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

APPLICATION OF ALLAR DEVELOPMENT, LLC TO REOPEN DEVON ENERGY PRODUCTION COMPANY, L.P.'S CASE NOS. 21119, 21120, 21121, 21122 AND 21123, EDDY COUNTY, NEW MEXICO

Re-Open Case No. 21346 re Case Nos. 21119, 21120, 21121, 21122, and 21123

DEVON ENERGY PRODUCTION COMPANY, L.P.'S MOTION TO DISMISS ALLAR DEVELOPMENT, LLC'S APPLICATION CASE NO. 21346 FOR REOPENING CASE NOS. 21119, 21120, 21121, 21122 AND 21123

Pursuant to NMSA 1978, § 70-2-6(A) and § 70-2-17, -18(A), and NMAC 19.15.4.12, Devon Energy Production Company, L.P., ("Devon") requests that the New Mexico Oil Conservation Division ("the Division") dismiss the Application to Reopen, as above-referenced, filed by Allar Development, LLC ("Allar"), the hearing currently scheduled for the Division's August 6, 2020 Docket. The hearing for Devon's Case Nos. 21119 through 21123 was properly conducted before the Division, and the Division provided a thorough examination of all relevant matters within the scope of its statutory authority, including determinations of notice, waste, conservation and correlative rights, and after opportunity for appearances and questioning, properly issued its binding Division Orders for said Cases. It is only after the Division's rulings on Devon's pooling application, in which Allar declined, and made no effort, to appear, that Allar has filed its Application to Reopen the Cases, predicated on their interpretation of the terms of an expired Exploration Agreement currently in dispute and thereby has asked the Division to interpret such contractual terms in order to determine whether Allar was an uncommitted

working interest owner at the time of the hearing. Such post-hoc request by Allar is improper, and consequently, Devon moves to have Allar's Application to Reopen dismissed. In further support of its Motion, Devon states the following:

I. Procedural and Factual Background

1. Devon sent Allar a Well Proposal Letter dated November 14, 2019, proposing eight wells for Sections 23 and 26, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico, in which it notified Allar, based on its review of the recorded instruments, that "[a] new AAPL model form operating agreement will need to be negotiated and executed to cover the proposed project area." *See* Devon's Letter attached as Exhibit A.

2. Devon properly filed Applications for Case Nos. 21119 through 21123 pooling various spacing units in Sections 23 and 26, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico (referred to herein as "Subject Lands"), involving eight wells for testing and producing from either the Bone Spring formation or the Wolfcamp formation, as described in the individual Applications, which arise from Federal Oil and Gas Lease No. NMNM 103603 ("Federal Lease").

3. Promptly after filing the Applications, Devon provided timely notice by letter and publication, in compliance with the Division's state-wide rules and as confirmed at the hearing before the Division on March 5, 2020.

4. Devon began communications with Allar regarding preparations for the proposed wells as early as December 19, 2019, with initial phone calls, followed by exchanges of agreements mailed to Allar on January 28, 2020, and continued with JOA inquiries by email and phone discussions on March 4, 2020. *See* Devon's Hearing Packet

for Case Nos. 21119 - 23, Tab 2 Exhibit A-3.1, p. 62, and Tab 12, Exhibit A-3.1, p. 259, attached as Exhibit B.

5. On July 1, 1999, Kukui, Inc., who, contrary to Allar's claim, was not the original lessee under the Federal Lease (Echo Production, Inc. was original lessee), and The Allar Group, a separate entity from Allar, entered into an Exploration Agreement, which by its own terms, did not incorporate an executed JOA, but provided only a reference to a form JOA to be used if and when the parties decide to develop the Subject Lands. *See* Kukui Exploration Agreement, Article 5, ¶ 5.1, attached as Exhibit C ("After the parties have determined whether ECHO or KOS will operate a given Prospect, each of the parties hereto and the operator will enter into an operating agreement covering the Prospect in the form attached hereto as *Appendix 4*").

6. No JOA or Memorandum of JOA was filed of record to provide notice that the provisions under the terms of the Exploration Agreement were ever actuated, and the Assignment of Oil and Gas Leases, effective June 30, 2017, recorded July 3, 2018, in Book 1097, Page 503, Eddy County, New Mexico, by which Devon received interest in the Subject Lands from OXY-1 Company ("OXY") does not reference any existing JOA among the parties for the Subject Lands, but only references the Exploration Agreement. *See* Exhibit A, p. 12, of Allar's Application to Reopen attached as Exhibit D. In spite of this, Allar claims, erroneously, that Devon chose to circumvent the terms of the Exploration Agreement referenced in the Assignment from OXY. *See id.* at p. 2, ¶ 7.

7. On the contrary, Devon made specific inquiries with prior operators to determine whether an existing JOA applied to the Subject Lands pursuant to the Exploration Agreement. Prior operators stated that no such JOA existed to which they

were subject. In fact, Allar had been made aware that there was no executed JOA from a prior well proposal letter sent by OXY in 2012, in which it mentions the expired Exploration Agreement and the JOA form. If an executed JOA existed, Allar would have been fully aware of its existence, yet no copy of such JOA was provided or referenced in its Application to Reopen.

8. The absence of an existing JOA is reflected in the subsequent Assignment of Oil and Gas Leases and Wells effective March 1, 2020, recorded April 6, 2020, in Book 1135, Page 382, by which the Allar Company conveys its interest in the Subject Lands to Allar (Applicant in Application to Reopen). Said Assignment also does not reference any existing JOA nor purports to convey any interest from an existing JOA. *See* Allar Assignment attached as Exhibit E.

9. Devon in good faith made a final attempt prior to the March 5, 2020, hearing before the Division to contact Allar and ask if it was willing to sign Devon's proposed JOA, a copy of which Devon had previously sent to Allar.

10. Allar failed to sign the proposed JOA prior to the hearing, therefore, Devon had no option other than to list Allar as an uncommitted interest owner.

11. Allar failed to make an appearance at the hearing to object or assert any rights it may have had under an existing JOA or the Exploration Agreement.

12. On April 7, 2020, the Division issued Order Nos. R-21241 through 21245 pursuant to Case Nos. 21119 through 21123.

II. Argument

A. The Division exercised proper authority hearing Devon's Cases, described herein, and the Orders issued therefrom are binding upon Allar.

13. The Division exercised proper statutory authority pursuant to NMSA 1978, § 70-2-6(A) and § 70-2-17, -18(A) to hear and adjudicate the Cases for pooling the interests in the Subject Lands, as presented by Devon on March 5, 2020. Furthermore, the Division properly decided all concerns related to notice, conservation, waste and correlative rights. The only issue, on which Allar bases its Application to Reopen, is an interpretive question under the contractual terms of the Exploration Agreement, whether such terms would warrant Allar's interpretation that it should not have been subject to Devon's poolings, or whether, as Devon interprets, that the Exploration Agreement had expired under its own terms and therefore any opportunity it had provided to enter into a Model Form JOA had expired as well.

14. The terms of the Exploration Agreement, reviewed by Devon as part of its due diligence efforts, are clear: "this Agreement shall begin on July 1, 1999, and end on June 30, 2002." *See* Exploration Agreement, p. 12, Art. 8, attached as Exhibit C. The Parties to the Exploration Agreement did enter into an Amendment to Exploration Agreement dated June 28, 2002, to extend the termination date, but in the Amendment, the Parties extended the termination date only an additional year, until June 30, 2003. No other extensions were provided. Thus, the Exploration Agreement, in Devon's view, had long since expired by its own terms and no longer covers the Subject Lands, contrary to claims by Allar, nor is there any language in the Exploration Agreement to hold it in place based on operations or production, which Allar asserts, but without reference to what language or what production could maintain the Agreement past its expiration date.

15. Under the circumstances, and being bound by NMAC 19.15.4.12 A(1)(a), Devon in good faith believed it was obligated to list Allar as owning an uncommitted interest based on (1) the clear terms of the Exploration Agreement; (2) the Assignment from OXY to Devon, recorded July 3, 2018, which references only the Exploration Agreement but not an executed JOA covering the Subject Lands; and (3) the Assignment from the Allar Company to Allar, recorded April 6, 2020, which does not reference any existing JOA or purport to convey such contractual interests, therefore, leaving Devon with the reasonable interpretation that it only conveyed leasehold interest. Consequently, Devon's only option to prepare thoroughly for the presentation of its pooling Cases was to provide notice to Allar as an uncommitted interest owner pursuant to NMAC 19.15.4.12 A(1)(a). Under its interpretation of the documents of record, Devon properly concluded that Allar should be viewed as an uncommitted interest owner and demonstrated its good faith effort (1) to inform Allar in its well proposal letter that a new AAPL model form operating agreement would need to be negotiated and executed to cover the Subject Lands; and (2) to enter into communications and correspondence to reach an agreement prior to the hearing. Devon asserts that Allar was an uncommitted interest owner properly subject to pooling upon failure to sign the proposed JOA.

