

Additional Information

Leaseholder Verification 3/31/21

25/14

ASSIGNMENT

This Assignment ("Assignment") dated as of February 1, 2018 (the "Effective Date") by and between **Devon Energy Production Company, L.P.**, an Oklahoma limited partnership, with an address at 333 West Sheridan Avenue, Oklahoma City, Oklahoma 73102 ("Assignor"), and **Chevron U.S.A. Inc.**, a Pennsylvania corporation, with an address of 1400 Smith Street, Houston, Texas ("Assignee"). Assignor and Assignee may hereinafter be referred to individually as a "Party" or collectively as the "Parties."

RECITALS

- A. Assignor is the owner of certain oil and gas leases covering lands in Lea and Eddy Counties, New Mexico, further described in Exhibit A-1 – Assigned Premises.
- B. Assignor desires to assign to Assignee all right, title and interest in such leases, insofar as they cover and pertain to the lands and depths described in Exhibit A-1 – Assigned Premises.
- C. In consideration of the mutual promises set out in this Assignment, and other valuable consideration, the receipt and sufficiency of which are acknowledged, Assignor and Assignee agree as follows:

AGREEMENT

1. DEFINITIONS, INTERPRETATION AND EXHIBITS

1.1 **Definitions.** As used in this Assignment, these words or expressions have the following meanings:

"Act" means the Federal Arbitration Act, 9 U.S.C. §§ 1-16.

"Affiliate" of a Party means any Person that directly or indirectly controls, is controlled by, or is under common control with, such Party. For purposes of this definition, "control" means ownership of 50% or greater of the voting interest (stock or otherwise) of such entity.

"Assigned Leases" or "Leases" means any of the oil, gas, or mineral leases described in Exhibit A-1 – Assigned Premises.

"Assigned Premises" means the land and depths described in the Assigned Leases and listed on Exhibit A-1 – Assigned Premises and excludes the Excluded Wells.

"Assignee" has the meaning given in the introductory paragraph.

"Assignee Indemnitee(s)" means Assignee, Assignee's Affiliates, and the directors, officers, agents, and employees of all of them.

"Assignor" has the meaning given in the introductory paragraph.

"Assignor Indemnitee(s)" means Assignor, Assignor's Affiliates, and the directors, officers, agents, and employees of all of them.

"Claim" means any claim, liability, loss, demand, damages, Lien, cause of action, obligation, cost, fees, assessments, penalties, fines, judgment, interest, or award (including recoverable legal counsel and expert witness fees and costs of litigation of the Person asserting the Claim), whether arising by Law, contract, tort, voluntary settlement, or otherwise.

"Contracts" means the agreements identified under Contracts on Exhibit A-1 – Assigned Premises.

"Effective Date" has the meaning given in the introductory paragraph to this Assignment.

"Exhibit" means a document referred to in Section 1.3(A).

"Law(s)" means any valid federal, state, tribal, or local law, rule, regulation, or order.

"Lien" means charge, encumbrance or similar right available to creditors at law to secure debts owed to them.

"Party" means Assignor or Assignee and "Parties" means both of them.

"Person" means an individual, corporation, company, state, statutory corporation, government entity, or any other legal entity.

1.2 **Interpretation.** Unless the context expressly requires otherwise, all of the following apply to the interpretation of this Assignment:

- (A) Plural and singular words each include the other.
- (B) Masculine, feminine, and neuter genders each include the others.
- (C) The word "or" is not exclusive.
- (D) The words "includes" and "including" are not limiting, but are terms of enlargement so other items or components are includable although not specifically expressed.
- (E) References to matters "arising" (or that "arise" or "arises") "out of this Assignment" include matters that arise in connection with this Assignment or have a causal connection with or that flow from this Assignment or that would not have arisen or occurred but for the entering into this Assignment or the performance of or failure to perform obligations under this Assignment.
- (F) The headings in this Assignment are included for convenience and do not affect the construction or interpretation of any provision of, or the rights or obligations of a Party under, this Assignment.
- (G) If a conflict exists between any provisions of this Assignment as they apply to Assignee, the provision that imposes the more onerous obligation on Assignee prevails to the extent of the conflict.

1.3 **Exhibits.**

LEA COUNTY, NM
KEITH HANES, COUNTY CLERK
000823221
Book 2132 Page 341
2 of 14
04/16/2018 10:51 AM
BY MYRA SALMON

- (A) All of the Exhibits that are attached to the body of this Assignment are an integral part of this Assignment and are incorporated by reference into this Assignment, including:
 - (1) Exhibit A-1 – Assigned Premises
 - (2) Exhibit A-2 – Excluded Wells
- (B) If a conflict exists between the body of this Assignment and the Exhibits, the body of this Assignment prevails to the extent of the conflict.
- (C) If a conflict exists between the Exhibits or within an Exhibit as they apply to Assignee, the provision that imposes the more onerous obligation on Assignee prevails to the extent of the conflict.

2. **CONVEYANCE**

2.1 **Conveyance.** Subject to the conditions, exceptions, reservations, covenants and agreements contained in this Assignment, Assignor does hereby assign, transfer and convey to Assignee the following (collectively, the "Properties"):

- (A) all of Assignor's working interest and operating rights in the Assigned Leases described on Exhibit A-1 – Assigned Premises **INSOFAR AND ONLY INSOFAR** as they cover the Assigned Premises;
- (B) to the extent assignable, all easements, rights-of-way, surface leases, servitudes, permits, licenses, franchises and other estates or similar rights and privileges directly related to and used solely in connection with the Leases, limited to the Assigned Premises;
- (C) all unitization, pooling and/or communitization agreements, declarations and orders, production sales contracts, farmin and farmout agreements, operating agreements, service agreements, other contracts, agreements, and arrangements insofar as such contracts, agreements and arrangements cover and directly relate to the Assigned Leases as to the Assigned Premises;
- (D) to the extent transferable, all books, records, files, muniments of title, reports and similar documents and materials, including, without limitation, lease records, well records, and division order records, well files, title records (including abstracts of title, title opinions and memoranda, and title curative documents related to the Assigned Premises), contracts and contract files, correspondence, that relate solely to the foregoing interests in the possession of, and maintained by Assignor; and
- (E) all approvals, consents, certificates and other authorizations, and other rights granted by any third parties, and all certificates of convenience or necessity, immunities, privileges, grants, and other such rights insofar as such rights directly relate to, or arise from, the interests conveyed hereunder or the ownership or operation thereof.

