

Dana Hardy

From: Willis Price <WPrice@btaoil.com>
Sent: Thursday, July 30, 2020 3:42 PM
To: Rice, Chase F. (MRO)
Subject: FW: Trade Possibilities
Attachments: BTA - Oxy - Ochoa Ownership - JOA.xlsx; PartAOGL 02032020 Eff 12012019.pdf

Thanks Chase. We are going to meet on this Monday morning. FYI - BTA traded with Oxy Y-1 Company for an additional 40 acres under the JOA covering N/2 Section 7 and NW/4 Section 8 and BTA now owns 387.036762 net acres (256.421752 net acres in N/2 Section 7 and 130.615010 net acres in NW/4 of Section 8). See Part AOGL attached. Thanks.

Willis Price
BTA Oil Producers, LLC
432-682-3753
wprice@btaoil.com



PARTIAL ASSIGNMENT OF OIL AND GAS LEASES

STATE OF NEW MEXICO §
 §
 COUNTIES OF EDDY §

THIS PARTIAL ASSIGNMENT OF OIL AND GAS LEASES (the "*Assignment*") is executed and delivered as of the date of acknowledgment below, but made effective as of the Effective Time (as defined below), from OXY Y-1 Company, a New Mexico corporation, whose address is 5 Greenway Plaza, Suite 110, Houston, TX 77046 ("*Assignor*"), to BTA Oil Producers, LLC, a Texas limited liability company, whose address is 104 South Pecos Street, Midland, TX 79701 ("*Assignee*"). Assignor and Assignee may hereinafter be referred to collectively as the "*Parties*."

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor GRANTS, BARGAINS, SELLS, CONVEYS, ASSIGNS, TRANSFERS, SETS OVER AND DELIVERS unto Assignee, its successors and assigns, an undivided 31.477914% of Assignor's right, title and interest in the following (but excepting and excluding, in all such instances, the Excluded Assets (as defined below)):

(A) The oil and gas leases described in Exhibit "A," which is attached hereto and made a part hereof for all purposes (including, as applicable, any ratifications, amendments, renewals, or other extensions thereof, whether or not described on Exhibit "A") (collectively, the "*Leases*") insofar and only insofar as the Leases cover the lands described in Exhibit "A," together with all rights incidental thereto, including any and all other rights, titles and interests of Assignor derived from any contract or agreement, and including any units in which the Leases may have been pooled, communitized or unitized by agreement, order, regulation, rule or other official act of any governmental authority having jurisdiction (collectively, the "*Lands*," and together with the Leases, the "*Properties*"). Included in each case, without limitation, are all of Assignor's contractual interests, production payments, net profits interests, carried interests, reversionary interests, operating rights, contractual rights to production and all other interests of any kind or character related to the Properties, except as reserved in this Assignment;

(B) To the extent each is freely assignable under its terms and under applicable laws or regulations, all permits, licenses, servitudes, easements, rights-of-way, surface use agreements, orders, farm-in and farm-out agreements, operating agreements, pooling agreements, unitization agreements, and any other similar agreements to the extent that they are used in connection with the Properties including, without limitation, the contracts and agreements described or referred to in Exhibit "A" (collectively, the "*Contracts*");

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

Reception: 2003112 Book: 1134 Page: 0304 Pages: 9
 Recorded: 03/04/2020 10:13 AM Fee: \$25.00
 Eddy County, New Mexico - Robin Van Natta, County Clerk



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Page 1 of 7
 BTA OIL PRODUCERS LLC
 ATTN: MONA LAGAN
 104 SOUTH PECOS ST
 MIDLAND TX 79701-6021

SAVING, EXCEPTING, AND RESERVING to Assignor, however, all of Assignor's right, title and interest in and to the following (collectively, the "Excluded Assets"):

