



OIL COMPANY, LLC

555 SEVENTEENTH STREET • SUITE 2400 • DENVER, COLORADO 80202 • 303 298-1000 • FAX 303 299-1518

May 5, 2015

NM&O Operating Co.  
Attn: Mr. Larry Sweet  
320 South Boston, #2000  
Tulsa, OK 74103

*Larry*  
918-584-3802

Via Federal Express

Re: Schmitz Well #1  
T24N-R2W, Section 1: All  
Rio Arriba County, NM

Oil Conservation Division  
Case No. 3  
Exhibit No. \_\_\_\_\_

Dear Mr. Sweet:

Anschutz Oil Company ("Anschutz") hereby proposes the drilling and completion of the above referenced well (the "Well") to an approximate total depth of approximately 8,428' to test the Mancos and Dakota Formations. To improve the economics of the well, Anschutz proposes to complete both the Mancos and Dakota Formations, and to comingle production from these horizons. The estimated completed well cost is \$3.35 million, as detailed within the attached Authority for Expenditure ("AFE"). The costs set forth in the attached AFE are estimates and actual costs may be higher or lower.

The spacing unit for this well is proposed to be 640 acres, comprised of all of Section 1, T24N-R2W. This proposed spacing unit is in the area of the Gavilan-Mancos Pool, which provides for 640 acre spacing, and in the area of the Greenhorn-Graneros-Dakota Pool and the West Lindrith Gallup-Dakota Pool, both of which provide for 320 acre spacing. To accommodate the proposed comingling of production, Anschutz plans to apply for a non-standard spacing unit for the Dakota, to conform the spacing for both the Mancos and Dakota Formations at 640 acres. According to our title information, NM&O Operating Co. owns a working interest of approximately 0.4787% in the 640 acre spacing unit in both the Mancos and the Dakota Formations.

Please indicate your election to participate or not participate in the drilling of this well, by signing and dating the appropriate space below. In the event that you elect to participate in the drilling of the well, please provide us with your drilling and geologic reports requirements, along with the signed AFE, and we will provide you with a proposed JOA, on an 1989 AAPL form. In the event that you are not interested in participating in the drilling of this well, please contact the undersigned to discuss other options in connection with your interest in the spacing unit and well (i.e., farmout, term assignment, or

entering into a JOA providing for a non-consent penalty). Anschutz is working under a tight deadline to drill this well, therefore, we will appreciate your prompt response to this notice. Please respond by June 1, 2015 if at all possible.

Please feel free to call me at 303-299-1478 if you should have any questions about this matter, or if I can be of assistance to you in any way.

Sincerely,



Deidre O'Callaghan  
Senior Landman

\_\_\_\_\_ NM&O Operating Co. elects to participate in the drilling and completion of the Schmitz Well #1, enclosed is the executed AFE.

\_\_\_\_\_ NM&O Operating Co. elects not to participate in the drilling and completion of the Schmitz Well #1. NM&O Operating Co. would like to consider an option to farmout or enter into a term assignment or joint operating agreement in connection with its interest in the well and associated spacing unit.

WI Owner: NM&O Operating Co.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



OIL COMPANY, LLC

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May 5, 2015

J&M Raymond, Ltd.  
P.O. Box 291445  
Kerrville, TX 87029  
Attn: Ms. Tanya Horton, Landman

Via Express Mail

Re: Schmitz Well #1  
T24N-R2W, Section 1: All  
Rio Arriba County, NM

*Spoke to Tanya 6/3/15  
She said they are  
waiting to see what  
TH McElvan will do,  
they'll do the same*

Dear Ms. Horton

Anschutz Oil Company ("Anschutz") hereby proposes the drilling and completion of the above referenced well (the "Well") to an approximate total depth of approximately 8,428' to test the Mancos and Dakota Formations. To improve the economics of the well, Anschutz proposes to complete both the Mancos and Dakota Formations, and to comingle production from these horizons. The estimated completed well cost is \$3.35 million, as detailed within the attached Authority for Expenditure ("AFE"). The costs set forth in the attached AFE are estimates and actual costs may be higher or lower.

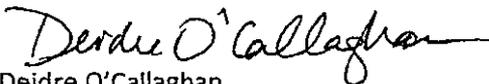
The spacing unit for this well is proposed to be 640 acres, comprised of all of Section 1, T24N-R2W. This proposed spacing unit is in the area of the Gavilan-Mancos Pool, which provides for 640 acre spacing, and in the area of the Greenhorn-Graneros-Dakota Pool and the West Lindrith Gallup-Dakota Pool, both of which provide for 320 acre spacing. To accommodate the proposed comingling of production, Anschutz plans to apply for a non-standard spacing unit for the Dakota, to conform the spacing for both the Mancos and Dakota Formations at 640 acres. According to our title information, J&M Raymond, Ltd. owns a working interest of approximately 2.9864% in the 640 acre spacing unit in both the Mancos and the Dakota Formations.

