 East Cowan Drive	Houston	TX	77007	0.017469%
155	FCC LLC FBO Gerald Dan Thompson IRA Acct #51911593	10700 Wheat First Drive	Glen Allen	VA	23060	0.012101%
156	Ronald Averiette and Leslie Averiette	P O Box 1103	Novato	CA	94948	0.025447%
157	The Helen Castro Family Living Trust, Hector D Escobar, Helen A Castro, TTEES	553 Atherton Avenue	Novato	CA	94945	0.027831%
158	Edward P Gatti Revocable Trust, Edward P Gatti, TTEE	198 Deer Hollow Road	San Anaelmo	CA	94960	0.033579%
159	Richard S Gatti Revocable Trust, Richard S Gatti, TTEE	P O Box 750458	Petaluma	CA	94975	0.016727%
160	The Grady Family Revocable Trust UTA dtd 11-10-93	38 Terry Circle	Novato	CA	94947	0.024201%

161	The 2004 Chester B Lee and Rafaela Lim Lee Revocable Trust	282 Ewing Terrace	San Francisco	CA	94118	0.024201%
162	The Wayne L. Richards & Christine M Richards Revocable Inter Vivos Trust Agreement Dtd 6-2-03	1910 Castle Drive	Petaluma	CA	94954	0.012101%
163	Robeert D Orwig	3209 Taylor Avenue	Baltimore	MD	21234	0.014521%
164	Royalties Income Holdings, LLC	3111 NE 56th Ct.	Ft. Lauderdale	FL	33308	0.030252%
165	James E Barber and Barbara G. Barber, Husband and Wife	318 King Street	Lowell	MI	49331	0.019361%
166	RKB LLC	808 Maria Avenue	Spring Valley	CA	91977	0.012101%
167	David M Cassard, Trustee of the David M Cassard Trust Dated September 7, 2001 as amended from time to time	840 Floral Avenue, SE	Grand Rapids	MI	49506	0.018151%
168	Laura Lella Fanning and Charlene Fanning, Joint Tenants	333 South 61st Avenue, Unit #1	Pensacola	FL	32506	0.012101%
169	Frank William Federico	142 Forest Street	Winchester	MA	1890(Zip Ct	0.012101%
170	James S Fleischer Living Trust, James S Fleischer TTEE 4/23/92	263 Woodview	Bloomfield Twp	MI	48302	0.012101%
171	Elzbieta Skaiska Golanka	1148 Naples Drive	Pensacola	FL	32507	0.012101%
172	R Harold Greenlee	1112 Shoreline Lane	Winter Haven	FL	33884	0.012101%
173	Herbert R Hahn Living Trust, Herbert R Hahn, Trustee	P O Box 8	Banner Elk	NC	26604	0.012101%
174	Robert D Husemoller Living Trust dtd December 28, 1995	661 Leon Drive	Barrington	IL	60010	0.012101%
175	Thomas E. Hussey and Margaret M. Hussey	14811 Lenze Dr.	Tavares	FL	32778	0.024201%
176	Janesky Trust, Lawrence M Janesky Trustee	11 Fawn Meadow Lane	Shelton	CT	6484(Zip Cr	0.024201%
177	Judith A. Jobin Revocable Trust	5691 River Rd.	East China	MI	48054	0.012101%
178	John S Kaelin or Elizabeth Ann Kaelin	9108 Hogarth Court	Louisville	KY	40222	0.012101%
179	Richard D Miller and Jane F Miller Husband and Wife As Tenants by the Entireties	1885 Boardwalk	St Joseph	MI	49085	0.060503%
180	Robert E. Moroney, Trustee of Robert E. Moroney Trust	3045 S. Ponte Vedra Blvd.	Ponte Vedra Beach	FL	32082	0.048402%
181	Charles R Payleitner Revocable Trust dtd 7-17-95	1122 69th Street	Darien	IL	60561	0.012101%
182	Doroth M Prue Revocable Trust u/a/d 5/25/95	31693 South River Road, Unit F	Harrison Township	MI	48045	0.012101%
183	Steven A Prue Revocable Trust dated Febrary 16, 1999	710 Lakepoints	Grossee Pointe Park	MI	48230	0.012101%
184	The Redmond Charitable Remainder UniTrust dated 3/17/99	2251 N Rampart Blvd #320	Las Vegas	NV	89128	0.012500%
185	Penasco Trust Co. FBO Albert Robitaille	450 Sansome Street 14th floor	San Francisco	CA	94111	0.012101%
186	Paul E Rolfes & Kathleen C Rolfes Charitable Remainder UniTrust, Paul E Rolfes and Kathleen C Rolfes, Trustees	88 Ocean Vista	Newport Beach	CA	92660	0.012101%
187	HWW5 Enterprises, LLC	P O Box 430	Saline	MI	48176	0.034902%
188	The Chau Trust	344 Riverwood	Richland	WA	99352	0.012101%
189	Richard E Ehlers, MD	3403 Powerhouse Road	Yakima	WA	98902	0.024201%
190	The Hammersmith Living Trust	2229 Harris Avenue	Richland	WA	99354	0.012101%
191	Marion L. Severance (sole and separate owner)	12106 Hillcrest Drive	Pesco	WA	99301	0.012101%
192	Mark Hayes and Gabriele Hayes	8234 Skyline Drive	Los Angeles	CA	90046	0.018151%
193	Torrance Nicksic	3701 Turtle Creek Suite 10-J	Dallas	TX	75219	0.017183%
194	Jay Franklin Short	4659 County Road 240	Durango	CO	81301	0.012101%
195	Rodenburg, Inc.	19026 E Peco Rio Drive	Rio Verde	AZ	85263	0.020571%
196	Fred R Jensen	P O Box 12189	Portland	OR	97212	0.018569%
197	Patrick R McMahon and Pamela A McMahon, Trustees of the McMahon Family Trust dtd 2/7/86	553 Bucher Avenue	Santa Clara	CA	95051	0.060503%
198	Wayne D Buckingham	P O Box 565	White Sulphur Springs	MT	59645	0.050000%
199	The John A Udall & Cathy D Udall Revocable Trust utd 12-21-89	7 Rocky Point Road	Corona Del Mar	CA	92625	0.012101%
200	Boscamp Family Limited Partnership, L.L.P.	5531 Winston Court	Dallas	TX	75220	0.050000%
201	Alpine Royalties, LLC	15601 Dallas Parkway Suite 900	Addison	TX	75001	0.087653%
202	Vail Consulting, LP	5019 Morris Avenue	Addison	TX	75001	0.016500%
203	Lamar Loyd	P.O., Box 90037	Houston	TX	77290	0.016500%
204	Lauren M. Munn and Richard W. Munn, Co-Trustees of the MMV and JLM Family Trust	15 Camelot Oak Court	The Woodlands	TX	77382	0.050000%
205	Falcon Royalties, LLC	15601 Dallas Parkway Suite 900	Addison	TX	75001	
206	ENCANA					9.500002%
207	BLM					
208	SEMC					
209	DJR					

