

To Whom It May Concern,

Alpha Energy Partners II, LLC (AEP II) have no permission to do any operations or production or producing any oil by drilling on this property listed.

Bone Spring Formations: No, you do not have permission to do nothing on the property.

No, you do not have permission to do anything under the terms of my modified 1984 AMPL form of operating agreement. Lillie Anderson and Warren Anderson do not accept this operating agreement.

This offer is unacceptable.

BELOW IS OUR RECONSIDERATION OF THE AGREEMENT

Oil, Gas and Energy Lease Agreements

Lessor Asking: \$10.00 Per Barrel

Bonus: \$18,000.00

Royalty: 25% (1/4)

And \$1,000.00 Monthly for the first 3 years of Contract

Lessee agrees that any oil from Lessee operations or production of oil produced that the Lessee will pay the Lessor \$10.00 per barrel and not less than \$10.00 per barrel, unless expressly agreed in writing by Lessor. Any sale below this price shall be deemed a breach of Contract.

Lessor has the right to deal with any company it prefers to deal with at any time when it deals with the selling and leasing of property.

All oil, gas, mineral and hydrocarbons produced on the leased premises shall be subject to a royalty of one fourth (1/4) of the market value at the well or actual proceeds, whichever is greater. While operation and production is in progress the Lessor shall be paid a one time signing bonus

of \$18,000.00 per year meaning every year for the first three years payable upon the execution of this Lease.

Petroleum products: The term can also refer to a measure of energy known as a barrel of oil equivalent (BOE), which represents the approximate energy content of one barrel of crude oil. Note: Barrel of oil typically refers to a unit of volume equal to 42 US gallons or approximately 159 liters used primarily in the oil and gas industry. This standard barrel is used for measuring both crude oil and refined. The current price of oil is \$69.47 a barrel. It changes country to country due to their currency exchange rate. Note: We wouldn't ever try to dictate the price that the Lessee should sell a barrel of oil for.

With the operations and production that you plan to be on property listed on pages 2, 3, 4...540,000 barrels of oil at the Lease, which, you, stand to make 70,000,000 or more. But you want to offer

- *\$6,000/acre lease bonus;

- *1/4th royalty rate;

- *3 year primary item, with 2 year option to extend, Paid Up

Your offer is not feasible for both parties. Your offer is insulting and you're harassing and bogarting. We won't accept it.

We would like to reach an agreement and not have to keep going to the New Mexico Oil Conservation Division for compulsory pooling. The property can be leased if we can agree on a lease that works for both parties. The minerals are not for sale. The land is not for sale.

Thank you for your time and consideration, feel free to reach out if you have any questions. Alpha Energy Partners II LLC & Permian Asset Co do not have permission to do Operations or production or drilling @ this time. Hopefully we can work out a feasible agreement for both parties.

Hollywood Star Fee Well Proposals

Hollywood Star 17-18 Fee Cm 503H

We would like to come to a feasible agreement.