Please indicate your election to participate or not participate in the drilling of this well, by signing and dating the appropriate space below. In the event that you elect to participate in the drilling of the well, please provide us with your drilling and geologic reports requirements, along with the signed AFE, and we will provide you with a proposed JOA, on an 1989 AAPL form. In the event that you are not interested in participating in the drilling of this well, please contact the undersigned to discuss other options in connection with your interest in the spacing unit and well (i.e., farmout, term assignment, or

entering into a JOA providing for a non-consent penalty). Anschutz is working under a tight deadline to drill this well, therefore, we will appreciate your prompt response to this notice. Please respond by June 1, 2015 if at all possible.

Please feel free to call me at 303-299-1478 if you should have any questions about this matter, or if I can be of assistance to you in any way.

Sincerely,

  
Deidre O'Callaghan  
Senior Landman

\_\_\_\_\_ J&M Raymond, Ltd. elects to participate in the drilling and completion of the Schmitz Well #1, enclosed is the executed AFE.

\_\_\_\_\_ J&M Raymond, Ltd. elects not to participate in the drilling and completion of the Schmitz Well #1. J&M Raymond, Ltd. would like to consider an option to farmout or enter into a term assignment or joint operating agreement in connection with its interest in the well and associated spacing unit.

WI Owner: J&M Raymond, Ltd.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



555 SEVENTEENTH STREET • SUITE 2400 • DENVER, COLORADO 80202 • 303 298-1000 • FAX 303 299-1518

May 5, 2015

McElvain Oil Company  
Attn: David McElvain  
P.O. Box 801888  
Dallas, TX 75380

Left msg for  
David 6/3/15

Via Express Mail

Re: Schmitz Well #1  
T24N-R2W, Section 1: All  
Rio Arriba County, NM

Dear Mr. McElvain:

Anschutz Oil Company ("Anschutz") hereby proposes the drilling and completion of the above referenced well (the "Well") to an approximate total depth of approximately 8,428' to test the Mancos and Dakota Formations. To improve the economics of the well, Anschutz proposes to complete both the Mancos and Dakota Formations, and to comingle production from these horizons. The estimated completed well cost is \$3.35 million, as detailed within the attached Authority for Expenditure ("AFE"). The costs set forth in the attached AFE are estimates and actual costs may be higher or lower.

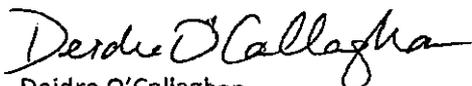
The spacing unit for this well is proposed to be 640 acres, comprised of all of Section 1, T24N-R2W. This proposed spacing unit is in the area of the Gavilan-Mancos Pool, which provides for 640 acre spacing, and in the area of the Greenhorn-Graneros-Dakota Pool and the West Lindrith Gallup-Dakota Pool, both of which provide for 320 acre spacing. To accommodate the proposed comingling of production, Anschutz plans to apply for a non-standard spacing unit for the Dakota, to conform the spacing for both the Mancos and Dakota Formations at 640 acres. According to our title information, McElvain Oil Company owns a working interest of approximately 2.9864% in the 640 acre spacing unit in both the Mancos and the Dakota Formations.

Please indicate your election to participate or not participate in the drilling of this well, by signing and dating the appropriate space below. In the event that you elect to participate in the drilling of the well, please provide us with your drilling and geologic reports requirements, along with the signed AFE, and we will provide you with a proposed JOA, on an 1989 AAPL form. In the event that you are not interested in participating in the drilling of this well, please contact the undersigned to discuss other options in connection with your interest in the spacing unit and well (i.e., farmout, term assignment, or

entering into a JOA providing for a non-consent penalty). Anschutz is working under a tight deadline to drill this well, therefore, we will appreciate your prompt response to this notice. Please respond by June 1, 2015 if at all possible.

Please feel free to call me at 303-299-1478 if you should have any questions about this matter, or if I can be of assistance to you in any way.

Sincerely,



Deidre O'Callaghan  
Senior Landman

\_\_\_\_\_ McElvain Oil Company elects to participate in the drilling and completion of the Schmitz Well #1, enclosed is the executed AFE.

\_\_\_\_\_ McElvain Oil Company elects not to participate in the drilling and completion of the Schmitz Well #1. McElvain Oil Company would like to consider an option to farmout or enter into a term assignment or joint operating agreement in connection with its interest in the well and associated spacing unit.