EXHIBIT C 13

RETURNED LETTERS:

- Carl B Heise Family Trust
- Wendy A. Davies, Trustee, Seabury L. Davies Family Trust
- Marion L. Severance (sole and separate owner)
- David M Cassard, Trustee of the David M Cassard Trust Dated September 7, 2001 as amended from time to time
- James R Cox
- Fred Ashbaugh and Susan Ashbaugh Revocable Living Trust Dated 8-22-1996
- John Owen Murring and DeVonna Kae Murrin, Trustees of the Murrin Falcon Trust
- The Chau Trust
- R Harold Greenlee
- Richard W Buck Trust dtd 11/10/94
- We Buy Houses, Inc.
- Herbert R Hahn Living Trust, Herbert R Hahn, Trustee
- San Antonio 43 Trust
- Joseph C Jou
- Yates Living Trust
- Lyle R Keller
- Fred R Jensen
- Stig H Medby and Laurie J Medby, Trustees of the Trust of Stig H Medby and Laurie J. Medby u.a.d 4-28-94
- Walter Michielutti & Patricia A Michielutti
- Henry R Schweitzer, Trustee of the Henry R Schweltzer Trust dtd 3/1/2000
- The Silva Family Trust dated June 23, 1999
- Balk Family Trust u/a/d January 22, 2007
- Kandis H Wrigley
- Elzbieta Skaiska Golanka
- Dorothy M Prue Revocable Trust u/a/d 5/25/95
- Janesky Trust, Lawrence M Janesky Trustee
- Rodenburg, Inc.
- The Van Zomeren Family Trust
- The Wayne L. Richards & Christine M. Richards Revocable Inter Vivos Trust Agreement Dtd 6-2-03
- National Financial Services LLC CUST FBO Christian Bang, IRA
- National Financial Services LLC CUST FBO John E. Straw, IRA
- National Financial Services LLC CUST FBO John McNamara
- Caroline N. Hoagland as Trustee under the Hoagland living Trust dated September 22, 2000
- James E. Barber and Barbara G. Barber, Husband and Wife
- Falcon Gas, LLC
- James S. Fleischer Living Trust, James S. Fleischer TTEE 4/23/92
- Pensco Trust Co. FBO Albert Robitaille
- WillowFarm, LLC

