

REC'D NOV 20 2015

CORRECTION ASSIGNMENT AND BILL OF SALE

STATE OF NEW MEXICO     §  
                                       §     KNOW ALL MEN BY THESE PRESENTS:  
 COUNTY OF EDDY           §

This Correction Assignment and Bill of Sale (this "Correction Assignment") is made between Nearburg Exploration Company, L.L.C., a Texas limited liability company ("ASSIGNOR"), whose address is P. O. Box 823085, Dallas, Texas, 75382-3085, and SRO2 LLC, a Texas limited liability company ("ASSIGNEE"), whose address is P. O. Box 823085, Dallas, Texas, 75382-3085, in order to correct that certain Assignment and Bill of Sale, executed on and effective as of July 1, 2015, by and between ASSIGNOR and ASSIGNEE and filed and recorded under Reception No. 1507281, at Book 1029, Page 0025, in the office of the County Clerk of Eddy County, New Mexico (the "Original Assignment"). Pursuant to this Correction Assignment, subparagraph (d) on page 1 of the Original Assignment is corrected to delete the phrase "regardless of depth" and insert in its place the phrase "limited to the depth stated on Exhibit "A", so that such subparagraph (d) should read as follows:

“(d) without limitation of the foregoing, all of ASSIGNOR’s right, title and interest in and to the lands described in Exhibit “A” hereto, whether oil and gas leasehold, overriding royalty interest, or any other interest in oil and gas or minerals produced in association therewith or rights thereto, of whatever nature and whether or not correctly or adequately described in Exhibit “A” and limited to the depth stated on Exhibit “A”; and”

Pursuant to the foregoing, the Original Assignment is now corrected after the introductory paragraph to read as follows:

“For the consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, ASSIGNOR hereby assigns, transfers and conveys unto ASSIGNEE all of ASSIGNOR’s right, title and interest, in and to all oil and gas leases (the “Leases”) described on Exhibit “A” hereto; together with all of ASSIGNOR’s interest in and to the wells, leasehold equipment of every nature, including but not limited to, casing, wellhead equipment, fixtures and personal properties of every kind and nature owned by ASSIGNOR presently situated upon the Leases and used in connection with the production of oil, gas and associated liquid hydrocarbons and gaseous substances from the Leases (the “Equipment”).

In addition to the Leases and Equipment, ASSIGNOR, for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, TRANSFERS, ASSIGNS and CONVEYS unto ASSIGNEE all of the following:

- (a) all of ASSIGNOR’s right, title and interest, if any, in and to any rights, privileges, surface, reversionary or remainder interests which relate to the Leases and/or Equipment; and
- (b) all of ASSIGNOR’s right, title and interest in, to and under, or derived from, all of the present existing and valid communitization, unitization, pooling agreements (including all units formed under order, regulations, rules or other official acts of any federal, state or other governmental agency having jurisdiction), and Operating Agreements which relate to the Leases and Equipment; and
- (c) all of ASSIGNOR’s right, title and interest in, to and under, or derived from, all existing and valid oil, casinghead gas, and gas sales, purchase, exchange and processing contracts which relate to the Leases and Equipment; and
- (d) without limitation of the foregoing, all of ASSIGNOR’s right, title and interest in and to the lands described in Exhibit “A” hereto, whether oil and gas leasehold, overriding royalty interest, or any other interest in oil and gas or minerals produced in association therewith or rights thereto, of whatever nature and whether or not correctly or adequately described in Exhibit “A” and limited to the depth stated on Exhibit “A”; and
- (e) all claims and benefits appurtenant to the Properties (as hereinafter defined) which accrued to ASSIGNOR on or after March 1, 2014.

All of the above items set forth in subparagraphs (a) through (e) are hereinafter referred to as “Related Rights”; and collectively with the Leases, Equipment, and Related Rights are hereinafter referred to as the “Properties.”