**WI Owner:** McElvain Oil Company

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



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May 5, 2015

T.H. McElvain Oil & Gas  
Attn: Mr. Rick Harris  
1050 17th Street, #2500  
Denver, CO 80265

Via Federal Express

Re: Schmitz Well #1  
T24N-R2W, Section 1: All  
Rio Arriba County, NM

Dear Mr. Harris:

Anschutz Oil Company ("Anschutz") hereby proposes the drilling and completion of the above referenced well (the "Well") to an approximate total depth of approximately 8,428' to test the Mancos and Dakota Formations. To improve the economics of the well, Anschutz proposes to complete both the Mancos and Dakota Formations, and to comingle production from these horizons. The estimated completed well cost is \$3.35 million, as detailed within the attached Authority for Expenditure ("AFE"). The costs set forth in the attached AFE are estimates and actual costs may be higher or lower.

The spacing unit for this well is proposed to be 640 acres, comprised of all of Section 1, T24N-R2W. This proposed spacing unit is in the area of the Gavilan-Mancos Pool, which provides for 640 acre spacing, and in the area of the Greenhorn-Graneros-Dakota Pool and the West Lindrith Gallup-Dakota Pool, both of which provide for 320 acre spacing. To accommodate the proposed comingling of production, Anschutz plans to apply for a non-standard spacing unit for the Dakota, to conform the spacing for both the Mancos and Dakota Formations at 640 acres. With respect to parties who own different interests in the Mancos and Dakota Formations, Anschutz proposes that these parties should share in the *drilling costs* in on a 50-50 basis in the proportions that such parties own in each of the two formations, and that such parties should bear their proportional shares of the costs of completion in each formation, and that the comingled production shall be shared proportionately based upon production tests in the two formations after completion. According to our title information, T.H. McElvain Oil & Gas owns a working interest of approximately 35.441% in the 640 acre spacing unit in the Mancos Formation and 41.414% in the Dakota Formation.

Please indicate your election to participate or not participate in the drilling of this well, by signing and dating the appropriate space below. In the event that you elect to participate in the drilling of the well, please provide us with your drilling and geologic reports requirements, along with the signed AFE, and we will provide you with a proposed JOA, on an 1989 AAPL form. In the event that you are not interested in participating in the drilling of this well, please contact the undersigned to discuss other options in connection with your interest in the spacing unit and well (i.e., farmout, term assignment, or entering into a JOA providing for a non-consent penalty). Anschutz is working under a tight deadline to drill this well, therefore, we will appreciate your prompt response to this notice. Please respond by June 1, 2015 if at all possible.

Please feel free to call me at 303-299-1478 if you should have any questions about this matter, or if I can be of assistance to you in any way.

Sincerely,



Deidre O'Callaghan  
Senior Landman

\_\_\_\_\_ T.H. McElvain Oil & Gas elects to participate in the drilling and completion of the Schmitz Well #1, enclosed is the executed AFE and our geological requirements form.

\_\_\_\_\_ T.H. McElvain Oil & Gas elects not to participate in the drilling and completion of the Schmitz Well #1. T.H. McElvain Oil & Gas would like to consider an option to farmout or enter into a term assignment or joint operating agreement in connection with its interest in the well and associated spacing unit.

WI Owner: T.H. McElvain Oil & Gas

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_



OIL COMPANY, LLC

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May 5, 2015

Arriba Company, LLC  
P.O. Box 35304  
Tulsa, OK 74153

Via Express Mail

Re: Schmitz Well #1  
T24N-R2W, Section 1: All  
Rio Arriba County, NM

Gentlemen:

Anschutz Oil Company ("Anschutz") hereby proposes the drilling and completion of the above referenced well (the "Well") to an approximate total depth of approximately 8,428' to test the Mancos and Dakota Formations. To improve the economics of the well, Anschutz proposes to complete both the Mancos and Dakota Formations, and to comingle production from these horizons. The estimated completed well cost is \$3.35 million, as detailed within the attached Authority for Expenditure ("AFE"). The costs set forth in the attached AFE are estimates and actual costs may be higher or lower.

The spacing unit for this well is proposed to be 640 acres, comprised of all of Section 1, T24N-R2W. This proposed spacing unit is in the area of the Gavilan-Mancos Pool, which provides for 640 acre spacing, and in the area of the Greenhorn-Graneros-Dakota Pool and the West Lindrith Gallup-Dakota Pool, both of which provide for 320 acre spacing. To accommodate the proposed comingling of production, Anschutz plans to apply for a non-standard spacing unit for the Dakota, to conform the spacing for both the Mancos and Dakota Formations at 640 acres. According to our title information, Arriba Company, LLC owns a working interest of approximately 2.5192% in the 640 acre spacing unit in both the Mancos and the Dakota Formations.