16. Division Order No. R-12747 is highly instructive as precedent to show that a dispute between parties concerning their respective rights under a JOA covering a unit is not sufficient grounds for altering the Division's established rulings involving an Application. In R-12747, a Party made application for an APD to drill in a unit dedicated to an Opposing Party. Opposing Party challenged the application on the grounds that the rights under an existing JOA preclude the Division's consideration of the application. The

Division ruled that it "does not have jurisdiction to determine contractual rights" under the JOA. Accordingly, the Division denied and dismissed the challenge of the Opposing Party, and likewise, should dismiss Allar's Application to Reopen which hinges on an interpretive determination of rights under an expired Exploration Agreement.

B. Allar's Application to Reopen is premised on the improper request that the Division make a determination of contractual rights.

17. Allar requests that the Division reopen Devon's Pooling Cases "to determine whether Applicant is an uncommitted working interest owner" under the contractual terms of the Exploration Agreement. *See* Allar's Application to Reopen, p. 3, ¶ 11, attached as Exhibit D. By arguing that the lands under the Cases are covered by the terms of the Exploration Agreement, which, as it claims, have been kept in force by subsequent and current operation, Allar would be requiring the Division to interpret such terms of the Agreement to determine if they still cover the Subject Lands and to determine the status of the Agreement in relation to operations and production, which also hinge on such terms.

18. Devon disputes Allar's interpretation, finding instead that the Exploration Agreement had expired under its own terms, as directed by its Article 8, and therefore, pursuant to its terms under Article 5, it was no longer valid and could no longer provide Allar with the opportunity to assert the existence of a JOA that had never been entered into or executed. Furthermore, Devon asserts that its position is further bolstered by its interpretation of the Assignment from OXY to Devon, effective as of June 30, 2017, which only references the expired Exploration Agreement without mention of any existing JOA covering the Subject Lands. Devon finds this absence to be a failure of proper record notice if the Subject Lands had been committed to any existing JOA, and it is Devon's

opinion, based on its review and due diligence, that in fact they are not so committed. Devon further notes that this Assignment disclaims any warranties and therefore preempts the possibility of transferring any after-acquired interests, and specifically states that "third parties may conclusively rely upon this Assignment as evidence of title in and to the Subject Interests vesting in Assignee." *See* Exhibit A of Allar's Application to Reopen, p. 4, ¶ 13, attached as Exhibit D. Finally, Devon points out that the Assignment from Allar Company to Allar, effective March 1, 2020, by which Allar ultimately acquires interest in the Subject Lands, does not reference the Exploration Agreement or any existing JOAs pursuant to the Exploration Agreement, and it does not purport to convey any interest besides leasehold interest. It is on the basis of these interpretations that Devon listed Allar as an uncommitted working interest owner, creating the disagreement with Allar.

19. In Order No. R-14187 E, the Oil Conservation Commission ("Commission") states that it is the precise nature of a disagreement, as above-described, resulting in an outcome that Allar's interests would be pooled if the Division agrees with Devon's interpretation, or an outcome that they would not be pooled but subject to a voluntary agreement, if the Division agrees with Allar's interpretation, which the Commission, and consequently, the Division, does not have the authority to adjudicate. See R-14187 E, ¶¶ 42 and 43. The Commission clearly states that under such circumstances it "does not have jurisdiction to construe contracts or determine their validity." *See id.* at ¶ 44.

C. Allar failed to appear at the Division's hearing on March 5, 2020, after proper notice, and therefore its Application is precluded under principles of Res Judicata and Collateral Estoppel.

20. Proper notice was provided to Allar by notice letter and publication, pursuant to the Division's state-wide rules and regulations, which the Division noted in its findings of fact in the Orders it issued to Devon pursuant to the hearing. Although not fully bound by the rules of procedure and evidence applicable at trial, the Division may use such rules as guidance in conducting adjudicatory hearings in order to uphold and maintain fundamental notions of fairness and due process. *See, i.e.,* NMAC 19.15.4.17. Thus, allowing Allar to reopen and retry Devon's Cases after they have been properly heard by the Division, given that Allar failed to make an appearance, would undermine principles of Res Judicate and Collateral Estoppel and thereby subvert fundamental notions of fairness and due process. Even if Allar at this time should present an executed JOA pursuant to the Exploration Agreement, the fact that Allar failed to appear at the hearing is conclusive that Allar has forfeited whatever rights it may have had to counter the Division's decision and authority to issue the Orders. Furthermore, an executed JOA, at this juncture, could not be deemed valid by the Division without asserting an interpretation that it is valid under the terms of the Exploration Agreement, and thus, such presentation by Allar, if made, would not preclude or invalidate the Division's standing policy concerning the interpretation of contractual rights.

21. Devon argues that Allar's failure to appear at the hearing to present at the proper time any objection it may have harbored is inexcusable, given the fact that Devon made a good faith effort to reach out to Allar well before the hearing in order to resolve any outstanding issues that would prevent the execution of a voluntary agreement. Even

after the Orders were issued, and Allar failed to make its obligatory election, Devon notified Allar of its failure by letter dated June 3, 2020, and as a courtesy, extended the election period an additional five days from the receipt of the letter to provide Allar ample opportunity either to make its election under the Pooling Orders or sign a JOA, and thereby avoid being deemed non-consent by default. *See* Devon's Letter attached as Exhibit F. The facts show that Allar was provided multiple opportunities to present its position to the Division, enter a voluntary agreement or make a proper election under the Pooling Orders, all of which it failed to pursue, and therefore Allar has no grounds for reopening the Cases.

22. Allar bases the authority to reopen the Cases in the first paragraph of its Application to Reopen, by citing NMAC 19.15.13.13, a regulation germane only to that provision of a Pooling Order regarding reporting of well costs, opportunity for objection to those costs, determinations and adjustment of reasonableness of well costs shall apply to a well drilled pursuant to NMAC 19.15.13.10 or 19.15.13.11, which applies to a new infill well proposed after issuance of an order, not at issue herein. This rule is inapplicable for reopening a case in order to request the Division to make a determination of contractual rights that are in dispute. Consequently, Allar, who had its opportunity to make its case, should not be allowed to circumvent its obligations under a binding Division Order. Nonetheless, Devon has been, and continues to be, more than willing to negotiate an operating agreement in an effort to reach terms that are satisfactory to Allar. Counsel for Allar has been informed of this Motion, as described in Devon's prior Entry of Appearance filed in Case No. 21346.

For the foregoing reasons, Devon respectfully requests that the Division dismiss Allar's Application to Reopen, filed as Case No. 21346, and deny the reopening of Case Nos. 21119, 21120, 21121, 21122, and 21123.

Respectfully Submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

_____

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Attorneys for Devon Energy Production, L.P.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was filed with the New Mexico Oil Conservation Division and was served on counsel of record via electronic mail on July 24, 2020:

Ernest Padilla
Padilla Law Firm, P.A.
Post Office Box 2523
Santa Fe, New Mexico 87504
padillalawnm@outlook.com
Attorney for Allar Development, LLC

/s/ Darin C. Savage
_____
Darin C. Savage

devon

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333 West Sheridan Avenue
Oklahoma City, OK 73102

405 228 8804 Phone
www.devonenergy.com

November 14, 2019

The Allar Company
P.O. Box 1567
Graham, TX 76450-7501

Re: Hot Potato 26-23 Fed Com 331H, 332H, 333H, 399H
621H, 622H, 711H, & 712H Well Proposals
Section 23 & 26, Township 23 South, Range 29 East
Eddy County, New Mexico (the "Wells")

To Whom It May Concern:

Devon Energy Production Company, L.P. ("Devon") hereby proposes to drill the Wells located in Sections 23 & 26 23S-29E, Eddy County, New Mexico. Accordingly, enclosed are the AFEs for the following wells:

- Hot Potato 26-23 Fed Com 331H to be drilled from a surface hole location ("SHL") of 325' FSL x 962' FWL of Section 26-T23S-R29E to a bottom hole location ("BHL") of 20' FNL x 330' FWL of Section 23-T23S-R29E. The proposed well will be drilled to an approximate true vertical depth ("TVD") of 10,160' subsurface in the Bone Spring Formation.

- Hot Potato 26-23 Fed Com 332H to be drilled from a surface hole location ("SHL") of 325' FSL x 1022' FWL of Section 26-T23S-R29E to a bottom hole location ("BHL") of 20' FNL x 2178' FWL of Section 23-T23S-R29E. The proposed well will be drilled to an approximate true vertical depth ("TVD") of 10,195' subsurface in the Bone Spring Formation.

- Hot Potato 26-23 Fed Com 333H to be drilled from a surface hole location ("SHL") of 325' FSL x 1499' FEL of Section 26-T23S-R29E to a bottom hole location ("BHL") of 20' FNL x 1254' FEL of Section 23-T23S-R29E. The proposed well will be drilled to an approximate true vertical depth ("TVD") of 10,206' subsurface in the Bone Spring Formation.