LEA COUNTY, NM
KEITH HANES, COUNTY CLERK
000023221
Book 2132 Page 341
3 of 14
04/16/2018 10:51 AM
BY MYRA SALMON

- 2.2 **Assumed Burdens.** This Assignment is made and the Assigned Leases are conveyed and accepted subject to the terms of the Assigned Leases and all leases, contracts, burdens, encumbrances, restrictions, reservations, obligations, rules, laws and regulations of record affecting the Assigned Leases. Assignee assumes all duties, obligations and liabilities of every kind and character accruing on or after the Effective Date with respect to the Leases and the ownership, operation or maintenance of the Assigned Leases, limited to the Assigned Premises.
- 2.3 **Federal Form.** Assignor and Assignee will execute a BLM form Transfer of Operating Rights from Assignor to Assignee covering the Federal leases listed on Exhibit A-1 – Assigned Premises. Said transfer instrument 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.
- 2.4 **State Form.** Assignor and Assignee will execute a New Mexico State Land Office Assignment of Oil and Gas Lease form from Assignor to Assignee covering the State leases listed on Exhibit A-1 – Assigned Premises. Said transfer instrument 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.
- 2.5 **Compliance with Contracts.** Assignee will observe and comply with all covenants, terms, and provisions, express or implied, contained in the Contracts to the extent same are assigned to Assignee. This Assignment is made expressly subject to all Contracts. Assignee, by its execution of this Assignment, adopts, ratifies, and confirms any operating agreement or other Contract in all respects assigned hereunder, and from the Effective Date, agrees to be substituted for the Assignor as a party to such operating agreement or other Contract.
- 2.6 **Expenses and Recording.**
- (A) Except as otherwise specifically provided in this Assignment, all fees, costs and expenses incurred by Assignor or Assignee in negotiating this Assignment or in consummating the transactions contemplated by this Assignment will be paid by the Party incurring the same, including legal and accounting fees, costs and expenses.
- (B) Assignee will be responsible for the filing and recording of this Assignment, conveyances, or other instruments required to convey title to the Assigned Premises to Assignee, and Assignee will bear all required documentary, filing and recording fees and expenses incurred in connection with same. Assignee must furnish to Assignor a certified copy of this Assignment, conveyances or other instruments so recorded.

3. EXCLUDED WELLS AND RESERVATIONS

- 3.1 **Excluded Wells.** As reflected on Exhibit A-2, the Excluded Wells are subject to certain Joint Operating Agreements ("Operating Agreements") and are not operated by Assignor. Assignor does hereby except and reserve unto itself all right, title and interest of Assignor

LEA COUNTY, NM
KEITH MANES, COUNTY CLERK
000023221
Book 2132 Page 341
4 of 14
04/16/2010 10:51 AM
BY MYRA SALMON

in and to the wells described in Exhibit A-2 – Excluded Wells (the “Excluded Wells”), along with rights, contracts, agreements, equipment, and personal property to the extent associated with the Excluded Wells, in accordance the terms of the Operating Agreements. All liabilities and responsibilities for the Excluded Wells shall be determined in accordance with the Operating Agreement.

4. REPRESENTATIONS AND WARRANTIES

- 4.1 Assignor does hereby bind itself and its successors and assigns to warrant and forever defend all and singular title to the interests assigned hereby in the Assigned Leases as they cover the Assigned Premises unto Assignee and Assignee's successors and assigns, against every Person whomsoever lawfully claiming or to claim the same or any part thereof, by, through, or under Assignor, but not otherwise. Further, Assignee is specifically assigned, and subrogated to, warranties of title which Assignor may have from its predecessors in interest to the extent applicable with respect to the interests assigned hereby in the Assigned Leases as they cover the Assigned Premises and to the extent Assignor may legally assign such rights and grant such subrogation. Except as set forth herein, this Assignment is made on an “AS IS, WHERE IS” BASIS, “WITH ALL FAULTS,” AND WITHOUT WARRANTIES WHATSOEVER WITH RESPECT TO ANY INTEREST TRANSFERRED, EITHER EXPRESS OR IMPLIED, IT BEING EXPRESSLY AGREED BY ASSIGNOR AND ASSIGNEE THAT ASSIGNOR MAKES NO WARRANTIES OR REPRESENTATIONS WITH RESPECT TO ORIGIN, QUANTITY, QUALITY, CONDITION, MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE, SAFETY OF EQUIPMENT, COMPLIANCE WITH GOVERNMENTAL REGULATIONS, TITLE TO PERSONAL PROPERTY, THE QUANTITY, VALUE OR EXISTENCE OF RESERVES OF OIL, GAS OR OTHER MINERALS PRODUCIBLE OR RECOVERABLE FROM THE ASSIGNED PREMISES.
- 4.2 **Commercial Obligations.** Assignor represents and warrants that during the time that Assignor has owned the Assigned Leases, except as expressly specified in Exhibit A, Assignor has not dedicated the Assigned Premises nor the Assigned Leases to a third party for gathering, transportation and/or processing of crude oil or gas produced therefore.
- 4.3 **Royalty Payment Obligations.** Assignor represents and warrants that to the best of its knowledge, all royalties, rentals and other payments due under the Leases have been properly and timely paid.

5. ASSUMED AND RETAINED OBLIGATIONS.

- 5.1 Except as otherwise expressly provided within this Section 5.1, Assignee assumes all duties, obligations, and liabilities insofar and only insofar as they pertain to the interests acquired by Assignee in and to the Properties with respect to the following for the period of time from and after the Effective Date (the “Assumed Obligations”):
- (A) the Assigned Premises or the ownership or operation thereof;
 - (B) the terms of the Contracts;

LEA COUNTY, NM
KEITH HANES, COUNTY CLERK
888823221
Book 2132 Page 341
3 of 14
04/16/2019 10:51 AM
BY MYRA SALMON

- (C) ad valorem, property, production, severance, and other similar taxes or assessments based upon or measured by the ownership of the Assigned Premises or the production therefrom on and after the Effective Date;
 - (D) obligations to restore the surface (including the treating and backfilling of all pits) as nearly as practicable to its original condition or as may otherwise be required by the Contracts or by Law, excluding any obligations that pertain to the Excluded Wells;
 - (E) plugging and abandonment and remediation of all wells drilled on the Assigned Premises on or after the Effective Date;
 - (F) the removal of structures, facilities, foundations, wellheads, tanks, pipelines, flowlines, pumps, compressors, separators, heater treaters, valves, fittings, machinery and other materials and equipment of any nature, placed on the Assigned Premises on or after the Effective Date that do not relate to the Excluded Wells;
 - (G) obligations to remediate or bring the Assigned Premises into compliance with Laws or Contracts (including conducting any remediation activities that may be required on or otherwise in connection with activities on the Assigned Premises) that arise from and after the Effective Date, excluding any obligations that pertain to the Excluded Wells;
 - (H) any other duty, obligation, event, condition, or liability assumed by Assignee under the terms of this Assignment; and
 - (I) all other duties, obligations, and liabilities not expressly retained by Assignor that pertain to the Properties and are attributable to the period of time from and after the Effective Date, excluding any obligations that pertain to the Excluded Wells.
- 5.2 Assignor retains all duties, obligations, and liabilities with respect to the following (the "Retained Obligations"):
- (A) environmental claims relating to the Assigned Premises arising prior to the Effective Date, or that are based upon an event, circumstance, or occurrence that happened prior to the Effective Date;
 - (B) Claims under any Contracts arising prior to the Effective Date, or that are based upon an event, circumstance, or occurrence that happened prior to the Effective Date;
 - (C) ad valorem, property, production, severance, and other similar taxes or assessments based upon or measured by the ownership of the Assigned Premises or the production therefrom prior to the Effective Date;
 - (D) the Assigned Premises or the ownership or operation thereof for the period of time prior to the Effective Date;

LEA COUNTY, NH
 KEITH HANES, COUNTY CLERK
 00023221
 Book 2132 Page 341
 6 of 14
 04/16/2018 10:51 AM
 BY MYRA SALMON

(E) all other duties, obligations, and liabilities not expressly assumed by Assignee that pertain to the Properties and are attributable to the period of time prior to the Effective Date.