Please indicate your election to participate or not participate in the drilling of this well, by signing and dating the appropriate space below. In the event that you elect to participate in the drilling of the well, please provide us with your drilling and geologic reports requirements, along with the signed AFE, and we will provide you with a proposed JOA, on a 1989 AAPL form. In the event that you are not interested in participating in the drilling of this well, please contact the undersigned to discuss other options in connection with your interest in the spacing unit and well (i.e., farmout, term assignment, or entering into a JOA providing for a non-consent penalty). Anschutz is working under a tight deadline to

drill this well, therefore, we will appreciate your prompt response to this notice. Please respond by June 1, 2015 if at all possible.

Please feel free to call me at 303-299-1478 if you should have any questions about this matter, or if I can be of assistance to you in any way.

Sincerely,

  
Deidre O'Callaghan  
Senior Landman

\_\_\_\_\_ Arriba Company, LLC elects to participate in the drilling and completion of the Schmitz Well #1, enclosed is the executed AFE.

\_\_\_\_\_ Arriba Company, LLC elects not to participate in the drilling and completion of the Schmitz Well #1. Arriba Company, LLC would like to consider an option to farmout or enter into a term assignment or joint operating agreement in connection with its interest in the well and associated spacing unit.

**WI Owner:** Arriba Company, LLC

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



555 SEVENTEENTH STREET • SUITE 2400 • DENVER, COLORADO 80202 • 303 298-1000 • FAX 303 299-1518

May 5, 2015

Classical Gas & Oil, LLC  
1499 Blake Street, Ste. 10C  
Denver, CO 80202  
Attn: Mr. Kelly Krattenmaker

Via Federal Express

Re: Schmitz Well #1  
T24N-R2W, Section 1: All  
Rio Arriba County, NM

Dear Kelly:

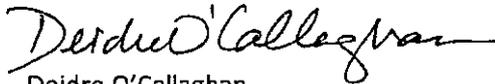
Anschutz Oil Company ("Anschutz") hereby proposes the drilling and completion of the above referenced well (the "Well") to an approximate total depth of approximately 8,428' to test the Mancos and Dakota Formations. To improve the economics of the well, Anschutz proposes to complete both the Mancos and Dakota Formations, and to comingle production from these horizons. The estimated completed well cost is \$3.35 million, as detailed within the attached Authority for Expenditure ("AFE"). The costs set forth in the attached AFE are estimates and actual costs may be higher or lower.

The spacing unit for this well is proposed to be 640 acres, comprised of all of Section 1, T24N-R2W. This proposed spacing unit is in the area of the Gavilan-Mancos Pool, which provides for 640 acre spacing, and in the area of the Greenhorn-Graneros-Dakota Pool and the West Lindrith Gallup-Dakota Pool, both of which provide for 320 acre spacing. To accommodate the proposed comingling of production, Anschutz plans to apply for a non-standard spacing unit for the Dakota, to conform the spacing for both the Mancos and Dakota Formations at 640 acres. With respect to parties who own different interests in the Mancos and Dakota Formations, Anschutz proposes that these parties should share in the *drilling costs* in on a 50-50 basis in the proportions that such parties own in each of the two formations, and that such parties should bear their proportional shares of the costs of completion in each formation, and that the comingled production shall be shared proportionately based upon production tests in the two formations after completion. According to our title information, Classical Gas & Oil, LLC owns a working interest of approximately 0.000% in the 640 acre spacing unit in the Mancos Formation and 8.269% in the Dakota Formation.

Please indicate your election to participate or not participate in the drilling of this well, by signing and dating the appropriate space below. In the event that you elect to participate in the drilling of the well, please provide us with your drilling and geologic reports requirements, along with the signed AFE, and we will provide you with a proposed JOA, on an 1989 AAPL form. In the event that you are not interested in participating in the drilling of this well, please contact the undersigned to discuss other options in connection with your interest in the spacing unit and well (i.e., farmout, term assignment, or entering into a JOA providing for a non-consent penalty). Anschutz is working under a tight deadline to drill this well, therefore, we will appreciate your prompt response to this notice. Please respond by June 1, 2015 if at all possible.

Please feel free to call me at 303-299-1478 if you should have any questions about this matter, or if I can be of assistance to you in any way.

Sincerely,



Deidre O'Callaghan  
Senior Landman

\_\_\_\_\_ Classical Gas & Oil, LLC elects to participate in the drilling and completion of the Schmitz Well #1, enclosed is the executed AFE and our geological requirements form.

\_\_\_\_\_ Classical Gas & Oil, LLC elects not to participate in the drilling and completion of the Schmitz Well #1. Classical Gas & Oil, LLC would like to consider an option to farmout or enter into a term assignment or joint operating agreement in connection with its interest in the well and associated spacing unit.