- Hot Potato 26-23 Fed Com 399H to be drilled from a surface hole location ("SHL") of 325' FSL x 1802' FWL of Section 26-T23S-R29E to a bottom hole location ("BHL") of 20' FNL x 2148' FWL of Section 23-T23S-R29E. The proposed well will be drilled to an approximate true vertical depth ("TVD") of 10,195' subsurface in the Wolfcamp Formation.

- Hot Potato 26-23 Fed Com 621H to be drilled from a surface hole location ("SHL") of 325' FSL x 992' FWL of Section 26-T23S-R29E to a bottom hole location ("BHL") of 20' FNL x 2154' FWL of Section 23-T23S-R29E. The proposed well will be drilled to an approximate true vertical depth ("TVD") of 10,325' subsurface in the Wolfcamp Formation.

- Hot Potato 26-23 Fed Com 622H to be drilled from a surface hole location ("SHL") of 325' FSL x 1559' FEL of Section 26-T23S-R29E to a bottom hole location ("BHL") of 20' FNL x 2178' FEL of Section 23-T23S-R29E. The proposed well will be drilled to an approximate true vertical depth ("TVD") of 10,345' subsurface in the Wolfcamp Formation.

- Hot Potato 26-23 Fed Com 711H to be drilled from a surface hole location ("SHL") of 325' FSL x 1772' FWL of Section 26-T23S-R29E to a bottom hole location ("BHL") of 20' FNL x 1716' FWL

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of Section 23-T23S-R29E. The proposed well will be drilled to an approximate true vertical depth ("TVD") of 10,495' subsurface in the Wolfcamp Formation.

- Hot Potato 26-23 Fed Com 712H to be drilled from a surface hole location ("SHL") of 325' FSL x 1529' FEL of Section 26-T23S-R29E to a bottom hole location ("BHL") of 20' FNL x 1716' FEL of Section 23-T23S-R29E. The proposed well will be drilled to an approximate true vertical depth ("TVD") of 10,535' subsurface in the Wolfcamp Formation.

These proposed locations and target depths are subject to change depending on any surface or subsurface concerns. Also, the enclosed AFEs represent an estimate of the costs that will be incurred to drill and complete these wells, but those electing to participate in the wells are responsible for their share of the actual costs incurred.

A new AAPL model form operating will need to be negotiated and executed to cover the proposed project area. If you would like to participate in these wells, please execute and return this letter to the undersigned. If you do not wish to participate, please contact the undersigned to discuss a potential trade or farmout of your interest. If an agreement cannot be reached within 30 days of the date of this letter, Devon will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest for the proposed wells.

If you have any questions or concerns regarding this proposal, please contact me at (405) 228-8804 or verl.brown@dvn.com.

Sincerely,

DEVON ENERGY PRODUCTION COMPANY, L.P.

Verl Brown
Landman

Enclosures

The Allar Company hereby elects to:

_____ participate in the drilling of the Hot Potato 26-23 FED COM 331H

_____ non-consent the drilling of the Hot Potato 26-23 FED COM 331H

_____ participate in the drilling of the Hot Potato 26-23 FED COM 332H

_____ non-consent the drilling of the Hot Potato 26-23 FED COM 332H

_____ participate in the drilling of the Hot Potato 26-23 FED COM 333H

BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING MARCH 5, 2020

APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P., FOR A HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case No. 21119

Hot Potato 26-23 Fed 333H Well

Case No. 21120

Hot Potato 26-23 Fed 399H Well
Hot Potato 26-23 Fed 332H Well

Case No. 21121

Hot Potato 26-23 Fed 331H Well

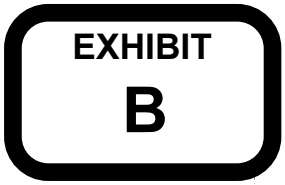
Case No. 21122

Hot Potato 26-23 Fed 622H Well
Hot Potato 26-23 Fed 712H Well

Case No. 21123

Hot Potato 26-23 Fed 621H Well
Hot Potato 26-23 Fed 711H Well

Devon Energy Production Company, L.P.



Chronology of Contacts between Devon Energy Production Company, L.P., and the Uncommitted Interest Owners in Case No. 21119:

1. Well Proposal Letter from Devon Energy Production Company to all the Interest Owners dated and mailed November 14, 2019, and December 20, 2019 (Exhibit A-5)
2. Initial phone call(s) between Devon Energy Production Company and the Interest Owners from November 25, 2019 through December 19, 2019
    - The Allar Company – 12/19/2019
    - Highland (Texas) Energy Company – 11/25/2019
    - Franklin Mountain Energy, LLC – 12/12/2019
3. Follow up email(s) sent from Devon Energy Production Company to the Interest Owners from November 21, 2019 through 3/4/2020:
    - The Allar Company – 3/4/2020 – JOA Inquiry
    - Highland (Texas) Energy Company – 11/21/2019, 11/25/2019, 1/9/2020, 1/13/2020, 1/15/2020, 1/19/2020, 2/27/2020, & 2/28/2020
    - Franklin Mountain Energy, LLC – 12/17/2019, 12/18/2019, 1/14/2020, 1/16/2020, 1/17/2020, 1/23/2020, 1/23/2020, 1/28/2020
4. Follow up phone call(s) between Devon Energy Production Company and the Interest Owners from 1/15/2020 through 2/20/2020:
    - The Allar Company –
    - Highland (Texas) Energy Company – 1/15/2020
    - Franklin Mountain Energy, LLC – 2/3/2020, and 2/20/2020
5. Exchange of agreement mailed between Devon Energy Production Company and the Interest Owners from 1/28/2020 through 2/28/2020:
    - The Allar Company – 1/28/2020
    - Highland (Texas) Energy Company – 1/28/2020
    - Franklin Mountain Energy, LLC – 1/28/2020, 3/3/2020
6. Follow up discussions to work out existing matters, from 1/28/2020 through 3/4/2020:
    - The Allar Company – 3/4/2020
    - Highland (Texas) Energy Company – 3/2/2020, 3/3/2020
    - Franklin Mountain Energy, LLC – 3/3/2020

Chronology of Contacts between Devon Energy Production Company, L.P., and the Uncommitted Interest Owners in Case No. 21123:

1. Well Proposal Letter from Devon Energy Production Company to all the Interest Owners dated and mailed November 14, 2019, and December 20, 2019 (Exhibit A-5)
2. Initial phone call(s) between Devon Energy Production Company and the Interest Owners from November 25, 2019 through December 19, 2019
    - The Allar Company – 12/19/2019
    - Highland (Texas) Energy Company – 11/25/2019
    - Franklin Mountain Energy, LLC – 12/12/2019
3. Follow up email(s) sent from Devon Energy Production Company to the Interest Owners from November 21, 2019 through 3/4/2020:
    - The Allar Company – 3/4/2020 – JOA Inquiry
    - Highland (Texas) Energy Company – 11/21/2019, 11/25/2019, 1/9/2020, 1/13/2020, 1/15/2020, 1/19/2020, 2/27/2020, & 2/28/2020
    - Franklin Mountain Energy, LLC – 12/17/2019, 12/18/2019, 1/14/2020, 1/16/2020, 1/17/2020, 1/23/2020, 1/23/2020, 1/28/2020
4. Follow up phone call(s) between Devon Energy Production Company and the Interest Owners from 1/15/2020 through 2/20/2020:
    - The Allar Company –
    - Highland (Texas) Energy Company – 1/15/2020
    - Franklin Mountain Energy, LLC – 2/3/2020, and 2/20/2020
5. Exchange of agreement mailed between Devon Energy Production Company and the Interest Owners from 1/28/2020 through 2/28/2020:
    - The Allar Company – 1/28/2020
    - Highland (Texas) Energy Company – 1/28/2020
    - Franklin Mountain Energy, LLC – 1/28/2020, 3/3/2020
6. Follow up discussions to work out existing matters, from 1/28/2020 through 3/4/2020:
    - The Allar Company – 3/4/2020
    - Highland (Texas) Energy Company – 3/2/2020, 3/3/2020
    - Franklin Mountain Energy, LLC – 3/3/2020

EXPLORATION AGREEMENT

This EXPLORATION AGREEMENT (***"Agreement"***) is made and entered into as of July 1, 1999, by and between **KUKUI, INC.**, a Texas corporation (***"KUKUI"***), and **The Allar Company**, a Texas corporation, **Talus, Inc.**, a Texas corporation, and **Twin Montana, Inc.**, a Texas corporation. The Allar Company, Talus, Inc., and Twin Montana, Inc. may be referred to herein individually and collectively, jointly and severally as ***"The Allar Group."***

RECITALS

A. Each member of the Allar Group has entered into a Geological Consulting Agreement (described more fully below) with John Thoma (***"Thoma"***), a geologist, who has been represented by The Allar Group to have extensive experience generating oil and gas exploration prospects in the area described in *Appendix 1* hereto (the ***"Project Area"***), to expend all (100%) of his professional efforts in identifying and evaluating geological features within the Project Area that are of sufficient geological interest to merit the acquisition of exploration and production rights by various means.