(F) Assignor's reserved interest in and to the Excluded Wells.

6. **INDEMNITIES**

6.1 **ASSIGNEE RELEASE AND INDEMNIFICATION.** Assignee (A) releases and discharges, and (B) must defend, indemnify, and hold harmless, Assignor Indemnitees from and against all Claims as a result of, arising out of, or related to the Assumed Obligations or from Assignee's breach of Assignee's representations, warranties, covenants, or agreements hereunder. All release, defense, and indemnity provisions of this Section apply without regard to the cause or causes of the underlying claim, including (a) the negligence (whether sole, contributory, comparative, concurrent, active, passive, simple, or gross) of Assignor Indemnitees, or any third party, and (b) strict liability, regulatory liability, statutory liability, or liability without fault of Assignor Indemnitees or any third party. If any indemnity provision of this Assignment is judged invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, such provision will be deemed omitted to the extent and only to the extent of the invalidity or unenforceability, and the remaining indemnity provisions will remain in full force and effect.

6.2 **ASSIGNOR RELEASE AND INDEMNIFICATION.** Assignor (A) releases and discharges, and (B) must defend, indemnify, and hold harmless, Assignee Indemnitees from and against all Claims as a result of, arising out of, or related to the Retained Obligations or from Assignor's breach of Assignor's representations, warranties, covenants, or agreements hereunder. All release, defense, and indemnity provisions of this Section apply without regard to the cause or causes of the underlying claim, including (a) the negligence (whether sole, contributory, comparative, concurrent, active, passive, simple, or gross) of Assignee Indemnitees, or any third party, and (b) strict liability, regulatory liability, statutory liability, or liability without fault of Assignee Indemnitees or any third party. If any indemnity provision of this Assignment is judged invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, such provision will be deemed omitted to the extent and only to the extent of the invalidity or unenforceability, and the remaining indemnity provisions will remain in full force and effect.

6.3 **Limitation on Classes of Damages.** Assignor and Assignee mutually waive and release to the fullest extent permitted by applicable Law, all of the Claims for indirect, consequential or punitive damages (including Claims for lost profits or loss of production) arising out of this Assignment, except for Claims arising from the obligation of a Party to indemnify the other Party for third-party Claims.

6.4 **Defense of Claims.**

(A) Whenever Assignee indemnifies Assignor Indemnitees against Claims, Assignee must defend and hold Assignor Indemnitees harmless against those Claims and against all reasonable costs, expenses, and fees of any kind (including reasonable attorneys' fees and expert witness fees) incurred by Assignor Indemnitees in defending those Claims.

LEA COUNTY, NM
KEITH MANES, COUNTY CLERK
000023221
Book 2132 Page 341
7 of 14
04/16/2018 10:51 AM
BY MYRA SALMON

- (B) Whenever Assignor indemnifies Assignee Indemnitees against Claims, Assignor must defend and hold Assignee Indemnitees harmless against those Claims and against all reasonable costs, expenses, and fees of any kind (including reasonable attorneys' fees and expert witness fees) incurred by Assignee Indemnitees in defending those Claims.
- (C) Any costs, expenses, and fees of any kind (including reasonable attorneys' fees and expert witness fees) indemnified by a Party under this Section are in addition to any amounts indemnified under this Assignment that are subject to a maximum liability amount.
- (D) A Person seeking to rely on an indemnity has the right to reasonably object to counsel selected by the indemnifying Party and select alternative counsel at the cost of the indemnifying Party.

6.5 **Waiver of Consumer Rights.**

- (A) Assignee waives its rights under the Texas Deceptive Trade Practices Consumer Protection Act, Section 17.41 *et seq.*, Texas Business & Commerce Code, a Law that gives consumers special rights and protections. After consultation with an attorney of Assignee's own selection, Assignee voluntarily consents to this waiver.
- (B) In order to evidence its ability to grant the above waiver, Assignee represents and warrants to Assignor that Assignee (1) is in the business of seeking or acquiring, by purchase or lease, goods or services for commercial or business use, (2) has knowledge and experience in financial and business matters that enable it to evaluate the merits and risks of the transactions contemplated in this Assignment, and (3) is not in a significantly disparate bargaining position.

7. **GENERAL PROVISIONS**

- 7.1 **Governing Law.** This Agreement is governed by and interpreted under the laws of the State of New Mexico without regard to its choice of law rules, except that the substantive and procedural rules of the International Institute for Conflict Prevention and Resolution 2013 Administered Arbitration Rules govern Disputes as set out in Section 7.2 below.
- 7.2 **Resolution of Disputes.** Assignors and Assignee shall exclusively and finally resolve any dispute between them using direct negotiations, mediation, and then arbitration as set out in this paragraph. If a dispute arising out of this Assignment is not resolved by direct negotiations, any party may initiate mediation by giving notice to the other(s) setting out the disputed issues and the value of the claim. If the Parties fail to resolve the dispute within 60 days from notice of mediation, any Party may initiate binding arbitration by giving notice to the other Party. The place of arbitration must be Houston, Texas. One arbitrator (or 3 arbitrators if the monetary value of the dispute is more than US\$5,000,000 or its currency equivalent, or if there is a dispute whether the monetary value exceeds the US\$5,000,000) will conduct the arbitral proceedings in accordance with the International Institute for Conflict Prevention and Resolution ("CPR") 2013 Administered Arbitration Rules ("CPR Rules"). To the extent of any conflicts between the CPR Rules and the provisions of this Assignment, the provisions of this Assignment prevail. The CPR is the appointing authority. The maximum number of witnesses each Party may call to give

LEA COUNTY, NH
KEITH HANES, COUNTY CLERK
000023221
Book 2132 Page 341
8 of 14
04/16/2018 10:51 AM
BY HYRA SALMON

evidence is 3 witnesses of fact and 1 expert witness. The arbitration award is final and binding. Regardless of which Party prevails, all arbitration fees and costs must be paid equally and each Party shall bear its own attorneys' fees and costs in connection with such arbitration. The Parties waive irrevocably their right to any form of appeal, review, or recourse to any court or other judicial authority under any applicable law, to the extent that such waiver may be validly made. Proceedings to (1) preserve property or seek injunctive relief, or (2) enforce an award under this paragraph, may be brought in any court of competent jurisdiction.