**WI Owner:** Classical Gas & Oil, LLC

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



555 SEVENTEENTH STREET • SUITE 2400 • DENVER, COLORADO 80202 • 303 298-1000 • FAX 303 299-1518

May 5, 2015

Roger Julius Palmer Abbott, Jr., SSP  
Attn: John Abbott  
792 Maryland Ave. E,  
St. Paul, MN 55106

Via Federal Express

Re: Schmitz Well #1  
T24N-R2W, Section 1: All  
Rio Arriba County, NM

Dear Mr. Abbott:

Our records indicate that Roger Julius Palmer Abbott, Jr., SSP owns a 16.6667% unleased mineral interest in 322.46 acres in the following described lands:

T24N-R2W, Section 1: Lot 1 (NENE), SENE, SE and S/2SW

It is my understanding that you have been contacted by our agent, Mr. Jack Richardson of JBarCane, Inc. and that you have either agreed to lease your minerals to JBarCane, or that you are in negotiations to agree to terms for such a lease.

Anschutz Oil Company ("Anschutz") has plans to drill a well in this area, and is considering several locations for the drilling of a well, including one in the SE Section 1, T24N-R2W. Because we have been unable to locate one unleased mineral interest owner in the above described acreage, and because we intend to propose a non-standard spacing unit in association with a proposed well in Section 1 (see below for more details), we will need to apply for a non-standard spacing unit and for a force pooling order with the New Mexico Oil Conservation Division. Anschutz is working under a short contractual deadline for the drilling of a well in this area and therefore needs to provide notice of this proposed well to you now, under New Mexico regulations, in order to schedule a hearing in time to meet our contractual deadline for drilling. Again, the location in Section 1, T24N-R2W is one of several locations that we are considering for drilling; to be clear, Anschutz is not committing to drill this well at this time.

In the event that you have either signed a lease with JBarCane, acting as agent for Anschutz, or that you do so prior to the commencement of drilling of a well involving your lands, the following well proposal

will not be applicable to you as a royalty owner. However, as we do not currently have a lease in place covering your mineral interest, we are required to provide you with an opportunity to participate in the drilling of the proposed well.

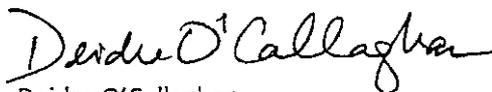
Therefore, Anschutz hereby proposes the drilling and completion of the above referenced well (the "Well") to an approximate total depth of approximately 8,428' to test the Mancos and Dakota Formations. To improve the economics of the well, Anschutz proposes to complete both the Mancos and Dakota Formations, and to commingle production from these horizons. The estimated completed well cost is \$3.35 million, as detailed within the attached Authority for Expenditure ("AFE"). The costs set forth in the attached AFE are estimates and actual costs may be higher or lower.

The spacing unit for this well is proposed to be 640 acres, comprised of all of Section 1, T24N-R2W. This proposed spacing unit is in the area of the Gavilan-Mancos Pool, which provides for 640 acre spacing, and in the area of the Greenhorn-Graneros-Dakota Pool and the West Lindrith Gallup-Dakota Pool, both of which provide for 320 acre spacing. To accommodate the proposed commingling of production, Anschutz plans to apply for a non-standard spacing unit for the Dakota, to conform the spacing for both the Mancos and Dakota Formations at 640 acres. According to our title information Roger Julius Palmer Abbott, Jr., SSP owns a working interest (unleased mineral interest) of approximately 8.2693% in the 640 acre spacing unit in both the Mancos and the Dakota Formations.

Please indicate your election to participate or not participate in the drilling of this well and to pay your proportionate share of drilling and completion costs, by signing and dating the appropriate space below. In the event that you elect to participate in the drilling of the well, please provide us with your drilling and geologic reporting requirements, along with the signed AFE, and we will provide you with a proposed Joint Operating Agreement, on a 1989 AAPL form of operating agreement. In the event that you are not interested in participating in the drilling of this well, please contact the undersigned or Mr. Jack Richardson of JBarCane to complete a lease covering your mineral interest. Anschutz is working under a tight deadline to drill this well, therefore, we will appreciate your prompt response to this notice. Please respond by June 1, 2015 if at all possible.

Please feel free to call me at 303-299-1478 if you should have any questions about this matter, or if I can be of assistance to you in any way.

Sincerely,



Deidre O'Callaghan  
Senior Landman

\_\_\_\_\_ Roger Julius Palmer Abbott, Jr., SSP elects to participate in the drilling and completion of the Schmitz Well #1, enclosed is the executed AFE.

\_\_\_\_\_ Roger Julius Palmer Abbott, Jr., SSP elects not to participate in the drilling and completion of the Schmitz Well #1, and agrees to lease under terms negotiated with Anschutz's agent, JBarCane.