B. Each of the parties hereto currently owns certain interests in leases within the Project Area.

C. Subject to the terms and conditions hereof, KUKUI desires to participate with The Allar Group in acquiring interests in certain portions of the Project Area and, in certain cases, conducting joint exploration and development activities thereon.

In consideration of the foregoing recitals, and for other good and valuable consideration received by each of the parties hereto, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1
DEFINITIONS

1.1 Definitions: As used herein, the following terms shall have the meanings indicated below:

"Acquired Interests" shall have the meaning set forth in *Section 3.4*.

"Acquiring Party" shall have the meaning set forth in *Section 6.3*.

"Acquisition Costs" shall mean, with respect to any Acquired Interests, the sum of (i) the acquisition price thereof, (ii) title examination costs, transfer taxes, bonuses, rentals and ad valorem taxes, if any, paid with respect to said Acquired Interests that apply to the acquisition of such Acquired Interests, (iii) fees paid to third parties for legal, accounting, reservoir engineering,

EXHIBIT
C

pro rata share of an overriding royalty interest of 1.5% of 8/8ths in favor of Thoma (such Existing Burdens shall be proportionately reduced, and said overriding royalty interest of Thoma shall be subject to reduction in accordance with the provisions of Section 5.1 (ii) of the Thoma Geological Consulting Agreement). Thoma's overriding royalty interest shall be conveyed to Thoma by assignment substantially in the form attached hereto as *Appendix 3* and shall be convertible, at Thoma's option, after Payout, to a 5% working interest in the Acquired Interests. Payout shall be determined separately with respect to the 60% interest of KUKUI and the 40% interest of The Allar Group. Payout for KUKUI shall be determined as defined in *Section 1.1* of this Agreement, and Payout for each member of The Allar Group shall be determined as defined the Thoma Geological Consulting Agreement. Said working interest shall be carved out the working interests of the parties hereto in proportion that the overriding royalties of Thoma burden their respective working interests. Further, Thoma shall be entitled to the above described overriding royalty interest and optional working interest after Payout in and to any Exploration Rights conveyed by KUKUI to each member of The Allar Group hereunder insofar as said Exploration Rights cover and affect any Approved Prospect. By Thoma's limited execution of this Agreement, Thoma expressly agrees that his overriding royalty interests in and to an Approved Prospect shall be determined according and subject to the provisions of this *Section 4.2* of this Agreement.

4.3 Documentation of Project Area. The Allar Group shall provide KUKUI, at no cost to KUKUI, copies of all geological and geophysical maps and interpretations, leases, agreements, assignments and any other information and data that KUKUI may reasonably request pertaining to the Project Area, and KUKUI shall jointly own all such documentation as tenants in common with The Allar Group.

ARTICLE 5
OPERATIONS; THE ALLAR GROUP'S MANAGEMENT AND REPORTING DUTIES

5.1 Operating Agreement. Two of every three Prospects designated hereunder shall be operated by KUKUI Operating Company, a Texas corporation, (hereinafter ***"KOC"***), a wholly-owned subsidiary of KUKUI, and one of every three Prospects designated hereunder shall be operated by ECHO in each case pursuant to the terms of an operating agreement in the form attached hereto as *Appendix 4* (the ***"Operating Agreement"***). The parties shall attempt to designate the operator of each Prospect designated hereunder by mutual agreement in accordance with the general principle stated above. In the event the parties disagree as to whether a given Prospect should be operated by ECHO or KOC, the matter shall be resolved by an essentially random process such as the flip of a coin in which each party has an even chance of being selected the operator. If KUKUI is the winner, KOC shall operate that Prospect and the next Prospect designated hereunder. If The Allar Company as agent for The Allar Group is the winner, ECHO shall operate that Prospect. The parties intend that if there is any conflict or inconsistency between this Agreement and the Operating Agreement, the terms of this Agreement shall prevail. After the parties have determined whether ECHO or KOC will operate a given Prospect, each of the parties hereto and the operator will enter into an operating agreement covering the Prospect in the form attached hereto as *Appendix 4.*

for herein is a guarantee of payment and performance and not of collection. It is, therefore, not conditioned or contingent upon any attempt to collect from ECHO. KUKUI shall not be obligated to bring collection proceedings or otherwise enforce any legal remedies against ECHO hereunder or under any Operating Agreement prior to recovering on the guarantee provided for herein.

7.3.2 Notwithstanding anything in this Agreement to the contrary, the obligations of The Allar Company with respect to the guarantee of payment and performance by ECHO as set forth in *Section 7.3.1* above shall terminate on January 1, 2001.

7.4 Guarantee of KOC's Performance. KUKUI absolutely, unconditionally and irrevocably guarantees the full and punctual payment and performance of all obligations of KOC, when due and owing under the terms hereof or under any Operating Agreement referred to herein. If KOC fails to pay or to perform any of said obligations when due and owing, KUKUI shall forthwith fully pay or perform said obligations in the place and stead of KOC, within ten (10) days of receipt of written notice from any member of The Allar Group of such nonpayment or nonperformance. KUKUI hereby waives presentment for payment, protest, notice of protest, bringing of suit and diligence in taking any action with respect to KOC and any and all defenses that may be available to KUKUI on account of any failure by any member of The Allar Group to timely or properly enforce its remedies against KOC hereunder or under the relevant Operating Agreement. KUKUI agrees that the guarantee provided for herein is a guarantee of payment and performance and not of collection. It is, therefore, not conditioned or contingent upon any attempt to collect from KOC. No member of The Allar Group shall be obligated to bring collection proceedings or otherwise enforce any legal remedies against KOC hereunder or under any Operating Agreement prior to recovering on the guarantee provided for herein.

7.5 Tax Matters: Although the rights and liabilities of KUKUI, on one hand, and the members of the Allar Group, on the other hand, are several and not joint or collective, and, as among themselves, the rights and liabilities of The Allar Group are several and not joint or collective, if, however, solely for federal income tax purposes, this Agreement and the relationship established hereby should be regarded as a partnership, then each of the parties hereto elects to be excluded from the application of all of the provisions of Subchapter K of Chapter 1 of Subtitle A of the Internal Revenue Code of 1986 (as amended), as permitted and authorized by Section 761 of said Code and the regulations promulgated thereunder. Should the Internal Revenue Service require that any party hereto furnish further evidence for its election, each party agrees to execute such additional documents as may be required. Further, each of the parties hereto elects to be excluded from the application of any similar provisions in any state income tax law now or hereafter in effect.

ARTICLE 8
TERM

Subject to the terms hereof, the term of this Agreement shall begin on July 1, 1999 and end on June 30, 2002; provided, however, that either party shall have the right to terminate this Agreement, with or without cause, effective as of January 1, 2001, by giving the other party not less

than 30 days' prior written notice of termination. After June 30, 2002, this Agreement may be renewed for consecutive periods of one year by the written agreement of the parties hereto. Expiration of this Agreement shall not relieve either party of any accrued liabilities or obligations. The provisions of *Article 6* shall survive the termination of this Agreement for the period stated therein. Each member of The Allar Group acknowledges that KUKUI would not have entered into this agreement without The Allar Group's having entered into the Thoma Geological Consulting Agreement which provides that Thoma will direct and dedicate all (100%) of his professional efforts to the evaluation and generation of Prospects within the Project Area, subject to the terms of this Agreement. Accordingly, if, during the term hereof Thoma dies, becomes disabled, fails to direct all (100%) of his professional efforts to the evaluation and generation of Prospects within the Project Area or if the Thoma Geological Consulting Agreement is terminated, then KUKUI's shall have the right to terminate this Agreement immediately upon written notice to The Allar Group, without further obligation to The Allar Group for the Project Evaluation Fee attributable to periods subsequent to KUKUI's termination of this Agreement.

ARTICLE 9
GENERAL PROVISIONS

9.1 Successors and Assigns; Prohibited Assignments. During the term of this Agreement (and for so long as this Agreement has not been terminated pursuant to the terms hereof), neither KUKUI nor any member of The Allar Group may sell, assign, transfer or otherwise dispose of any of their rights or obligations hereunder or in any Acquired Interests without the prior written consent of the other party; provided, however, that: (i) such consent will not be withheld unreasonably with respect to Acquired Interests within an Approved Prospect in which there has been drilled and completed at least one oil and/or gas well which is capable of producing in paying quantities, (ii) no such consent shall be required with respect to Acquired Interests within a Rejected Prospect, and (iii) without such consent the parties may assign all or any portion of their interests to affiliates, 50% or more of the ownership of which is under common ownership. After the expiration or earlier termination of this Agreement, KUKUI and any member of The Allar Group may sell, assign, transfer or otherwise dispose of their interests in any Acquired Interests to the extent permitted under the applicable joint operating agreement and other applicable agreements. Subject to the foregoing provisions of this Section, this Agreement shall be binding upon and inure to the benefit of the parties signatory hereto, and their respective, successors and permitted assigns.