- 7.3 **Property Exchange Agreement.** This Assignment is made subject to that certain Property Exchange Agreement dated effective February 1, 2018, by and between Assignor and Assignee (the "Property Exchange Agreement"); however, third parties may conclusively rely on this Assignment as evidence of title in and to the Properties vesting in Assignee. To the extent the terms of the Property Exchange Agreement are inconsistent with the terms of this Assignment, the terms of this Assignment will prevail. Assignor and Assignee agree (a) to furnish upon request to each other such further information, (b) to execute, acknowledge and deliver to each other such other documents, and (c) to do such other acts and things, all as the other may reasonably request for the purpose of carrying out the intent of this Assignment and/or the Property Exchange Agreement.
- 7.4 **Business Relationship.** Neither this Assignment nor the operations and activities under it create or may be construed to create, any partnership, mining partnership, tax partnership, association, joint venture, or fiduciary relationship of any kind or character between the Parties.
- 7.5 **Binding Nature.** This Assignment and all of its exceptions, terms and conditions are binding upon and shall inure to the benefit of the Parties and each of their heirs, executors, administrators, personal representatives, successors and assigns, and anyone claiming title to the Assigned Premises by, through or under them.
- 7.6 **Prior Agreements.** This Assignment and the Property Exchange Agreement comprise the complete and exclusive agreement between the Parties regarding the subject matter of this Assignment, and supersede all oral and written communications, negotiations, representations or agreements in relation to that subject matter made or entered into before the Effective Date.
- 7.7 **Amendment.** No amendment to this Assignment is effective unless made in writing and signed by authorized representatives of the Parties to this Assignment.
- 7.8 **Counterparts.** This Assignment may be executed in any number of counterparts, each of which shall be considered an original for all purposes and which together will constitute one and the same instrument. For recording purposes, counterpart signature and acknowledgment pages may be combined into one original.
- 7.9 **Severability.** Each provision of this Assignment is severable and if any provision is determined to be invalid, unenforceable or illegal under any existing or future law by a court, arbitrator of competent jurisdiction or by operation of any applicable law, this invalidity, unenforceability or illegality does not impair the operation of or affect those portions of this Assignment that are valid, enforceable and legal.

LEA COUNTY, NM
KEITH HANES, COUNTY CLERK
888823221
Book 2132 Page 341
8 of 14
04/16/2018 10:51 AM
BY MYRA SALMON

- 7.10 **Conflict of Interest.** No director, employee, or agent of either Party may give or receive any commission, fee, rebate, gift, or entertainment of significant cost or value in connection with this Assignment.
- 7.11 **Public Announcements.** Neither of the Parties may make a press release or public communication concerning this Agreement or the transaction herein contemplated without the prior written approval of the other Party, which approval shall not be unreasonably withheld, conditioned, or delayed. The Parties will consult with each other in a timely manner on all press releases required by law.
- 7.12 **Third-Party Rights.** No person or entity who is not a party to this Assignment has any rights under this Assignment or may enforce any provision in this Assignment.
- 7.13 **Notices.**
- (A) All notices required or permitted under this Assignment must be in writing and delivered by certified mail (postage prepaid), by courier service with written verification of receipt, or by hand delivery to the address of the receiving Party set out on the signature page below. Notices are effective when received by the recipient during the recipient's regular business hours. Notices sent by e-mail or facsimile are ineffective.
 - (B) The representatives and contact information of each Party are as set forth on the signature page below. Each Party is responsible for maintaining a current address for Notices, and must promptly notify the other Party of any changes in that address.
 - (C) Each Party may change its representative or contact information by giving notice to the other Party. If a notice is given under this Section 8.13, the replacement representative or contact information which is set out in the notice replaces the representative or contact information as set out on the signature page below.
- 7.14 **Assignment.** This Assignment and the respective rights the Parties hereunder may not be assigned at any time without the prior written consent of the other Party, such consent not to be unreasonably withheld, conditioned, or delayed. Subject to the foregoing, this Assignment shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns.
- 7.15 **Drafting.** Preparation of this Assignment has been a joint effort of the Parties and the resulting Assignment must not be construed more severely against one of the Parties than against the other.

The remainder of this page is intentionally left blank.

LEA COUNTY, NH
KEITH HANES, COUNTY CLERK
000023221
Book 2132 Page 341
10 of 14
04/16/2010 10:51 AM
BY HYRA SALMON

IN WITNESS WHEREOF, this instrument is executed as of the date of the acknowledgment as evidenced by the following signatures of the authorized representatives of the Parties, but effective for all purposes as of the Effective Date.

ASSIGNOR:

ASSIGNEE:

DEVON ENERGY PRODUCTION
COMPANY, L.P

CHEVRON U.S.A. INC.

Signature:

Signature:

Catherine Lebsack

H.W. Parker

Name: Catherine Lebsack

Name: H.W. Parker

Title: Vice President

Title: Attorney-in-Fact

HP
CP

ADDRESS FOR NOTICES:

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

Attention: Delaware Basin Land Manager

Telephone: 405-253-3611

Facsimile: 405-234-2612

ADDRESS FOR NOTICES:

Chevron U.S.A. Inc.
1400 Smith Street
Houston, Texas 77002

Attention: Land Manager

Telephone: 432-687-7100

Facsimile: 432-687-7448

LEA COUNTY, NM
KEITH HANES, COUNTY CLERK
898823221
Book 2132 Page 341
11 of 14
04/16/2018 10:51 AM
BY MYRA SALMON

EXHIBIT A-1 – ASSIGNED PREMISES

Attached to and made a part of that certain Assignment dated effective February 1, 2018 by and between Devon Energy Production Company, L.P. and Chevron U.S.A. Inc.

Tract 1

Description of Land:

Lots 1 & 2, S/2 N/2 and S/2 of Section 4, N/2, NE/4SW/4 and SE/4 Section 8 and all of Section 9, T22S-R33E, Lea County, New Mexico

Description of Oil and Gas Lease:

Serial No: NMNM 96244
Lessor: United States of America
Lessee: Penwell Energy, Inc.
Date: March 1, 1996
Recorded: Book 711, Page 247, Lea County Records

Contracts:

Operating Agreement (A.A.P.L. Form 610-1982) dated March 1, 2003, by and between Devon Energy Production, L.P. and Chesapeake Exploration Limited Partnership.

Tract 2:

Description of Land:

SW/4 Section 11, T24S-R31E, Eddy County, New Mexico

Description of Oil and Gas Lease:

Serial No: NMNM 031963
Lessor: United States of America
Lessee: Mona M. Stewart
Date: January 1, 1958
Recorded: Book 84, Page 151

Contracts:

Operating Agreement (A.A.P.L. Form 610-1982) dated March 1, 1997, by and between Sonat Exploration Company, as Operator, and Santa Fe Energy Resources, Inc., as Non-Operator.

End of Exhibit A-1

LEA COUNTY, NM
KEITH MANES, COUNTY CLERK
000023221
Book 2132 Page 341
13 of 14
04/16/2018 10:51 AM
BY MYRA SALMON

EXHIBIT A-2 – EXCLUDED WELLS

Attached to and made a part of that certain Assignment dated effective February 1, 2018 by and between Devon Energy Production Company, L.P. and Chevron U.S.A. Inc.

Tract 1:

Livestock 9 Federal #2 – API: 30-025-36583

Operating Agreement:

Operating Agreement (A.A.P.L. Form 610-1982) dated March 1, 2003, by and between Devon Energy Production, L.P. and Chesapeake Exploration Limited Partnership.