A. the wellbore of the well described in Exhibit "B," which is attached hereto and made a part hereof for all purposes (the "Wellbore"), 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 Wellbore, limited to the subsurface interval or intervals open to the wellbore by perforation or otherwise as of the Effective Time ("Open Interval(s)"), and all oil, gas associated liquids and other hydrocarbons produced from the Wellbore. The interest reserved by Assignor in the Wellbore is a wellbore interest only limited to rights incident and necessary to the operation and production from such Wellbore as to the Open Intervals. Such retained limited rights in the Wellbore include performing workovers, repairs, stimulations, and other operations necessary to maintain, restore, or enhance production from the Open Interval(s) but Assignor shall not have the right to drill out, deepen, plug back, or extend the existing Wellbore, or recomplete such Wellbore in other intervals that are not open to production as of the Effective Time.

B. the Leases and all tenements, hereditaments, and appurtenances related thereto, insofar and only insofar as they entitle Assignor (i) to produce oil, gas, associated liquids and other hydrocarbons from the Wellbore as limited herein, (ii) to conduct and participate in operations with respect to the Wellbore, (iii) the rights of ingress and egress sufficient to operate, maintain, produce and sell production and to plug and abandon the Wellbore and restore the surface of the Lands, and (iv) to any pooling rights associated therewith; and

C. all rights in the Subject Interests directly related to, or reasonably necessary to retain in order to continue operations of the Wellbore. This shall include, but is not limited to, all of such rights that are reasonably necessary to give Assignor the right to produce at a full allowable.

Without limiting Assignee's right to indemnification hereunder, Assignee hereby assumes and shall be responsible for all obligations, commitments and liabilities arising from or relating to the ownership, operation and use of the Subject Interests to the extent arising from and after the Effective Time (the "Assumed Liabilities"). Assignor hereby retains and shall be responsible for (i) all obligations, commitments and liabilities arising from or relating to the ownership, operation and use of the Subject Interests to the extent arising prior to the Effective Time and (ii) all obligation and liabilities relating to the Wellbore, whether attributable to the period of time before or after the Effective Time (the "Retained Liabilities").

ASSIGNOR HEREBY AGREES TO INDEMNIFY, DEFEND AND KEEP, SAVE AND HOLD HARMLESS ASSIGNEE AND ITS AFFILIATES AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, PARTNERS AND AGENTS, FROM AND AGAINST ANY AND ALL LOSSES, DAMAGES, FINES, PENALTIES, COSTS AND EXPENSES (INCLUDING ATTORNEYS' FEES AND COSTS OF LITIGATION AND

SETTLEMENT), LIABILITIES, LIENS, DEMANDS, JUDGMENTS, SUITS, ACTIONS, CAUSES OF ACTION AND CLAIMS OF ANY KIND OR CHARACTER (COLLECTIVELY "**CLAIMS**") BROUGHT AGAINST OR SUFFERED BY ASSIGNEE AND ITS AFFILIATES AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, PARTNERS AND AGENTS ARISING OUT OF, IN CONNECTION WITH, OR RELATING TO THE RETAINED LIABILITIES AND ANY BREACH OF PARAGRAPH 6 BELOW.

ASSIGNEE HEREBY AGREES TO INDEMNIFY, DEFEND AND KEEP, SAVE AND HOLD HARMLESS ASSIGNOR AND ITS AFFILIATES AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, PARTNERS AND AGENTS, FROM AND AGAINST ANY AND ALL CLAIMS BROUGHT AGAINST OR SUFFERED BY ASSIGNOR AND ITS AFFILIATES AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, PARTNERS AND AGENTS ARISING OUT OF, IN CONNECTION WITH, OR RELATING TO THE ASSUMED LIABILITIES.