9.2 BROKERS. EACH PARTY HERETO AGREES TO DEFEND, INDEMNIFY AND HOLD HARMLESS THE OTHER PARTIES FROM AND AGAINST ANY CLAIMS BY THIRD PARTIES CLAIMING UNDER SUCH PARTY FOR BROKERAGE, COMMISSION, FINDERS OR OTHER FEES RELATIVE TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY, TOGETHER WITH ANY COURT COSTS, ATTORNEYS' FEES OR OTHER COSTS OR EXPENSES ARISING THEREFROM.

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

APPLICATION OF ALLAR DEVELOPMENT, LLC TO REOPEN DEVON ENERGY CASE NOS. 21119, 21120, 21121, 21122, and 21123 EDDY COUNTY, NEW MEXICO.

CASE NOS. 21119, 21120, 21121, 21122, and 21123
Re-Open Case No. 21346

APPLICATION TO REOPEN

ALLAR DEVELOPMENT, LLC, through its attorney Ernest L. Padilla, Padilla Law Firm, P.A., pursuant to NMAC 19.15.13.13, for a determination of whether Applicant was an uncommitted party in the captioned cases. In support of this application, Allar Development, LLC states:

1. By application for compulsory pooling in OCD Cases Nos. 21119, 21120, 21121, 21122, and 21123 (hereinafter "the Cases"), Devon Energy Production Company LP ("Devon") sought orders pooling all uncommitted interests in the Section 23 and 26, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico.

2. The Cases came on for hearing before the Oil Conservation Division on March 5, 2020, were consolidated, and presented through affidavits, and orders subsequently issued by the Division. The Cases applied for the drilling of the following wells:

Case No. 21119
Hot Potato 26-23 Fed 333H Well
Case No. 21120
Hot Potato 26-23 Fed 399H Well
Hot Potato 26-23 Fed 332H Well
Case No. 21121
Hot Potato 26-23 Fed 331H Well
Case No. 21122
Hot Potato 26-23 Fed 622H Well
Hot Potato 26-23 Fed 712H Well

EXHIBIT
D

Case No. 21123
Hot Potato 26-23 Fed 621H Well
Hot Potato 26-23 Fed 711H Well

3. Applicant is the owner of oil and gas working interests underlying the lands which were the subject of the Cases, and which arise from Federal Oil and Gas Lease No. NMNM 103603 (hereinafter "NM 103603").

4. On July 1, 1999 Kukui, Inc., original lessee under NM 103603, and The Allar Group, Applicant's predecessor in title, entered into an Exploration Agreement which incorporated a Joint Operating Agreement (JOA).

5. Since entry of the Exploration Agreement and the JOA, the lands covered by the Cases have been committed to the terms of the Exploration Agreement and the JOA, which have been kept in force by subsequent and current operations.

6. At the time that Devon made application for the Cases, it knew or should have known, that the lands covered by the applications were subject to the Exploration Agreement and JOA.

7. Instead Devon, which took its interest subject to the Exploration Agreement and JOA, chose to circumvent the Exploration Agreement and JOA, by bringing the compulsory pooling applications (the Cases). In fact, by Assignment of Oil and Gas Leases, effective as of June 30, 2017, took its interest from OXY USA, Inc. specifically subject to the Exploration Agreement and JOA. A copy of the Assignment of Oil and Gas Leases is attached hereto as Exhibit A.

8. Because Applicant is bound by the Exploration Agreement and JOA it is not an "uncommitted" working interest owner as Devon inaccurately represented at the hearing.

9. Both Devon and applicant were bound by a voluntary agreement, the Exploration

Agreement and JOA, which was in place at the time that Devon made its applications for the Cases.

10. Pursuant to NMSA 1978, § 70-2-17 (C) and NMAC 19-15-13, et seq. compulsory pooling is improper where a working interest owner has consented to pooling through a voluntary agreement.

11. In the Cases Applicant was not an uncommitted working interest owner, and therefore, the orders entered in the Case are ineffective as against Applicant's interest.

WHEREFORE, Applicant requests that the Division reopen Cases Nos. 21119, 21120, 21121, 21122, and 21123 and set for hearing, after notice, to determine whether Applicant is an uncommitted working interest owner under the order issued by the Division.

Respectfully submitted,

PADILLA LAW FIRM, P.A.

/s/ Ernest L. Padilla
Ernest L. Padilla
Attorney for Allar Development, LLC
PO Box 2523
Santa Fe, New Mexico 87504
Telephone: 505-988-7577
Fax: 505-988-7592
Email: padillalawnm@outlook.com

ASSIGNMENT OF OIL AND GAS LEASES

STATE OF NEW MEXICO §
§
COUNTY OF EDDY §

This Assignment of Oil and Gas Leases (the "***Assignment***"), effective as of June 30, 2017 at 7:00 a.m. Central Time (the "***Effective Date***"), is from **OXY USA Inc.**, a Delaware corporation, and **OXY Y-1 Company**, a New Mexico corporation, whose mailing address is 5 Greenway Plaza, Suite 110, Houston, Texas 77046-0521 (collectively, hereinafter "***Assignor***") to **Devon Energy Production Company, L.P.**, an Oklahoma limited partnership, whose mailing address is 333 West Sheridan Avenue, Oklahoma City, Oklahoma 73102 (hereinafter "***Assignee***"). Assignor and Assignee may be referred to herein individually as a "***Party***" and collectively as the "***Parties***".

WITNESSETH:

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

NOW, THEREFORE, for and in consideration of Ten Dollars ($10.00), and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Assignor does hereby assign, transfer, convey and deliver unto Assignee, effective as of the Effective Date, all of Assignor's right, title and interest in and to the following, less and except the "Excluded Wells," (as hereinafter defined):

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

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

Reception: 1708817 Book: 1097 Page: 0503 Pages: 16
Recorded: 07/31/2017 01:34 PM Fee: $25.00
Eddy County, New Mexico - Robin Van Natta, County Clerk

DEVON ENERGY CORP
ATTN LAUREN TOLLISON
333 WEST SHERIDAN AVE
OKLAHOMA CITY, OK 73102-8941

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

EXCEPTING AND RESERVING to Assignor the oil and/or gas wells described on Exhibit "B", attached hereto, (the "***Excluded Wells***" and each individually, an "***Excluded Well***"), including the incidental rights, contracts, leasehold equipment and other personal property to the extent associated with or used or obtained in connection with the operation of such Excluded Wells, and limited to the subsurface interval or intervals open to the wellbore of each Excluded Well, by perforation or otherwise, as of the Effective Date as noted on Exhibit "B" (the "***Open Interval(s)***"). The interest reserved by Assignor in each Excluded Well is a wellbore interest only limited to rights incident and necessary to the operation and production from such wellbore as to the Open Interval(s). For clarity, such retained limited rights in a wellbore include performing workovers, repairs, stimulations, and other operations necessary to maintain, restore, or enhance production from the Open Interval(s), but in no event will Assignor have the right to drill out, deepen, or extend the existing wellbore, or recomplete such wellbore in other intervals that are not open to production as of the Effective Date.

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

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

2. Disclaimer of Representations and Warranties. Notwithstanding anything contained in this Assignment, it is the explicit intent and understanding of each of the Parties that Assignor is not making any representation or warranty whatsoever, oral or written, express or implied, and Assignee is not relying on any other statement, representation or warranty, oral or written, express or implied, made or communicated to such Party. To the extent any portion of the Subject Interests constitute personal property, THIS ASSIGNMENT IS EXECUTED, DELIVERED AND ACCEPTED WITHOUT ANY REPRESENTATION, WARRANTY, OR COVENANT OF ANY KIND OR NATURE, EXPRESS, IMPLIED OR STATUTORY, INCLUDING WITHOUT LIMITATION WARRANTIES OF MARKETABILITY, MERCHANTIBILITY, QUALITY, CONDITION, AND/OR FITNESS FOR A PARTICULAR PURPOSE, ALL OF WHICH ARE EXPRESSLY DISCLAIMED, AND ASSIGNEE ACCEPTS ALL PERSONAL PROPERTY INCLUDED IN THE SUBJECT INTERESTS IN THEIR "AS IS, WHERE IS" CONDITION AND STATE OF REPAIR. **THE PARTIES AGREE THAT, TO THE EXTENT REQUIRED BY APPLICABLE LAW, RULE, REGULATION OR ORDER TO BE OPERATIVE, THE DISCLAIMERS CONTAINED IN THIS ASSIGNMENT ARE**

"CONSPICUOUS" FOR THE PURPOSES OF SUCH APPLICABLE LAW, RULE, REGULATON OR ORDER.