Tract 2:

Lotus 11 D Federal #1 – API: 30-015-29440

Operating Agreement:

Operating Agreement (A.A.P.L. Form 610-1982) dated March 1, 1997, by and between Sonat Exploration Company, as Operator, and Santa Fe Energy Resources, Inc., as Non-Operator.

End of Exhibit A-2

LEA COUNTY, NM
KEITH HANES, COUNTY CLERK
888823221
Book 2132 Page 341
14 of 14
04/16/2018 10:51 AM
BY MYRA SALMON

20
16

ASSIGNMENT

This **ASSIGNMENT** (the "Assignment") is made and entered into on August 1, 2018 and effective as of July 1, 2018 (the "Effective Date") by and between **CHEVRON U.S.A. INC.**, a Pennsylvania corporation, with an address of 1400 Smith Street, Houston, Texas 77002 (the "Assignor"), and **ADVANCE ENERGY PARTNERS HAT MESA, LLC**, a Delaware limited liability company, with an address of 11490 Westheimer Road, Suite 950, Houston, Texas 77077 ("Advance") and **BULLHEAD ENERGY, LLC**, a Texas limited liability company, with an address of P.O. Box 3445, Midland, Texas 79702 ("Bullhead"), as assignees hereunder, in the proportions reflected below (collectively, the "Assignees").

RECITALS

- A. Assignor owns certain working interests and operating rights interests in those oil and gas leases that are described in the Exhibit A – Assigned Premises that is attached hereto and made apart hereof for all purposes, insofar as such leases cover those lands and depths located in Lea County, New Mexico that are also described on said Exhibit A – Assigned Premises.
- B. Assignor desires to assign to Assignees all of its right, title and interest in such working interests and operating rights in such leases, insofar as they cover and pertain to the lands and depths described in Exhibit A – Assigned Premises.
- C. In consideration of the mutual promises set out in this Assignment, and other valuable consideration, the receipt and sufficiency of which are acknowledged, Assignor and Assignees agree as follows:

AGREEMENT

1. DEFINITIONS, INTERPRETATION AND EXHIBITS

1.1 **Definitions.** As used in this Assignment, these words or expressions have the following meanings:

"Affiliate" of a Party means any Person that directly or indirectly controls, is controlled by, or is under common control with, such Party. For purposes of this definition, "control" means ownership of 50% or greater of the voting interest (stock or otherwise) of such entity.

"Asset Taxes" means ad valorem, property, excise, severance, production, sales, use and similar taxes based upon the operation or ownership of the Assigned Premises or the production of hydrocarbons or the receipt of proceeds therefrom, but excluding, for the avoidance of doubt, income taxes and Transfer Taxes.

"Assigned Leases" or "Leases" means those oil and gas or mineral leases described in Exhibit A – Assigned Premises.

"Assigned Premises" means the Assigned Leases, insofar and only insofar as they cover the lands and depths and identified on Exhibit A – Assigned Premises.

"Assignees" has the meaning given in the introductory paragraph.

N-BLR-043-00

“Assignment” has the meaning given in the introductory paragraph.

“Assignor” has the meaning given in the introductory paragraph.

“Assumed Obligations” has the meaning given in Section 5.1.

“Claim” means any claim, liability, loss, demand, damages, Lien, cause of action, obligation, cost, fees, assessments, penalties, fines, judgment, interest, or award (including recoverable legal counsel and expert witness fees and costs of litigation of the Person asserting the Claim), whether arising by Law, contract, tort, voluntary settlement, or otherwise.

“Contracts” means the agreements identified on Exhibit A – Assigned Premises.

“Effective Date” has the meaning given in the introductory paragraph.

“Exhibit” means a document referred to in Section 1.3(A).

“Indemnitee(s)” means Assignor, Assignor’s Affiliates, and the directors, officers, agents, and employees of each of them.

“Laws” means any valid federal, state, tribal, or local law, rule, regulation, or order.

“Lien” means charge, encumbrance or similar right available to creditors at Law to secure debts owed to them.

“Party” means either of the Assignees or Assignor, and “Parties” collectively refers to all of such Assignees and Assignor.

“Person” means an individual, corporation, company, state, statutory corporation, government entity, or any other legal entity.

“Tax Return” means any tax return, declaration, report, claim for refund, or information return or statement relating to taxes, including any schedule or attachment thereto and any amendment thereof.

“Transfer Taxes” is defined in Section 2.4.

1.2 **Interpretation.** Unless the context expressly requires otherwise, all of the following apply to the interpretation of this Assignment:

- (A) Plural and singular words each include the other.
- (B) Masculine, feminine, and neuter genders each include the others.
- (C) The word “or” is not exclusive.
- (D) The words “includes” and “including” are not limiting, but are terms of enlargement so other items or components are includable although not specifically expressed.

- (E) References to matters “arising” (or that “arise” or “arises”) “out of this Assignment” include matters that arise in connection with this Assignment or have a causal connection with or that flow from this Assignment or that would not have arisen or occurred but for the entering into this Assignment or the performance of or failure to perform obligations under this Assignment.
- (F) The headings in this Assignment are included for convenience and do not affect the construction or interpretation of any provision of, or the rights or obligations of a Party under, this Assignment.
- (G) If a conflict exists between any provisions of this Assignment as they apply to Assignee, the provision that imposes the more onerous obligation on Assignee prevails to the extent of the conflict.

1.3 Exhibits.

- (A) Exhibit A – Assigned Premises attached to the body of this Assignment is an integral part of this Assignment and is incorporated by reference into this Assignment.
- (B) If a conflict exists between the body of this Assignment and Exhibit A – Assigned Premises, the body prevails to the extent of the conflict.

2. CONVEYANCE

2.1 **Conveyance.** Subject to the conditions, exceptions, reservations, covenants and agreements contained in this Assignment, Assignor does hereby assign, transfer and convey to Assignee, in the percentages of 95% to ADVANCE ENERGY PARTNERS HAT MESA, LLC, and 5% to BULLHEAD ENERGY, LLC to the following:

- (A) all of Assignor’s working interest and operating rights in the Assigned Leases described on Exhibit A – Assigned Premises **INSOFAR AND ONLY INSOFAR** as they cover the Assigned Premises;
- (B) to the extent assignable, all easements, rights-of-way, surface leases, servitudes, permits, licenses, franchises and other estates or similar rights and privileges directly related to and used solely in connection with the Leases, limited to the Assigned Premises;
- (C) all Contracts;
- (D) to the extent transferable, all books, records, files, muniments of title, reports and similar documents and materials, including, without limitation, lease records, well records, and division order records, well files, title records (including abstracts of title, title opinions and memoranda, and title curative documents related to the Assigned Premises), contracts and contract files, correspondence, that relate solely to the foregoing interests in the possession of, and maintained by Assignor; and
- (E) all approvals, consents, certificates and other authorizations, and other rights granted by any third parties, and all certificates of convenience or necessity,

immunities, privileges, grants, and other such rights insofar as such rights directly relate to, or arise from, the interests conveyed hereunder or the ownership or operation thereof.