TO HAVE AND TO HOLD the Subject Interests unto Assignee and its successors and assigns forever subject to the reservation of the Excluded Assets; provided, however, this Assignment is made subject to the following terms and conditions:

1. This Assignment is effective as of December 1, 2019 at 7:00 a.m. Central Time (the "**Effective Time**").
2. Assignor binds itself and its successors and assigns to warrant and forever defend the Subject Interests unto Assignee, its successors and assigns, against every person claiming by, through or under Assignor, but not otherwise.
3. This Assignment shall also include the right to enforce all representations, warranties and covenants given by others that in any manner relate to the Subject Interests.
4. Any taxes arising from ownership of the Properties or as a consequence of this transaction are the responsibility of the party having the legal obligation to pay such taxes, whether under federal, state, or local law. Assignor makes no representation as to any particular tax treatment that may be afforded Assignee by reason of the transactions contemplated under this Assignment.
5. This Assignment and all rights and covenants in connection herewith shall be covenants running with the land and shall inure to the benefit of and be binding upon the Parties hereto, their heirs, personal representatives, successors and assigns.
6. In addition to this Assignment, the Parties shall execute, acknowledge and deliver to one another, without further consideration, any documents the Parties may reasonably require to further evidence the transfer of the Subject Interests to Assignee, including, but not limited to:
 - (a) Bureau of Land Management Transfer of Operating Rights forms and, if applicable, Transfer of Record Title forms, from Assignor to Assignee covering the federal leases listed on Exhibit "A". Said transfer instruments will be deemed to contain all of the exceptions, reservations, rights, titles and privileges set forth herein as fully as though the same were set forth in such instrument. The interests conveyed by such

separate transfer instrument are the same, and not in addition to, the interests conveyed herein.

7. Assignor represents that to the best of Assignor's knowledge, each of the following statements are true and correct as of the Effective Time:
- (a) All royalties, rentals, taxes (other than income taxes) and other payments due under the Leases and required to be paid before the date of this Assignment have been paid, and the Leases are valid and existing, in full force and effect, and enforceable pursuant to their terms;
 - (b) There are no suits or other proceedings pending or threatened that (i) question Assignor's title to any of the Subject Interests, (ii) may interfere with the operation of any portion of the Subject Interests or (iii) seek to restrain, prohibit or impose damages on Assignor or Assignee with respect to this Assignment;
 - (c) Assignor is not in material breach or in default beyond applicable notice and cure periods under any Contract;
 - (d) Assignor has the legal right and full authority to execute this Assignment and do all other things contemplated hereby;
 - (e) Assignor has not received written notice from any governmental authority of any environmental event or condition concerning the Subject Interests that (i) interferes with or prevents compliance with any environmental laws; (ii) may give rise to or result in any material liability to Assignor; and (iii) has not already been corrected or remediated to the extent required by environmental laws;
 - (f) There are no preferential rights to purchase, options to purchase, areas of mutual interests agreements, consents to assign or confidentiality agreements affecting the Subject Interests, except for consents and approvals of governmental authorities customarily obtained subsequent to transfer;
 - (g) The Lands are free and clear of any production sales agreements or gathering, treating, processing, storage, marketing or transportation agreements with minimum throughput obligations or dedications of acreage or similar burdens, that cannot be cancelled without penalty on 60 days' notice or less, that will be binding on Assignee after closing;
 - (h) Assignor owns the Leases free and clear of any liens, mortgages, deeds of trust, or security interests;
 - (i) Assignor is not a "foreign person" within the meaning of Internal Revenue Code ("IRC") Section 1445 and will furnish Assignee with a certificate that satisfies the requirements of IRC Section 1445(b)(2).
8. 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 the Parties hereby consent to such jurisdiction and venue.
9. 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 the 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. This Assignment may be executed in multiple original counterparts, each of which shall be deemed an original instrument, but all of which shall constitute but one and the same instrument.
11. This Assignment is subject to that certain Ratification of Operating Agreement and Stipulation of Interest dated effective November 1, 2018, recorded in Book 1123, Page 370 of the Eddy County Records, Eddy County, New Mexico, between Assignor and Assignee (the "Ratification and Stipulation"). The Operating Agreement described in and amended by the Ratification and Stipulation is hereinafter called the Subject Operating Agreement.
12. This Assignment is subject to that certain unrecorded Acreage Exchange Letter Agreement dated January 23, 2020, between Assignor and Assignee which, among other things, amends Exhibit "A" to the Subject Operating Agreement.