**Owner:** Roger Julius Palmer Abbott, Jr., SSP

**Signature:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Date:** \_\_\_\_\_



556 SEVENTEENTH STREET • SUITE 2400 • DENVER, COLORADO 80202 • 303 298-1000 • FAX 303 299-1518

May 5, 2015

JAS Oil and Gas Co., LLC  
Attn: Mr. Kurt Sommer  
200 W. Marcy, #129  
Santa Fe, NM 87501

Via Federal Express

Re: Schmitz Well #1  
T24N-R2W, Section 1: All  
Rio Arriba County, NM

Dear Mr. Sommer:

Our records indicate that JAS Oil and Gas Co., LLC owns a 8.333% unleased mineral interest in 322.46 acres in the following described lands:

T24N-R2W, Section 1: Lot 1 (NENE), SENE, SE and S/2SW

It is my understanding that you have been contacted by our agent, Mr. Jack Richardson of JBarCane, Inc. and that you have either agreed to lease your minerals to JBarCane, or that you are in negotiations to agree to terms for such a lease.

Anschutz Oil Company ("Anschutz") has plans to drill a well in this area, and is considering several locations for the drilling of a well, including one in the SE Section 1, T24N-R2W. Because we have been unable to locate one unleased mineral interest owner in the above described acreage, and because we intend to propose a non-standard spacing unit in association with a proposed well in Section 1 (see below for more details), we will need to apply for a non-standard spacing unit and for a force pooling order with the New Mexico Oil Conservation Division. Anschutz is working under a short contractual deadline for the drilling of a well in this area and therefore needs to provide notice of this proposed well to you now, under New Mexico regulations, in order to schedule a hearing in time to meet our contractual deadline for drilling. Again, the location in Section 1, T24N-R2W is one of several locations that we are considering for drilling; to be clear, Anschutz is not committing to drill this well at this time.

In the event that you have either signed a lease with JBarCane, acting as agent for Anschutz, or that you do so prior to the commencement of drilling of a well involving your lands, the following well proposal

will not be applicable to you as a royalty owner. However, as we do not currently have a lease in place covering your mineral interest, we are required to provide you with an opportunity to participate in the drilling of the proposed well.

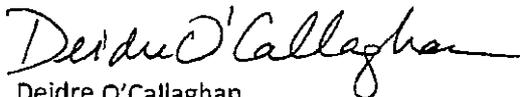
Therefore, Anschutz hereby proposes the drilling and completion of the above referenced well (the "Well") to an approximate total depth of approximately 8,428' to test the Mancos and Dakota Formations. To improve the economics of the well, Anschutz proposes to complete both the Mancos and Dakota Formations, and to comingle production from these horizons. The estimated completed well cost is \$3.35 million, as detailed within the attached Authority for Expenditure ("AFE"). The costs set forth in the attached AFE are estimates and actual costs may be higher or lower.

The spacing unit for this well is proposed to be 640 acres, comprised of all of Section 1, T24N-R2W. This proposed spacing unit is in the area of the Gavilan-Mancos Pool, which provides for 640 acre spacing, and in the area of the Greenhorn-Graneros-Dakota Pool and the West Lindrith Gallup-Dakota Pool, both of which provide for 320 acre spacing. To accommodate the proposed comingling of production, Anschutz plans to apply for a non-standard spacing unit for the Dakota, to conform the spacing for both the Mancos and Dakota Formations at 640 acres. According to our title information, JAS Oil and Gas Co., LLC owns a working interest (unleased mineral interest) of approximately 4.1346% in the 640 acre spacing unit in both the Mancos and the Dakota Formations.

Please indicate your election to participate or not participate in the drilling of this well and to pay your proportionate share of drilling and completion costs, by signing and dating the appropriate space below. In the event that you elect to participate in the drilling of the well, please provide us with your drilling and geologic reporting requirements, along with the signed AFE, and we will provide you with a proposed Joint Operating Agreement, on a 1989 AAPL form of operating agreement. In the event that you are not interested in participating in the drilling of this well, please contact the undersigned or Mr. Jack Richardson of JBarCane to complete a lease covering your mineral interest. Anschutz is working under a tight deadline to drill this well, therefore, we will appreciate your prompt response to this notice. Please respond by June 1, 2015 if at all possible.

Please feel free to call me at 303-299-1478 if you should have any questions about this matter, or if I can be of assistance to you in any way.

Sincerely,



Deidre O'Callaghan  
Senior Landman

\_\_\_\_\_ JAS Oil and Gas Co., LLC elects to participate in the drilling and completion of the Schmitz Well #1, enclosed is the executed AFE.

\_\_\_\_\_ JAS Oil and Gas Co., LLC elects not to participate in the drilling and completion of the Schmitz Well #1, and agrees to lease under terms negotiated with Anschutz's agent, JBarCane.