- 2.2 **Federal Form.** Assignors and Assignee will execute a BLM form Assignment of Record Title or Transfer of Operating Rights (with the choice of such form to be based upon the type of Assignor's ownership, all of which shall vest in Assignees under the terms of such conveyance) covering any Leases issued by the United States that are listed on Exhibit A – Assigned Premises. Said transfer instrument 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.
- 2.3 **Compliance with Contracts.** Assignee will observe and comply with all covenants, terms, and provisions, express or implied, contained in the Contracts to the extent same are assigned to Assignees. This Assignment is made expressly subject to all Contracts.
- 2.4 **Taxes.**
- (A) All ad valorem, property, and other forms of taxes that have been paid by Assignor or that have accrued on or before the Effective Date will be prorated between Assignor and Assignees as of the Effective Date.
- (B) Assignees will be responsible for all sales, use, recordation and similar taxes arising out of the sale of the Assigned Premises ("Transfer Taxes").
- (C) Assignees will pay Assignor all state and local sales or use taxes applicable to that portion of the Assigned Premises that is tangible personal property, and Assignor will remit such amount to the appropriate taxing authority in accordance with applicable Law; provided, however, that if either Assignee holds a direct payment permit that is valid on the Effective Date, such Assignee will assume all responsibility for remitting to the appropriate taxing authority the state and local sales and use taxes due, and will provide Assignor with any exemption certificates or other documentation required under applicable Law in lieu of paying Assignor the taxes due.
- (D) Any legal expenses incurred by Assignor to reduce or avoid any of the foregoing taxes will be paid or reimbursed by Assignees. Should this Assignment constitute an isolated or occasional sale and not be subject to sales or use tax with any of the taxing authorities having jurisdiction, no sales tax will be collected by Assignor from Assignees. Assignor agrees to cooperate with Assignees in demonstrating that the requirements for an isolated or occasional sale or any other sales tax exemption have been met.
- 2.5 **Expenses and Recording.**
- (A) Except as otherwise specifically provided in this Assignment, all fees, costs and expenses incurred by Assignor or Assignees in negotiating this Assignment or in consummating the transactions contemplated by this Assignment will be paid by the Party incurring the same, including legal and accounting fees, costs and expenses.

- (B) Assignees will be responsible for the filing and recording of this Assignment, conveyances, or other instruments required to convey title to the Assigned Premises to Assignees, and Assignees will bear all required documentary, filing and recording fees and expenses incurred in connection with same. Assignees must furnish to Assignor a certified copy of this Assignment, conveyances or other instruments so recorded.

3. REPRESENTATIONS AND WARRANTIES

- 3.1 Notwithstanding anything to the contrary, Assignor does hereby bind itself and its successors and assigns to warrant and forever defend all and singular title to the interests assigned hereby in the Assigned Leases as they cover the Assigned Premises unto Assignees and Assignees' successors and assigns, against every Person whomsoever lawfully claiming or to claim the same or any part thereof, by, through, or under Assignor, but not otherwise. Further, Assignees are specifically assigned, and subrogated to, warranties of title which Assignor may have from its predecessors in interest to the extent applicable with respect to the interests assigned hereby in the Assigned Leases as they cover the Assigned Premises and to the extent Assignor may legally assign such rights and grant such subrogation. Assignor represents and warrants to Assignees that except for matters disclosed in this Agreement, there are no unrecorded contracts, agreements, or encumbrances to which any of Assignees interests covered hereby are subject that burden Assignee's title or would restrict the ability of the owner of such interests to conduct operations and produce, market and sell hydrocarbons with respect to the terms of the Assigned Leases, or reduce the net revenue of lessee under the Assigned Leases.
- 3.2 Except as set forth in this Assignment, this Assignment is made on an "AS IS, WHERE IS" BASIS, "WITH ALL FAULTS," AND WITHOUT WARRANTIES WHATSOEVER WITH RESPECT TO ANY INTEREST TRANSFERRED, EITHER EXPRESS OR IMPLIED, IT BEING EXPRESSLY AGREED BY ASSIGNOR AND ASSIGNEES THAT ASSIGNOR MAKES NO WARRANTIES OR REPRESENTATIONS WITH RESPECT TO ORIGIN, QUANTITY, QUALITY, CONDITION, MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE, SAFETY OF EQUIPMENT, COMPLIANCE WITH GOVERNMENTAL REGULATIONS, TITLE TO PERSONAL PROPERTY, THE QUANTITY, VALUE OR EXISTENCE OF RESERVES OF OIL, GAS OR OTHER MINERALS PRODUCIBLE OR RECOVERABLE FROM THE ASSIGNED PREMISES.
- 3.3 **Broker's Fees.** Assignor and Assignees warrant that neither has incurred any liability, contingent or otherwise, for brokers' or finders' fees relating to this Assignment for which the other shall have responsibility.
- 3.4 **Royalty Payment Obligations.** Assignor represents and warrants that to the best of its knowledge, all royalties, rentals and other payments due under the Leases have been properly and timely paid.
- 3.5 **Taxes.** Assignor represents that:

- (A) all Asset Taxes that have become due and payable have been duly and timely paid in full, and all Tax Returns with respect to the Assigned Premises required to be filed have been duly and timely filed;
- (B) there are no Liens on the Assigned Premises attributable to taxes owed by or assessed against Assignor other than statutory Liens for taxes that are not yet due and payable;
- (C) no audit, litigation or other proceeding with respect to Assignor's Asset Taxes has been commenced or is presently pending, and Assignor has not received written notice of any pending claim against it (which remains outstanding) from any applicable governmental authority for assessment of Assignor's Asset Taxes; and
- (D) none of the Assigned Premises are subject to any tax partnership or is otherwise treated as held in an arrangement requiring a partnership income Tax Return to be filed under Subchapter K of Chapter 1 of Subtitle A of the Code.

4. ASSUMED AND RETAINED OBLIGATIONS.

4.1 Except as otherwise expressly provided within this Section 4.1, Assignee assumes all duties, obligations, and liabilities with respect to the following arising on or after the Effective Date (collectively, the "Assumed Obligations"):

- (A) the Assigned Premises or the ownership or operation thereof;
- (B) the terms of the Contracts including, where applicable being substituted for the Assignor as a party to such Contracts;
- (C) ad valorem, property, production, severance, and other similar taxes or assessments based upon or measured by the ownership of the Assigned Premises or the production therefrom on and after the Effective Date;
- (D) obligations to restore the surface (including the treating and backfilling of all pits) as nearly as practicable to its original condition or as may otherwise be required by the Contracts or by Law;
- (E) plugging and abandonment and remediation of all wells drilled on the Assigned Premises for which such plugging is required on or after the Effective Date;
- (F) the removal of structures, facilities, foundations, wellheads, tanks, pipelines, flowlines, pumps, compressors, separators, heater treaters, valves, fittings, machinery and other materials and equipment of any nature, placed on the Assigned Premises on or after the Effective Date;
- (G) obligations to remediate or bring the Assigned Premises into compliance with Laws or Contracts (including conducting any remediation activities that may be required on or otherwise in connection with activities on the Assigned Premises); and

(H) any other duty, obligation, event, condition, or liability assumed by Assignee under the terms of this Assignment.