- **Anthony Aguilar and Karen Aguilar**
- **Matthew J. Therrell**
- **Joyce S. Sass Revocable Living Trust, Joyce S. Sass, Trustee**
- **Sheila Wadman Sayles, Trustee of the Sheila Wadman Sayles Living Trust udt dated June 15, 2007**
- **Lloyd A Nelson and/or Margit B Nelson as Trustees of the Nelson 2000 Trust**
- **Elana Viahandreas**
- **Roger Miles Brown Revocable Trust of October 8, 2004**
- **Owen A. Ellis & Sandra R. Ellis**
- **Joe B. Green and Nancy G. Green Management Trust Agreement dtd the 21st day of December, 2005**
- **Linda Hecht**
- **RKB LLC.**
- **Zantke Living Trust dtd August 22, 1990, Hardy E. Zantke & Jutta Zantke, Trustees**
- **Richard K. Peters**
- **Omni Financial Advisors Defined Benefit Plan, Robert L. Vonderharr, Trustee**

EXHIBIT C 14

THE DAILY TIMES

AFFIDAVIT OF PUBLICATION

Ad No.
0001290849

LOGOS RESOURCES, LLC
2010 AFTON PLACE

FARMINGTON NM 87401

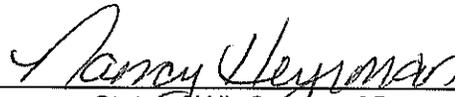
I, being duly sworn say: THE DAILY TIMES, a daily newspaper of general circulation published in English at Farmington, said county and state, and that the hereto attached Legal Notice was published in a regular and entire issue of the said DAILY TIMES, a daily newspaper duly qualified for the purpose within the State of New Mexico for publication and appeared in the internet at The Daily Times web site on the following days(s):

07/10/19



Legal Clerk

Subscribed and sworn before me this
10th of July 2019.