Owner: JAS Oil and Gas Co., LLC

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



555 SEVENTEENTH STREET • SUITE 2400 • DENVER, COLORADO 80202 • 303 298-1000 • FAX 303 299-1518

May 5, 2015

The Estate of H.J. Guthmann  
Daniel Elwin Cody Britt, individually and as Personal Representative  
P.O. Box 71  
Sandpoint, ID 83864

Via Express Mail

Re: Schmitz Well #1  
T24N-R2W, Section 1: All  
Rio Arriba County, NM

Dear Mr. Britt:

Our records indicate that the Estate of H.J. Guthmann owns a 16.6667% unleased mineral interest in 322.46 acres in the following described lands:

T24N-R2W, Section 1: Lot 1 (NENE), SENE, SE and S/2SW

It is my understanding that you have been contacted by our agent, Mr. Jack Richardson of JBarCane, Inc. and that you have either agreed to lease your minerals to JBarCane, or that you are in negotiations to agree to terms for such a lease.

Anschutz Oil Company ("Anschutz") has plans to drill a well in this area, and is considering several locations for the drilling of a well, including one in the SE Section 1, T24N-R2W. Because we have been unable to locate one unleased mineral interest owner in the above described acreage, and because we intend to propose a non-standard spacing unit in association with a proposed well in Section 1 (see below for more details), we will need to apply for a non-standard spacing unit and for a force pooling order with the New Mexico Oil Conservation Division. Anschutz is working under a short contractual deadline for the drilling of a well in this area and therefore needs to provide notice of this proposed well to you now, under New Mexico regulations, in order to schedule a hearing in time to meet our contractual deadline for drilling. Again, the location in Section 1, T24N-R2W is one of several locations that we are considering for drilling; to be clear, Anschutz is not committing to drill this well at this time.

In the event that you have either signed a lease with JBarCane, acting as agent for Anschutz, or that you do so prior to the commencement of drilling of a well involving your lands, the following well proposal

will not be applicable to you as a royalty owner. However, as we do not currently have a lease in place covering your mineral interest, we are required to provide you with an opportunity to participate in the drilling of the proposed well.

Therefore, Anschutz hereby proposes the drilling and completion of the above referenced well (the "Well") to an approximate total depth of approximately 8,428' to test the Mancos and Dakota Formations. To improve the economics of the well, Anschutz proposes to complete both the Mancos and Dakota Formations, and to comingle production from these horizons. The estimated completed well cost is \$3.35 million, as detailed within the attached Authority for Expenditure ("AFE"). The costs set forth in the attached AFE are estimates and actual costs may be higher or lower.

The spacing unit for this well is proposed to be 640 acres, comprised of all of Section 1, T24N-R2W. This proposed spacing unit is in the area of the Gavilan-Mancos Pool, which provides for 640 acre spacing, and in the area of the Greenhorn-Graneros-Dakota Pool and the West Lindrith Gallup-Dakota Pool, both of which provide for 320 acre spacing. To accommodate the proposed comingling of production, Anschutz plans to apply for a non-standard spacing unit for the Dakota, to conform the spacing for both the Mancos and Dakota Formations at 640 acres. According to our title information The Estate of H.J. Guthmann owns a working interest (unleased mineral interest) of approximately 8.2693% in the 640 acre spacing unit in both the Mancos and the Dakota Formations.

Please indicate your election to participate or not participate in the drilling of this well and to pay your proportionate share of drilling and completion costs, by signing and dating the appropriate space below. In the event that you elect to participate in the drilling of the well, please provide us with your drilling and geologic reports requirements, along with the signed AFE, and we will provide you with a proposed Joint Operating Agreement, on a 1989 AAPL form of operating agreement. In the event that you are not interested in participating in the drilling of this well, please contact the undersigned or Mr. Jack Richardson of JBarCane to complete a lease covering your mineral interest. Anschutz is working under a tight deadline to drill this well, therefore, we will appreciate your prompt response to this notice. Please respond by June 1, 2015 if at all possible.

Please feel free to call me at 303-299-1478 if you should have any questions about this matter, or if I can be of assistance to you in any way.

Sincerely,



Deidre O'Callaghan  
Senior Landman

\_\_\_\_\_ The Estate of H.J. Guthmann Daniel Elwin Cody Britt, individually and as Personal Representative elects to participate in the drilling and completion of the Schmitz Well #1, enclosed is the executed AFE.

\_\_\_\_\_ The Estate of H.J. Guthmann Daniel Elwin Cody Britt, individually and as Personal Representative elects not to participate in the drilling and completion of the Schmitz Well #1, and agrees to lease under terms negotiated with Anschutz's agent, JBarCane.