4.2 Assignor retains all duties, obligations, and liabilities with respect to the following (the "Retained Obligations"):

(A) environmental claims relating to the Assigned Premises arising prior to the Effective Date, or that are based upon an event, circumstance, or occurrence that happened prior to the Effective Date;

(B) Claims under any Contracts arising prior to the Effective Date, or that are based upon an event, circumstance, or occurrence that happened prior to the Effective Date;

(C) ad valorem, property, production, severance, and other similar taxes or assessments based upon or measured by the ownership of the Assigned Premises or the production therefrom prior to the Effective Date;

(D) the Assigned Premises or the ownership or operation thereof for the period of time prior to the Effective Date; and

(E) all other duties, obligations, and liabilities not expressly assumed by Assignee that pertain to the Assigned Premises and are attributable to the period of time prior to the Effective Date.

5. RELEASE AND INDEMNIFICATION

5.1 **Release and Indemnification.** Assignees (A) release and discharge, and (B) must defend, indemnify, and hold harmless, Indemnitees from and against all Claims as a result of, arising out of, or related to the Assumed Obligations or from Assignees' breach of Assignees' representations, warranties, covenants, or agreements hereunder.

5.2 **INDEMNITIES APPLY TO INDEMNITEES' NEGLIGENCE. ALL RELEASE, DEFENSE, AND INDEMNITY PROVISIONS OF THIS ASSIGNMENT APPLY WITHOUT REGARD TO THE CAUSE OR CAUSES OF THE UNDERLYING CLAIM, INCLUDING (A) THE NEGLIGENCE (WHETHER SOLE, CONTRIBUTORY, COMPARATIVE, CONCURRENT, ACTIVE, PASSIVE, SIMPLE, OR GROSS) OF INDEMNITEES, ASSIGNEES, OR ANY THIRD PARTY, AND (B) STRICT LIABILITY, REGULATORY LIABILITY, STATUTORY LIABILITY, OR LIABILITY WITHOUT FAULT OF INDEMNITEES OR ANY THIRD PARTY. IF ANY INDEMNITY PROVISION OF THIS ASSIGNMENT IS JUDGED INVALID OR UNENFORCEABLE BY A COURT OF COMPETENT JURISDICTION OR BY OPERATION OF ANY APPLICABLE LAW, SUCH PROVISION WILL BE DEEMED OMITTED TO THE EXTENT AND ONLY TO THE EXTENT OF THE INVALIDITY OR UNENFORCEABILITY, AND THE REMAINING INDEMNITY PROVISIONS WILL REMAIN IN FULL FORCE AND EFFECT.**

5.3 **Limitation on Classes of Damages.** Assignor and Assignees mutually waive and release to the fullest extent permitted by applicable Law, all of the following Claims for damages

arising out of this Assignment, except for Claims arising from the obligation of a Party to indemnify the other Party for third-party Claims:

- (A) Indirect or consequential loss, including:
 - (1) Loss of production, including production of petroleum or petroleum products.
 - (2) Loss of prospective economic advantage or benefit.
 - (3) Loss of business opportunity.
- (B) Punitive or exemplary damages.

5.4 Defense of Claims.

- (A) Whenever Assignees indemnify Indemnitees against Claims, Assignees must defend and hold Indemnitees harmless against those Claims and against all reasonable costs, expenses, and fees of any kind (including attorneys' fees and expert witness fees) incurred by Indemnitees in defending those Claims.
- (B) Any costs, expenses, and fees of any kind (including attorneys' fees and expert witness fees) indemnified by Assignees under this Section are in addition to any amounts indemnified under this Assignment that are subject to a maximum liability amount.
- (C) A Person seeking to rely on an indemnity has the right to reasonably object to counsel selected by the indemnifying Party and select alternative counsel at the cost of the indemnifying Party.

5.5 Waiver of Consumer Rights.

- (A) In order to evidence its ability to grant the above waiver, Assignees represent and warrant to Assignor that Assignees (1) are in the business of seeking or acquiring, by purchase or lease, goods or services for commercial or business use, (2) have knowledge and experience in financial and business matters that enable them to evaluate the merits and risks of the transactions contemplated in this Assignment, and (3) are not in a significantly disparate bargaining position.

6. GENERAL PROVISIONS

- 6.1 **Conflict of Interest.** No director, employee, or agent of either Party will give or receive any commission, fee, rebate, gift, or entertainment of significant cost or value in connection with this Assignment. During the term of this Assignment and for two years after termination of this Assignment, any representatives authorized by either Party may audit the applicable records of the other Party solely for the purpose of determining whether there has been compliance with this provision. The provisions of this Section will survive termination of this Assignment.
- 6.2 **Governing Law.** This Assignment is governed by and interpreted under the Laws of the State of New Mexico, without regard to its choice of Law rules.

- 6.3 **Resolution of Disputes.** Assignor and Assignees shall exclusively and finally resolve any dispute between them using direct negotiations, mediation, and then arbitration as set out in this paragraph. If a dispute arising out of this Assignment is not resolved by direct negotiations, any Party may initiate mediation by giving notice to the other(s) setting out the disputed issues and the value of the claim. If the Parties fail to resolve the dispute within 60 days from notice of mediation, any Party may initiate binding arbitration by giving notice to the other Party. The place of arbitration must be Houston, Texas. One arbitrator (or 3 arbitrators if the monetary value of the dispute is more than US\$5,000,000 or its currency equivalent, or if there is a dispute whether the monetary value exceeds the US\$5,000,000) will conduct the arbitral proceedings in accordance with the International Institute for Conflict Prevention and Resolution (“CPR”) 2013 Administered Arbitration Rules (“CPR Rules”). To the extent of any conflicts between the CPR Rules and the provisions of this Assignment, the provisions of this Assignment prevail. The CPR is the appointing authority. The maximum number of witnesses each Party may call to give evidence is 3 witnesses of fact and 1 expert witness. The arbitration award is final and binding. Regardless of which Party prevails, all arbitration fees and costs must be paid equally and each Party shall bear its own attorneys’ fees and costs in connection with such arbitration. The Parties waive irrevocably their right to any form of appeal, review, or recourse to any court or other judicial authority under any applicable law, to the extent that such waiver may be validly made. Proceedings to (1) preserve property or seek injunctive relief, or (2) enforce an award under this paragraph, may be brought in any court of competent jurisdiction.
- 6.4 **Property Exchange Agreement.** This Assignment is made subject to that certain Property Exchange Agreement effective July 1, 2018, by and between Assignor and Assignees (the “Property Exchange Agreement”); however, third parties may conclusively rely on this Assignment as evidence of title in and to the Assigned Premises vesting in Assignees. To the extent the terms of the Property Exchange Agreement are inconsistent with the terms of this Assignment, the terms of this Assignment will prevail. Assignor and Assignees agree (a) to furnish upon request to each other such further information, (b) to execute, acknowledge and deliver to each other such other documents, and (c) to do such other acts and things, all as the other may reasonably request for the purpose of carrying out the intent of this Assignment and/or the Property Exchange Agreement.
- 6.5 **Notices.** All notices required or permitted under this Assignment must be in writing and delivered by certified mail (postage prepaid), by courier service with written verification of receipt, or by hand delivery to the address of the receiving Party set forth on the first page of this Assignment. Notices are effective when received by the recipient during the recipient’s regular business hours. Notices sent by e-mail or facsimile are ineffective.
- 6.6 **Public Announcements.** Except as otherwise expressly required by Law, a Party may not issue any public announcement or statement concerning this Assignment without obtaining the other Party’s prior written consent.
- 6.7 **Third-Party Rights.** Except as otherwise expressly stated herein, no Person who is not a party to this Assignment has any rights under this Assignment or may enforce any provision of this Assignment.
- 6.8 **Assignment.** The rights of either Party may be assigned in whole or in part. The terms of this Assignment will be binding upon and inure to the benefit of the Parties and their