State of WI, County of Brown
NOTARY PUBLIC

5.15.23

My Commission Expires

Ad#:0001290849
P O :
of Affidavits :0.00

NANCY HEYRMAN
Notary Public
State of Wisconsin

NOTICE

To the following entities, individuals, their heirs, personal representatives, trustees, successors or assigns: Carl B. Heise Family Trust; Wendy A. Davies, Trustee, Seabury L. Davies Family Trust; Marion L. Severance; David M. Cassard, Trustee, David M. Cassard Trust; James R. Cox, Fred Ashbaugh And Susan Ashbaugh Revocable Living Trust; John Owen Murring and DeVonna Kae Murring, Trustees, Murrin Falcon Trust; The Chau Trust; R. Harold Greenlee; Richard W. Buck Trust; We Buy Houses, Inc.; Herbert R. Hahn, Trustee, Herbert R. Hahn Living Trust; San Antonio 43 Trust; Joseph C. Jou; Yates Living Trust; Lyle R. Keller; Fred R. Jensen; Stig H. Medby and Laurie J. Medby, Trustees, Trust of Stig H. Medby and Laurie J. Medby; Walter Michielutti and Patricia A. Michielutti; Henry R. Schweitzer, Trustee, Henry R. Schweitzer Trust; The Silva Family Trust; Balk Family Trust; Kandis H. Wrigley; Elzbieta Skaiska Golanka; Dorothy M. Prue Revocable Trust; Janesky Trust, Lawrence M. Janesky Trustee; Rodenburg Inc.; The Van Zomeren Family Trust; The Wayne L. Richards & Christine M. Richards Revocable Inter Vivos Trust; National Financial Services LLC CUST FBO Christian Bang, IRA; National Financial Services LLC CUST FBO John E. Straw, IRA; National Financial Services LLC CUST FBO John McNamara; Caroline N. Hoagland, Trustee, Hoagland Living Trust; James E. Barber and Barbara G. Barber; Falcon Gas, LLC.; James S. Fleischer Living Trust; Pensco Trust Co. FBO Albert Robitaille; WillowFarm, LLC.; Anthony Aguilar and Karen Aguilar; Matthew J. Therrell; Joyce S. Sass Revocable Living Trust; Joyce S. Sass, Trustee; Sheila Wadman Sayles, Trustee; Lloyd A. Nelson and/or Margit B. Nelson as Trustee of the Nelson 2000 Trust; Elana Viahandreas; Roger Mile Brown Revocable Trust; Owen A. Ellis & Sandra R. Ellis; Joe B. Green and Nancy G. Green Management Trust Agreement; Linda Hecht; RKB LLC.; Zantke Living Trust; Richard K. Peters; Omni Financial Advisors Defined Benefit Plan, Robert L. Vonderharr, Trustee; Gordon L. Worstell; Pamela English Allinson; The Gene and Pauline Anderson Revocable Trust; William H. Barclay; Bialecki Kidney Cancer Foundation, Leon Bialecki, President; The Booth Family Revocable Trust of 9/27/1994; Richarc J. Coverdale Revocable Trust; Big Hole Roost Associates a MD Ltd Partnership; R. Scott Faley PC Pension Trust; Jennifer Suzanne Irish and Jeffery David Hurlow, Husband and Wife; Venetia M N Patout; Peter Petrucci; Thunder Investments, LP; John Sheldon Clark; Harry E. Jenkins; Jimmy Tubbs, Jr.; Whann Family Limited Partnership, an Alaskan Limited Partnership; Christopher C. Marx and Katherine C. Marx, as Joint Tenants; Michael H. McCollum TTEE F/T M.H. McCollum 1996 Charitable Trust 5/8/96; Jim Scargg, Trustee, Ray Morgan Profit Sharing Plan dtd 9/1/68; Steven K. Sterzer, M.D. Pension & Profit Sharing Plan; Joan Stewart; Marilyn Barnett Trust dtd 12/11/1978 as Amended; North Star Partners, LLC; Barbara Stern Fink; 1998 Chin Family Trust; Sterling Trust Co. FBO Dan McClaran Hayes, Jr.; David L. Wichmann; GS1031A, LLC; Jacqueline Damon and Jean Francois Damon; David E U Morris; Scott R. Peterson and Claudia Peterson; Elsa Z. Rickards, Trustee of the Rickards Trust; FCC LLC Cust FBO Matthew J. Therrell IRA #3635-1648; FCC LLC FBO Gerald Dan Thompson IRA #51911593; Edward P. Gatti Revocable Trust, Edward P. Gatti, TTEE; The Grady Family Revocable Trust UTA dtd 11/10/93; The 2004 Chester B. Lee and Rafaela Lim Lee Revocable Trust; Roaert O. Orwig; Royalties Income Holdings, LLC; Robert D. Husemoller Living Trust dtd December 28, 1995; Robert E. Moroney, Trustee of Robert E. Moroney Trust; Steven A. Prue Revocable Trust dtd February 16, 1999; Mark Hayes and Gabriele Hayes; Boscamp Family Limited Partnership, L.L.P.; Vail Consulting, LP; Lamar Loyd; Lauren M. Munn and Richard W. Munn, Co-Trustees of the MMV and JLM Family Trust; DJR Energy.

LOGOS Operating, LLC has filed an Application with the New Mexico Oil Conservation Division as follows: *Case No. 2049; Application of Logos Operating, LLC for Compulsory Pooling, San Juan County, New Mexico.* Applicant seeks an order pooling all interests in the Gallup formation underlying Lots 2 (Unit D) and 3 (Unit E) of Section 13 and the N/2 of Section 14, Township 24 North, Range 8 West, NMPM in San Juan County, New Mexico. Applicant seeks to establish a 196.98-acre + horizontal spacing unit in the Escrito-Gallup Oil Pool underlying the subject lands. The unit will be dedicated to two wells to be drilled by Applicant as follow:

(1) the Dragonfly 2408 13C Com No. 1H at an approximate surface hole location in Lot 1 (Unit C) of Section 13 with an estimated bottom hole location in the NW/4 NW/4 (Unit D) of Section 14; and (2) the Dragonfly 2408 13C Com No. 2H at an approximate surface hole location in Lot 1 (Unit C) of Section 13 with an estimated bottom hole location in the SW/4 NW/4 (Unit E) of Section 14, all within T24N R8W. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost, the designation of Applicant as Operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. Applicant will also provisionally request an exception to the acreage dedication requirements of Rule 19.15.16.15.B (2).

This Application is scheduled for hearing on June 27, 2019, at 8:15 a.m. at the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico. You are not required to attend this hearing, but as an owner of an interest that may be affected, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this application at a later time. If you intend to attend the hearing and present testimony or evidence, you must enter your appearance and serve the Division, counsel for the Applicant and other parties with a prehearing statement at least four business days before the scheduled hearing date in accordance with Division Rule 19.15.4.13.

For further information, contact the Applicant's attorney, I. Scott Hall, LOGOS Resources II, LLC, P.O. Box 1946, Santa Fe, New Mexico 87504 (505) 303-7236.

Legal No. 1290849 published in The Daily Times on July 10, 2019.