**Owner:** The Estate of H.J. Guthmann  
Daniel Elwin Cody Britt, individually and as Personal Representative

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



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May 5, 2015

The Estate of Thomas F. McKenna, Sr.  
Laurie Hedrich, Trustee of the Thomas F. McKenna, Sr., Credit Shelter Trust  
3500 Comanche Road NE, Building D.  
Albuquerque, NM 87056

Via Federal Express

Re: Schmitz Well #1  
T24N-R2W, Section 1: All  
Rio Arriba County, NM

Dear Ms. Hedrich:

Our records indicate that The Estate of Thomas F. McKenna, Sr. owns a 8.333% unleased mineral interest in 322.46 acres in the following described lands:

T24N-R2W, Section 1: Lot 1 (NENE), SENE, SE and S/2SW

It is my understanding that you have been contacted by our agent, Mr. Jack Richardson of JBarCane, Inc. and that you have either agreed to lease your minerals to JBarCane, or that you are in negotiations to agree to terms for such a lease.

Anschutz Oil Company ("Anschutz") has plans to drill a well in this area, and is considering several locations for the drilling of a well, including one in the SE Section 1, T24N-R2W. Because we have been unable to locate one unleased mineral interest owner in the above described acreage, and because we intend to propose a non-standard spacing unit in association with a proposed well in Section 1 (see below for more details), we will need to apply for a non-standard spacing unit and for a force pooling order with the New Mexico Oil Conservation Division. Anschutz is working under a short contractual deadline for the drilling of a well in this area and therefore needs to provide notice of this proposed well to you now, under New Mexico regulations, in order to schedule a hearing in time to meet our contractual deadline for drilling. Again, the location in Section 1, T24N-R2W is one of several locations that we are considering for drilling; to be clear, Anschutz is not committing to drill this well at this time.

In the event that you have either signed a lease with JBarCane, acting as agent for Anschutz, or that you do so prior to the commencement of drilling of a well involving your lands, the following well proposal

will not be applicable to you as a royalty owner. However, as we do not currently have a lease in place covering your mineral interest, we are required to provide you with an opportunity to participate in the drilling of the proposed well.

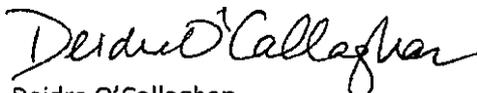
Therefore, Anschutz hereby proposes the drilling and completion of the above referenced well (the "Well") to an approximate total depth of approximately 8,428' to test the Mancos and Dakota Formations. To improve the economics of the well, Anschutz proposes to complete both the Mancos and Dakota Formations, and to comingling production from these horizons. The estimated completed well cost is \$3.35 million, as detailed within the attached Authority for Expenditure ("AFE"). The costs set forth in the attached AFE are estimates and actual costs may be higher or lower.

The spacing unit for this well is proposed to be 640 acres, comprised of all of Section 1, T24N-R2W. This proposed spacing unit is in the area of the Gavilan-Mancos Pool, which provides for 640 acre spacing, and in the area of the Greenhorn-Graneros-Dakota Pool and the West Lindrith Gallup-Dakota Pool, both of which provide for 320 acre spacing. To accommodate the proposed comingling of production, Anschutz plans to apply for a non-standard spacing unit for the Dakota, to conform the spacing for both the Mancos and Dakota Formations at 640 acres. According to our title information, The Estate of Thomas F. McKenna, Sr. owns a working interest (unleased mineral interest) of approximately 4.1346% in the 640 acre spacing unit in both the Mancos and the Dakota Formations.

Please indicate your election to participate or not participate in the drilling of this well and to pay your proportionate share of drilling and completion costs, by signing and dating the appropriate space below. In the event that you elect to participate in the drilling of the well, please provide us with your drilling and geologic reports requirements, along with the signed AFE, and we will provide you with a proposed Joint Operating Agreement, on a 1989 AAPL form of operating agreement. In the event that you are not interested in participating in the drilling of this well, please contact the undersigned or Mr. Jack Richardson of JBarCane to complete a lease covering your mineral interest. Anschutz is working under a tight deadline to drill this well, therefore, we will appreciate your prompt response to this notice. Please respond by June 1, 2015 if at all possible.

Please feel free to call me at 303-299-1478 if you should have any questions about this matter, or if I can be of assistance to you in any way.

Sincerely,



Deidre O'Callaghan  
Senior Landman

\_\_\_\_\_ The Estate of Thomas F. McKenna, Sr., Laurie Hedrich, Trustee of the Thomas F. McKenna, Sr., Credit Shelter Trust elects to participate in the drilling and completion of the Schmitz Well #1, enclosed is the executed AFE.

\_\_\_\_\_ The Estate of Thomas F. McKenna, Sr., Laurie Hedrich, Trustee of the Thomas F. McKenna, Sr., Credit Shelter Trust elects not to participate in the drilling and completion of the Schmitz Well #1, and agrees to lease under terms negotiated with Anschutz's agent, JBarCane.

Owner: The Estate of Thomas F. McKenna, Sr., Laurie Hedrich, Trustee of the Thomas F. McKenna, Sr., Credit Shelter Trust

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_