3. Retained Liabilities and Obligations. Assignor hereby retains all of its Liabilities (as hereinafter defined) and obligations related to (i) Assignor's ownership or operation of the Excluded Wells prior to, on and after the Effective Date, and (ii) Assignor's ownership or operation of the Subject Interests prior to the Effective Date. As used in this Assignment, "***Liabilities***" means any and all claims, demands, payments, charges, judgments, assessments, losses, liabilities, damages, penalties, fines, expenses, costs, fees, settlements, and deficiencies, including any reasonable attorneys' fees, legal, and other costs and expenses suffered or incurred in connection therewith.

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

5. Environmental Condition. Assignee agrees and acknowledges that the Subject Interests may have been used for oil and gas drilling and production operations, related oil field operations and possibly for the storage and disposal of deleterious substances, and that the Subject Interests may be contaminated with a variety of harmful substances. Physical changes in or under the Subject Interests or adjacent lands may have occurred as a result of such uses. In addition Assignee acknowledges that some oil field production equipment may contain hazardous materials, including asbestos and naturally occurring radioactive material ("***NORM***"). In this regard, Assignee expressly understands that NORM in the form of scale or in other forms may have become dislodged from the inside of wells, materials and equipment and be located on the Subject Interests. Assignee expressly understands that special procedures may be required for the removal and disposal of asbestos, NORM and other deleterious substances from the Subject Interests where they may be found. Assignee represents that, as of the Effective Date, it has satisfied itself as to the physical and environmental condition of the Subject Interests, both surface and subsurface, and in making the decision to acquire the Subject Interests, Assignee has relied solely on the basis of its own independent investigation of the Subject Interests AND ACCEPTS THE SUBJECT INTERESTS IN THEIR "AS IS, WHERE IS" CONDITION AND STATE OF REPAIR..

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

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

8. Governing Law. The validity, enforceability, interpretation and construction of this Assignment shall be governed by the laws of the State of New Mexico (without regard to conflict of law rules or principles that might refer to the law of another jurisdiction). All disputes arising from or relating to this Assignment shall be adjudicated in the state or federal courts sitting in the State of New Mexico, and each Party hereby consents to such jurisdiction and venue.

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

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

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

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

13. Entire Agreement. This Assignment, the Exchange Agreement, that certain Election Delay Letter Agreement between the Parties dated February 9, 2017, and that certain Mineral Deed from Assignee to Assignor executed contemporaneously with this Assignment, as same may have been amended or extended, embodies the entire agreement and understanding of the Parties with respect to the subject matter contained herein. This Assignment is subject to the Exchange Agreement, and in the event of a conflict, the terms and provisions of the Exchange Agreement shall control; provided, however, third parties may conclusively rely upon this Assignment as evidence of title in and to the Subject Interests vesting in Assignee.

[Signature and acknowledgment pages follow]

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

ASSIGNOR:

OXY USA Inc.

By: _____
Name: Bradley S. Dusek
Title: Attorney-In-fact

ACKNOWLEDGMENT

STATE OF TEXAS §
§
COUNTY OF Harris §

This instrument was acknowledged before me on the 13th day of July, 2017, by Bradley S. Dusek as Attorney-In-Fact of OXY USA Inc., a Delaware corporation, on behalf of such entity.

_____
Notary Public

My Commission Expires: 02-18-2018

My Commission Number: 128179978

DELEENA D. LANG
Notary Public, State of Texas
Comm. Expires 02-18-2018
Notary ID 128179978

ASSIGNOR:

OXY Y-1 Company

By: _____
Name: Bradley S. Dusek
Title: Attorney-in-fact

ACKNOWLEDGMENT

STATE OF TEXAS §
§
COUNTY OF Harris §

This instrument was acknowledged before me on the 13th day of July, 2017, by Bradley S. Dusek as Attorney-In-Fact of OXY Y-1 Company, a New Mexico corporation on behalf of such entity.

_____
Notary Public

My Commission Expires: 02-18-2018

My Commission Number: 128179978

(Seal)

DELEENA D. LANG
Notary Public, State of Texas
Comm. Expires 02-18-2018
Notary ID 128179978

ASSIGNEE:

Devon Energy Production Company, L.P.

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

ACKNOWLEDGMENT

STATE OF OKLAHOMA §
§
COUNTY OF OKLAHOMA §

This instrument was acknowledged before me on the 25th day of July, 2017, by Catherine Lebsack as Vice President of Devon Energy Production Company, L.P., on behalf of such entity.

Rachel Gerlach
Notary Public

My Commission Expires: 6.22.19

My Commission Number: 11005642

(Seal)

EXHIBIT "A"

Attached to and made a part of that certain Assignment of Oil and Gas Leases from OXY USA Inc. and OXY Y-1 Company, as Assignor, to Devon Energy Production Company, L.P., as Assignee.

LEASES

Attached to and made a part of that certain Lease Exchange Agreement by and between Devon Energy Production Company, L.P. and OXY.

OXY File Ref. No.	Lessor	Original Lessee	Effective Date	Recordation	OXY Working Interest Delivered	OXY Net Revenue Interest Delivered	OXY Net RI/ORRI Reservation	Legal Description	County	State
6-3000414	The United States of America	Yates Petroleum Corporation, et al	9/1/2000	N/A	0.3200000	0.2800000	0.0000000	INSOFAR AND ONLY INSOFAR, as the lease covers all depths in the W/2 of Section 12, T24S-R29E (NM-105213).	Eddy	NM
6-3024514	The United States of America	Echo Production Inc.	12/1/1999	N/A	0.5250000	0.4265625	0.0000000	INSOFAR AND ONLY INSOFAR, as the lease covers the depths from the surface to the base of the Bone Spring in Sections 23 & 26, T23S-R29E (NM-103603).	Eddy	NM

OXY File Ref. No.	Lessor	Original Lessee	Effective Date	Recordation	OXY Working Interest Delivered	OXY Net Revenue Interest Delivered	OXY Net RI/ORRI Reservation	Legal Description	County	State
6-3024514	The United States of America	Echo Production Inc.	12/1/1999	N/A	0.3000000	0.2437500	0.0000000	INSOFAR AND ONLY INSOFAR, as the lease covers the depths below the base of the Bone Spring in Sections 23 & 26, T23S-R29E (NM-103603).	Eddy	NM
6-3006527	The United States of America	Douglas W. Ferguson	10/1/2015	N/A	1.0000000	0.8750000	0.0000000	INSOFAR AND ONLY INSOFAR, as the lease covers all depths in the NW/4 of the NE/4 of Section 35, T23S-R29E (NM-134869).	Eddy	NM

OXY File Ref. No.	Lessor	Original Lessee	Effective Date	Recordation	OXY Working Interest Delivered	OXY Net Revenue Interest Delivered	OXY Net RI/ORRI Reservation	Legal Description	County	State
6-3023817	The United States of America	Echo Production Inc.	12/1/1999	N/A	0.3000000	0.2437500	0.0000000	INSOFAR AND ONLY INSOFAR, as the lease covers all depths in the SE/4, the S/2 of the SW/4, the NE/4 of the NW/4, the NE/4 of the NE/4 of Section 35, T23S-R29E (NM-103604).	Eddy	NM
16935000	The United States of America	Echo Production Inc.	12/6/1999	N/A	0.3000000	0.2437500	0.0000000	INSOFAR AND ONLY INSOFAR, as the lease covers all depths in the NW/4 of the NW/4, the S/2 of the N/2 and the N/2 of the SW/4 of Section 35, T23S-R29E (NM-103141).	Eddy	NM

OXY File Ref. No.	Lessor	Original Lessee	Effective Date	Recordation	OXY Working Interest Delivered	OXY Net Revenue Interest Delivered	OXY Net RI/ORRI Reservation	Legal Description	County	State
6-3024513	The United States of America	Echo Production Inc.	12/1/2000	N/A	0.3000000	0.2437500	0.0000000	INSOFAR AND ONLY INSOFAR, as the lease covers the depths below the base of the Bone Spring in Section 27, T23S-R29E (NM-105557).	Eddy	NM
6-3024513	The United States of America	Echo Production Inc.	12/1/2000	N/A	0.5250000	0.4265625	0.0000000	INSOFAR AND ONLY INSOFAR, as the lease covers depths from the surface to the base of the Bone Spring in Section 27, T23S-R29E less and except the SE/4 SW/4 and the S/2 SE/4 (NM-105557).	Eddy	NM

OXY File Ref. No.	Lessor	Original Lessee	Effective Date	Recordation	OXY Working Interest Delivered	OXY Net Revenue Interest Delivered	OXY Net RI/ORRI Reservation	Legal Description	County	State
6-3024513	The United States of America	Echo Production Inc.	12/1/2000	N/A	0.6000000	0.4875000	0.0000000	INSOFAR AND ONLY INSOFAR, as the lease covers the depths from the surface to the base of the Bone Spring in the SE/4 SW/4 and the S/2 SE/4 of Section 27, T23S-R29E (NM-105557).	Eddy	NM

The leases and lands above are subject to the following:

1. Joint Operating Agreement dated 1/1/1978 between Yates Petroleum Corporation, Operator and MYCO Industries, Inc., et al, Non-Operators covering the W/2 of Section 12, T24S-R29E, Eddy County, New Mexico and additional lands not included in this trade.