*[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK; SIGNATURE AND
ACKNOWLEDGMENT PAGES FOLLOW.]*

EXECUTED as of the date of acknowledgments below, but effective as of the Effective Time.

ASSIGNOR:

OXY Y-1 COMPANY

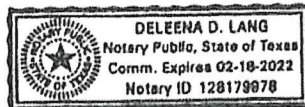
By: John V. Schneider

Name: John V. Schneider

Title: Attorney-in-Fact

STATE OF TEXAS §
COUNTY OF HARRIS §

This instrument was acknowledged before me on this the 3rd day of February, 2020,
by John V. Schneider, Attorney-in-fact of OXY Y-1 COMPANY, a New
Mexico corporation, on behalf of said corporation.



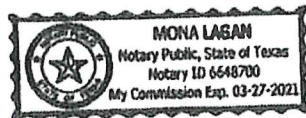
Deleena D. Lang
Notary Public in and for the State of Texas

ASSIGNEE:**BTA Oil Producers, LLC**

By: [Signature]
Name: Barry Beal, Jr.
Title: Managing Member

STATE OF TEXAS §
COUNTY OF MIDLAND §

This instrument was acknowledged before me on this 27th day of January, 2020,
by Barry Beal, Jr., known to me to Managing Member BTA Oil Producers, LLC, a
Texas limited liability company, on behalf of said limited liability company.



[Signature]
Notary Public in and for the State of Texas

EXHIBIT A

Attached to and made a part of that certain Assignment of Oil and Gas Leases dated effective December 1, 2019, from OXY Y-1 Company, as Assignors, to BTA Oil Producers, LLC, as Assignee

<u>LEASE NO.</u>	<u>LESSOR</u>	<u>LESSEE</u>	<u>ASSIGNED LANDS</u>	<u>COUNTY, STATE</u>	<u>PERCENTAGE OF OXY'S INTEREST TO BE ASSIGNED TO BTA</u>	<u>AGREEMENT DATE</u>
1	USA NMNM-103879	YATES PETROLEUM CORPORATION, ET AL	Lots 1, 2, NE/4, E/2NW/4 of Section 7, T23S, R29E	EDDY COUNTY, NEW MEXICO	31.4769163%	03/01/2000
2	USA NMNM-121951	YATES PETROLEUM CORPORATION, ET AL	NW/4 of Section 8, T23S, R29E	EDDY COUNTY, NEW MEXICO	31.4769163%	03/01/2009

It is understood and agreed by the Parties that OXY is only assigning the OXY Leases (as to the undivided percentages identified above) INsofar AND ONLY INsofar as such OXY Leases cover the Assigned Lands described above, and that OXY expressly reserves all other lands covered by the OXY Leases that are not described above.

The leases and lands above are subject to the following:

1. (OXY File Ref. #25431700) Operating Agreement dated 11/1/2018 covering Lots 1, 2, NE/4, and E/2NW/4 of Section 7, and NW/4 of Section 8, T23S, R29E, Eddy County, NM, by and between BTA Oil Producers, LLC, as Operator, and OXY Y-1 Company, as Non-Operators.

[END OF EXHIBIT A]

EXHIBIT B

Attached to and made a part of that certain Assignment of Oil and Gas Leases dated effective December 1, 2019, from OXY Y-1 Company, as Assignors, to BTA Oil Producers, LLC, as Assignee

EXCLUDED WELLS

API	Well Name	Well No.	Sec.	Township	Range	Spud Date	Current Operator
30-013-37615	Culebra BLV Federal Com	#001H	7	23S	29E	2/28/2010	BTA Oil Producers, LLC

[END OF EXHIBIT B]

WI Owner	WI %
BTA Oil Producers, LLC	40.43805500%
Oxy Y-1 Company	9.09751400%
Devon Energy Production Company	1.57701350%
Westall Oil & Gas, LLC	0.78850670%
	51.90108920%