heirs, successors, and assigns. The obligations and responsibilities of Assignee to Assignor under this Assignment will run with the Assigned Premises. Assignees must cause all subsequent assignees of the Assigned Premises to expressly acknowledge and agree to be bound by all of Assignees' obligations to Assignor under this Assignment, so that all such assignees will likewise be bound to Assignor for performance of Assignees' obligations under this Assignment. Any future assignments of the Assigned Premises will not in any way diminish, compromise, extinguish, or effect a release of Assignor's rights against Assignees, their successors, or assigns, or the obligations of Assignees, their successors, or assigns, to Assignor.

- 6.9 **Prior Agreements.** This Assignment comprises the complete and exclusive agreement between the Parties regarding the subject matter of this Assignment, and supersedes all oral and written communications, negotiations, representations, or agreements in relation to that subject matter made or entered into before the Effective Date.
- 6.10 **Amendment.** No amendment to this Assignment is effective unless made in writing and signed by authorized representatives of all Parties.
- 6.11 **Waiver.** Assignor's failure to pursue remedies for breach of this Assignment, or payment by Assignor of invoices, does not constitute a waiver by Assignor of any breach of this Assignment by Assignees or raise any defense against Claims against Assignee for breach of this Assignment. The waiver or failure to require the performance of any covenant or obligation contained in this Assignment or pursue remedies for breach of this Assignment does not waive a later breach of that covenant or obligation.
- 6.12 **Severability.** Each provision of this Assignment is severable and if any provision is determined to be invalid, unenforceable, or illegal under any existing or future Law by a court, arbitrator of competent jurisdiction, or by operation of any applicable Law, this invalidity, unenforceability, or illegality does not impair the operation of or affect those portions of this Assignment that are valid, enforceable, and legal unless the deletion of that provision or provisions would so materially change the Assignment that completion of the transactions contemplated in it would be unreasonable.
- 6.13 **Counterparts.** This Assignment may be executed in any number of counterparts, each of which will be deemed an original of this Assignment, and which together will constitute one and the same instrument; provided that neither Party will be bound to this Assignment unless and until both Parties have executed a counterpart.
- 6.14 **Topical Headings.** The topical headings used in this Assignment are for convenience only and will not be construed as having any substantive significance or as indicating that all of the provisions of this Assignment relating to any topic are to be found in any particular Section.
- 6.15 **Survival.** Despite termination of this Assignment for any reason, all provisions in this Assignment containing representations, warranties, releases and indemnities, and all provisions relating to audit, confidentiality, disclaimer of certain remedies, limitations of liability, retention and inspection of records, and governing Law, and all causes of action that arose prior to completion or termination, survive indefinitely until, by their respective terms, they are no longer operative or are otherwise limited by an applicable statute of limitations.

- 6.16 **Authorized Representatives.** Each Party represents and warrants that the Assignment has been duly executed and delivered by its authorized officer or other representative and constitutes its legal, valid, and binding obligation enforceable in accordance with its terms, and no consent or approval of any other Person is required in connection with its execution, delivery, and performance of the Assignment.
- 6.17 **Further Assurances.** The Parties must at their own cost and expense execute and deliver such further documents and instruments and must take such other actions as may be reasonably required or appropriate to evidence or carry out the intent and purposes of this Assignment or to show the ability to carry out the intent and purposes of this Assignment. The provisions of this Section will survive termination of this Assignment.
- 6.18 **Drafting.** Preparation of this Assignment has been a joint effort of the Parties and the resulting Assignment must not be construed more severely against one of the Parties than against the other.

The remainder of this page intentionally left blank.

IN WITNESS WHEREOF, this instrument is executed as of the date of the acknowledgment as evidenced by the following signatures of the authorized representatives of the Parties, but effective for all purposes as of the Effective Date.

ASSIGNOR:

ASSIGNEE:

CHEVRON U.S.A. INC.

**ADVANCE ENERGY PARTNERS HAT
MESA, LLC**

Signature:



Signature:

Name: Robert Nunmaker

Name: David A. Scott

Title: Attorney-in-Fact

Title: Vice President – Land and Legal

BULLHEAD ENERGY, LLC

Signature:

Name: Anthony Bouselli

Title: Attorney-in-Fact

IN WITNESS WHEREOF, this instrument is executed as of the date of the acknowledgment as evidenced by the following signatures of the authorized representatives of the Parties, but effective for all purposes as of the Effective Date.

ASSIGNOR:

CHEVRON U.S.A. INC.

Signature:

Name: _____

Title: Attorney-in-Fact

ASSIGNEE:

**ADVANCE ENERGY PARTNERS HAT
MESA, LLC**

Signature:

Name: David A. Scott *PB*

Title: Vice President – Land and Legal

BULLHEAD ENERGY, LLC

Signature:

Name: Anthony Bouselli

Title: Attorney-in-Fact

EXHIBIT A – ASSIGNED PREMISES

Attached to and made a part of that certain Assignment effective July 1, 2018 by and between Chevron U.S.A. Inc., as Assignor, and Advance Energy Partners Hat Mesa, LLC and Bullhead Energy, LLC, as Assignee.

The Oil and Gas Leases and Lands described below are hereby assigned to Assignee in the following percentages:

ADVANCE ENERGY PARTNERS, HAT MESA LLC: 95%
BULLHEAD ENERGY, LLC: 5%

Tract 1

Description of Land:

N/2, NE/4 SW/4 and SE/4 of Section 8, Township 22 South, Range 33 East, N.M.P.M., Lea County, New Mexico

Description of Oil and Gas Lease:

Serial No: NMNM 96244
Lessor: Bureau of Land Management
Lessee: Penwell Energy Inc.
Date: March 1, 1996
Recorded: Book 711, Page 247, Entry No. 88351, Lea County Records

Working Interest: 100% of Assignor's interest

Contracts: None.

Tract 2

Description of Land:

W/2 SW/4 and SE/4 SW/4 of Section 8, Township 22 South, Range 33 East, N.M.P.M., Lea County, New Mexico

Description of Oil and Gas Lease:

Serial No: NMNM 24683
Lessor: Bureau of Land Management
Lessee: Raymond Chorney
Date: April 1, 1975
Recorded: Unrecorded

Working Interest: 100% of Assignor's interest

Contracts: None.

END OF EXHIBIT A