2. Communitization Agreement dated 5/11/2009 the Bone Spring formation in the proration unit comprising the W/2 of Section 35, T23S-R29E, Eddy County New Mexico.

3. Exploration Agreement dated 7/1/1999 between KUKUI, Inc. and The Allar Company, et al covering Sections 23, 26, 27, and 35, T23S-R29E, Eddy County New Mexico and additional lands not included in this trade.

4. Exploration Agreement dated July 18, 2003 between Pure Resources, LP and Saga Petroleum Corp covering multiple tracts in Eddy and Lea Counties, New Mexico.

5. Compensatory Royalty Agreement dated 1/10/2000 between Echo Production Company and the United States of America covering NW/4 NW/4, S/2 N/2 and N/2 SW/4 of Section 35, T23S-R29E, Eddy County, New Mexico.

6. Amendment of Compensatory Royalty Agreement dated 1/10/2000 between Echo Production Company and the United States of America covering NW/4 NW/4, S/2 N/2 and N/2 SW/4 of Section 35, T23S-R29E, Eddy County, New Mexico.

7. Joint Operating Agreement dated 8/26/1985 between Santa Fe Energy Company, Operator and Pogo Producing Company, Non-Operator covering the W/2 of Section 5 and all of Section 6, T23S-R32E, Eddy County, New Mexico and additional lands not included in this trade.

OXY Contractual WI Interest

Contractual Working Interest	Property Description
0.28633960	All of Section 6 and the West half of Section 5 T23S-R32E.

EXHIBIT "B"

Attached to and made a part of that certain Assignment of Oil and Gas Leases from OXY USA Inc. and OXY Y-1 Company, as Assignor, to Devon Energy Production Company, L.P., as Assignee.

EXCLUDED WELLS

Less and except the wellbore and production from the Goodnight 35 Federal #2H well, API # 30-015-36373, located in Section 35, T23S-R29E as to the currently producing interval of the 1st Bone Spring.

Less and except the wellbore and production from the Goodnight 27 Federal #1H well, API # 30-015-22157, located in Section 27, T23S-R29E as to the currently producing interval of the 1st Bone Spring.

Less and except the wellbore and production from the Goodnight 27 Federal #2H Well, API # 30-015-36137, located Section 27, T23S-R29E as to the currently producing interval of the 1st Bone Spring.

Less and except the wellbore and production from the Goodnight 27 Federal #3H well, API # 30-015-39220, located in Section 27, T23S-R29E as to the currently producing interval of the 1st Bone Spring.

The 1st Bone Spring interval as produced in the certain wells referenced above is the stratigraphic equivalent of 7,960' MD to 8,282' MD beneath the surface as defined in the Gamma Ray log ran in the Goodnight 35 Fed #1 (API: 30-015-31096) located in Section 35, T23S-R29E.

Less and except the wellbore and production from the Goodnight 26 Federal #1H well, API # 30-015-40007, located in Section 26, T23S-R29E as to the currently producing interval of the 2nd Bone Spring.

The 2nd Bone Spring interval as produced in the certain well referenced above is the stratigraphic equivalent of 8,766' MD to 8,282' MD beneath the surface as defined in the Gamma Ray log ran in the Goodnight 35 Fed #1 (API: 30-015-31096) located in Section 35, T23S-R29E.

Less and except the wellbore and production from the Goodnight 27 Federal #4H well, API # 30-015-39142, located in Section 27,

T23S-R29E as to the currently producing interval of the Brushy Canyon.

Less and except the wellbore and production from the Goodnight 27 Federal #5H well, API # 30-015-39431, located in Section 27, T23S-R29E as to the currently producing interval of the Brushy Canyon.

The Brushy Canyon interval currently produced in the certain wells referenced above is the stratigraphic equivalent of 5,347' MD to 6,890' MD beneath the surface as defined in the Gamma Ray log ran in the Goodnight 35 Fed #1 (API: 30-015-31096) located in Section 35, T23S-R29E.

Less and except the wellbore and production from the Boundary Raider 6 Fed #2H well, API # 30-025-41884, located in Section 7, T23S-R32E as to the currently producing interval of the 2nd Bone Spring.

The 2nd Bone Spring interval currently produced in the certain well referenced above is the stratigraphic equivalent of 10,023' MD to 10,526' MD beneath the surface as defined in the Gamma Ray log ran in the Livingston Ridge 36 #1 (API: 30-015-34644) located in Section 36, T22S-R31E.

Less and except the wellbore and production from the Jester BFJ Federal #1 well, API # 30-015-34275, located in Section 12, T24S-R29E as to the currently producing interval of the Brushy Canyon, 1st Bone Spring, and 2nd Bone Spring.

The Brushy Canyon interval currently produced in the certain well referenced above is the stratigraphic equivalent of 5389' MD to 6992' MD as defined in the Gamma Ray log ran in the Corral Draw AQH Federal #2 (API:30-015-34257) located in Section 13, T24S-R29E.

The 1st Bone Spring interval currently produced in the certain well referenced above is the stratigraphic equivalent of 6992' MD to 8306' MD as defined in the Gamma Ray log ran in the Corral Draw AQH Federal #2 (API:30-015-34257) located in Section 13, T24S-R29E .

The 2nd Bone Spring interval currently produced in the certain well referenced above is the stratigraphic equivalent of 8306' MD to 9142' MD as defined in the Gamma Ray log ran in the Corral Draw AOH Federal #2 (API:30-015-34257) located in Section 13, T24S-R29E.

ASSIGNMENT OF OIL & GAS LEASES AND WELLS

STATE OF NEW MEXICO §
§
COUNTY OF EDDY §

THIS ASSIGNMENT OF OIL & GAS LEASES AND WELLS (this "**Assignment**") is between THE ALLAR COMPANY, a Texas corporation, whose address is P.O. Box 1567, Graham, Texas 76450, ("**Assignor**"), and ALLAR DEVELOPMENT LLC, a Delaware limited liability company, whose mailing address is P.O. Box 1567, Graham, Texas 76450 ("**Assignee**"), effective as of 7:00 a.m. local time on March 1, 2020 (the "**Effective Date**").

ARTICLE I
Grant and Habendum

Section 1.01 The Grant. FOR AND IN CONSIDERATION of One Hundred and No/100 Dollars ($100.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor does hereby GRANT, BARGAIN, SELL, TRANSFER, ASSIGN, and CONVEY unto Assignee all of Assignor's right, title and interest to the following:

(a) The oil and gas leases, mineral executive interests, contractual rights, rights to explore, produce and develop, wellbore interests and/or properties listed and described on **Exhibit "A"** (the "**Leases**"), together with (i) the leasehold estates created thereby and (ii) the lands covered by the Leases or included in units with which the Leases may have been pooled or unitized (the "**Lands**");

(b) The oil and gas wells listed on **Exhibit "B"**, together with any wells located on, or pooled or unitized with, any of the Leases and Lands (collectively the "**Wells**");

(c) All machinery, equipment, improvements and other personal property, facilities and fixtures (including, but not by way of limitation, wellhead equipment, pumping units, flowlines, tanks, injection facilities, saltwater disposal facilities, compression facilities, gathering systems, field gathering system equipment, other equipment, and related transferrable permits) in use or being help for use solely in connection with the operation or maintenance of the Leases or Wells (the "**Facilities**"). The Facilities, Leases and Wells, are collectively herein called the "**Oil and Gas Assets**";

(d) All natural gas, casinghead gas, drip gasoline, natural gasoline, natural gas liquids, condensate, products, crude oil and other hydrocarbons, whether gaseous or liquid, produced or drained from or allocable to the Leases and Wells on and after the Effective Date (the "**Hydrocarbons**");

(e) All prepayments made for the drilling of oil and gas Wells on the Leases and Lands;

(f) Copies of records relating to the Oil and Gas Assets, Hydrocarbons and Contracts;

Reception: 2004457 Book: 1135 Page: 0382 Pages: 6
Recorded: 04/06/2020 10:24 AM Fee: $25.00
Eddy County, New Mexico ~ Robin Van Natta, County Clerk
SEAL
DR

EXHIBIT
E

ALLAR DEVELOPMENT LLC
P O BOX 1567
GRAHAM, TX 76450

(g) Assignor excepts and reserves from the Leases and Lands assigned herein as an overriding royalty interest, an undivided percentage interest equal to the positive difference between all presently existing lease burdens and twenty-five percent (25%), proportionately reduced, of all oil, gas, and associated hydrocarbons produced and saved from the interest and the lands assigned herein pursuant to the terms and provisions of the Leases. Assignor's overriding royalty is to be free and clear of all costs, charges, and expenses, but will be subject to a proportionate part of any and all applicable taxes. Said overriding royalty shall extend to any renewals, extensions or top leases thereon that may be taken or become owned by Assignee within twelve (12) months after the surrender, termination, or expiration of such Leases insofar as such renewals, extensions, or top leases apply to the Lands.

Collectively the above conveyed interests are referred to herein as the "**Assets.**"

Section 1.02 Habendum Clause. TO HAVE AND TO HOLD the Assets assigned by Assignor herein, together with all rights, titles, interests, estates, remedies, powers and privileges thereunto appertaining unto Assignee, its successors and assigns forever.

ARTILE II
General

Section 2.01 Special Warranty of Title. Assignor, individually and not jointly, hereby binds itself, its successors, legal representatives and assigns to warrant and forever defend the Assets unto Assignee, its successors and assigns against all claims, liens, burdens and encumbrances arising by, through or under Assignor or its affiliates, but not otherwise.

OTHER THAN THOSE REPRESENTATIONS AND WARRANTIES EXPRESSLY SET OUT IN THIS ASSIGNMENT OR IN THE PURCHSE AGREEMENT (AS DEFINED BELOW), ASSIGNOR HEREBY EXPRESSLY DISCLAIMS ANY AND ALL REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE ASSETS OR THE TRANSACTION CONTEMPLATED HEREBY, AND ASSIGNEE AGREES THAT THE ASSETS ARE BEING SOLE BY ASSIGNOR "WHERE IS" AND "AS IS", WITH ALL FAULTS. SPECIFCALLY AS A PART OF (BUT NOT IN LIMITATION OF) THE FOREGOING, ASSIGNEE ACKNOWLEDGES THAT, OTHER THAN THOSE REPRESENTATIONS AND WARRANTIES EXPRESSLY SET OUT IN THIS ASSIGNMENT OR THE PURCHASE AGREEMENT, ASSIGNOR HAS NOT MADE, AND ASSIGNOR HEREBY EXPRESSLY DISCLAIMS, ANY REPRESENTATION OR WARRANTY (EXPRESS, IMPLIED, UNDER COMMON LAW, BY STATUTE OR OTHERWISE) AS TO THE CONDITION OF THE SUBJECT INTERESTS, INCLUDING WITHOUT LIMITATION, ANY IMPLIED OR EXPRESS WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR REPRESENTATION AS TO THE QUALITY OR QUANTITY OF HYDROCARBONS ATTRIBUTABLE TO THE ASSESTS OR THE ABILITY OF THE ASSETS TO PRODUCE HYDROCARBONS.

IN WITNESS WHEREOF, the Assignor and Assignee have executed this instrument on the date of such their respective acknowledgements below, but effective as of the Effective Date.

ASSIGNOR

THE ALLAR COMPANY

By: _____
John Chiles Graham, President

ASSIGNEE

ALLAR DEVELOPMENT LLC

By: _____
Edwin Smith Graham IV, Vice President

ACKNOWLEDGMENTS

STATE OF TEXAS §
§
COUNTY OF YOUNG §

This instrument was acknowledged before me on this 16th day of March, 2020, by John Chiles Graham, President of The Allar Company, a Texas corporation, on behalf of said corporation.

RENNE UNKART
Notary Public, State of Texas
Comm. Expires 08-30-2023
Notary ID 1172285-2

Renné Unkart
Notary Public

STATE OF TEXAS §
§
COUNTY OF YOUNG §

This instrument was acknowledged before me on this 16th day of March, 2020, by Edwin Smith Graham IV, President of ALLAR DEVELOPMENT LLC, a Delaware limited liability company, on behalf of said limited liability company.

RENNE UNKART
Notary Public, State of Texas
Comm. Expires 08-30-2023
Notary ID 1172285-2

Renné Unkart
Notary Public

EXHIBIT "A"

OIL AND GAS LEASES

LEASE: NMNM103603
DATE: December 1, 1999
LESSOR: United States of America
LESSEE: Echo Production, Inc.
LANDS: Township 23 South, Range 29 East, N.M.P.M., Eddy County, New Mexico
Section 23: All
Section 26: All

LEASE: NMNM105557
DATE: December 1, 2000
LESSOR: United States of America
LESSEE: Echo Production, Inc.
LANDS: Township 23 South, Range 29 East, N.M.P.M., Eddy County, New Mexico
Section 27: All

LEASE: NMNM103604
DATE: December 1, 1999
LESSOR: United States of America
LESSEE: Echo Production, Inc.
LANDS: Township 23 South, Range 29 East, N.M.P.M., Eddy County, New Mexico
Section 35: NE/4 NE/4; NE/4 NW/4; S/2 SW/4; SE/4

AGREEMENT: NMNM103141 COMPENSATORY ROYALTY AGREEMENT
DATE: December 6, 1999
LESSOR: United States of America
LESSEE: Echo Production, Inc.
LANDS: Township 23 South, Range 29 East, N.M.P.M., Eddy County, New Mexico
Section 35: NW/4 NW/4; S/2 N/2; NW/4 NE/4; N/2 SW/4

LEASE: NMNM102912
DATE: June 1, 1999
LESSOR: United States of America
LESSEE: Echo Production, Inc.
LANDS: Township 24 South, Range 29 East, N.M.P.M., Eddy County, New Mexico
Section 1: Lots 2-4, SW/4 NE/4; S/2 NW/4; SW/4

EXHIBIT "B"

WELLS

Well Name	API
Goodnight 26 Federal #1H Section 26, 23S-29E, Eddy Co., NM	30-015-40007
Goodnight 27 Federal #1H Section 27, 23S-29E, Eddy Co., NM	30-015-22157
Goodnight 27 Federal #2H Section 27, 23S-29E, Eddy Co., NM	30-015-36137
Goodnight 27 Federal #3H Section 27, 23S-29E, Eddy Co., NM	30-015-39220
Goodnight 27 Federal #4H Section 27, 23S-29E, Eddy Co., NM	30-015-39142
Goodnight 27 Federal #5H Section 27, 23S-29E, Eddy Co., NM	30-015-39431
Goodnight 35 Federal #1H Section 35, 23S-29E, Eddy Co., NM	30-015-31096
Goodnight 35 Federal #2H Section 35, 23S-29E, Eddy Co., NM	30-015-36373
Tommy's Boy Federal #1 Section 1, 24S-29E, Eddy Co., NM	30-015-37184
Almost Heroes 1 Federal #4H Section 1, 24S-29E, Eddy Co., NM	30-015-39292

Devon Energy Production Company, L.P.
333 West Sheridan Avenue
Oklahoma City, OK 73102

405 228 8804 Phone
www.devonenergy.com

June 3, 2020

Allar Development, LLC
Attn: Colby Kramer
P.O. Box 1567
Graham, TX 76450-7567

RE: Hot Potato 26-23 Fed Com Wells, Eddy County, New Mexico
Sections 23 & 26-T23S-R29E, Eddy County, NM

To Whom It May Concern:

Devon Energy Production Company, L.P. ("Devon") sent Allar Development, LLC ("Allar") proposal letters for the Hot Potato 26-26 Federal 331H, 399H, 333H, 621H, 622H, 711H, & 712H wells along with the corresponding NMOCD Compulsory Pooling Orders #R-21241, R#-21242, R#-21243, R#-21244, and R#-21245 ("Pooling Orders"), certified copies of which were delivered to Allar on April 24, 2020. Notwithstanding several conversations regarding a compromise to the pre-payment requirement under the Pooling Orders, the parties have been unable to reach an agreement on that issue. Pursuant to the Pooling Orders, Allar was required to make an election to participate or non-consent by May 25, 2020.

In completing our due diligence, Devon determined that there is no Joint Operating Agreement ("JOA") in effect covering Sections 23 and 26-T23S-R29E. It is Devon's opinion that an unexecuted, undated form operating agreement attached to a now-expired exploration agreement is not binding on Devon as Allar suggests. Therefore, it is Devon's position that Allar failed to make an election under the Pooling Orders and can be deemed a non-consenting party.

However, as a courtesy, Devon is willing to extend this election period for five (5) business days from receipt of this letter ("Courtesy Election Due Date"). Allar has until the expiration of the Courtesy Election Due Date to either 1) sign the proposed Joint Operating Agreement dated July 15, 2020, with Devon, as Operator, and Highland (Texas) Energy, et al, as Non-Operator, 2) elect to participate under the Pooling Orders, 3) elect to non-consent under the Pooling Orders, or 4) fail to elect and be deemed to have elected to non-consent under the Pooling Orders.

Please give this matter your immediate attention, and feel free to contact me with any questions that you may have.

Sincerely,

Verl Brown

Verl Brown
Landman

EXHIBIT
F