ATTN: SHERRI L. THOMPSON  
 NEARBURG P  
 PO BOX 823  
 DALLAS TX

NMOCD CASE Nos. 15441, 15481, 15482  
 NEX, SRO2 LLC AND SRO3 LLC

## TO HAVE AND TO HOLD SUBJECT TO THE FOLLOWING:

1. The terms, provisions, covenants, and royalties set forth in the Leases, pooling, communitization and unitization agreements, including and/or affecting the Leases.
2. The terms and conditions of all existing valid orders, rules, regulations and ordinances of federal, state and other governmental agencies; the terms and conditions of all overriding royalty agreements, Related Rights, and other matters, if any, which are filed of record and which burden or affect the Properties as of the Effective Date hereof.
3. The terms and conditions contained in the operating agreement(s) and unit operating agreement(s), if any, which cover and affect the Properties.
4. All taxes affecting or relating to the Properties, accruing to the Properties after the Effective Date, including but not limited to any excise taxes, ad valorem taxes, production taxes, and severance taxes (exclusive of federal and state income taxes and franchise or other taxes imposed upon ASSIGNOR).
5. ASSIGNEE assumes and agrees to fully perform all of the express and implied covenants, duties, obligations and conditions of the Leases, overriding royalty interests and other burdens of record, all farmout agreements, farm-in agreements and the existing contracts and agreements in ASSIGNOR's files which were provided to ASSIGNEE and which affect the Properties. The Leases and agreements referenced immediately above are sometimes hereinafter collectively referred to as the "Existing Agreements." ASSIGNEE indemnifies and agrees to hold ASSIGNOR harmless from and against any and all demands, liabilities, costs, or claims for damages, losses and forfeitures that are based on any failure, or alleged failure, of ASSIGNEE to comply with the express or implied covenants of said Leases and the Existing Agreements as well as any act or omission of ASSIGNEE relating to the Properties.
6. If and when it becomes necessary to plug and abandon any well(s) covered under this Assignment, ASSIGNEE will plug and abandon said well(s) in accordance with all local, state and federal rules and regulations, and will restore the premises pursuant to the terms of the Leases and regulatory requirements. ASSIGNEE further agrees to indemnify and hold ASSIGNOR harmless from and all liability or expense arising from ASSIGNEE's failure, or alleged failure, to properly plug and abandon such wells.
7. Additionally, ASSIGNEE shall be responsible and liable for all claims, liabilities, charges and expenses of every kind and character (including but not limited to any and all claim, causes of action or liability arising out of or relating to the violation of any state or federal environmental and contamination related law, rule or regulation), court costs, interest and reasonable attorney's fees associated therewith pertaining to the Properties, and ASSIGNEE shall indemnify and hold ASSIGNOR, its successors and assigns, harmless against the same.
8. This Assignment and all rights and covenants and conditions hereof shall be considered covenants running with the land and shall inure to and be binding upon the parties hereto, their respective heirs, legal representatives, successors and assigns; provided however, no transferor encumbrance of any of the Properties shall be made unless the same be made expressly subject to this Assignment.
9. ASSIGNEE shall comply with all applicable orders, laws, ordinances, rules and regulations and shall promptly obtain and maintain all permits required by proper governmental authorities in connection with the Properties.
10. As part of the consideration for the execution and delivery of this Assignment by ASSIGNOR, ASSIGNEE agrees to all of the terms and provisions hereof and joins in the execution of this Assignment to evidence its agreement hereto.
11. ASSIGNOR and ASSIGNEE each represent and warrant to the other that they have the full right and power to enter into and perform each of the obligations under this Assignment. All representations and warranties made by the parties in this Assignment shall survive execution hereof.
12. ASSIGNOR will execute, acknowledge and deliver all further conveyances, transfer orders, division orders, notices, releases and acquittances and such other instruments as may be

reasonably necessary or appropriate to more fully assure and convey to ASSIGNEE, its successors or assigns, all of the Properties, rights, title and interests, remedies, powers and privileges assigned and conveyed by this Assignment or intended to be so assigned and conveyed.


13. The foregoing sets forth the entire agreement between the parties, and there are no oral agreements between the parties not set out herein in writing. This Assignment supersedes all other prior written or oral agreements, if any.

THIS ASSIGNMENT IS MADE AND ACCEPTED WITHOUT WARRANTIES, EXPRESS OR IMPLIED, RELATING TO THE CONDITION OR MERCHANTABILITY OF THE EQUIPMENT OR THE FITNESS OF THE EQUIPMENT FOR A PARTICULAR PURPOSE OR PURPOSES. ASSIGNEE HAS INSPECTED THE SUBJECT MATERIAL, EQUIPMENT AND PERSONAL PROPERTY AND ACCEPTS THE SAME "AS IS, WHERE IS." NO REPRESENTATIONS ARE MADE AS TO THE QUANTITY OR VALUE OF ANY OIL OR GAS RESERVES UNDERLYING THE LANDS SUBJECT TO THE LEASES. ASSIGNOR DOES NOT WARRANT TITLE, EXPRESS OR IMPLIED. THIS ASSIGNMENT IS MADE WITH FULL RIGHTS OF SUBSTITUTION AND SUBROGATION OF ASSIGNOR IN AND TO ALL COVENANTS AND WARRANTIES BY OTHERS HERETOFORE GIVEN OR MADE IN RESPECT TO THE SUBJECT PROPERTIES OR ANY PART THEREOF INsofar AS SUCH COVENANTS AND WARRANTIES EXTEND BEYOND THE EFFECTIVE DATE HEREOF."

The Original Assignment, as corrected by this Correction Assignment, and this Correction Assignment shall be effective for all purposes as of July 1, 2015 (the "Effective Date").

ASSIGNOR:


NEARBURG EXPLORATION COMPANY, L.L.C., a  
Texas limited liability company

By:   
Duane A. Davis  
Chief Operating Officer / Chief Financial  
Officer

ASSIGNEE:

SRO2 LLC, a Texas limited liability company

By: NEARBURG EXPLORATION COMPANY,  
L.L.C., a Texas limited liability company, its  
sole member

By:   
Duane A. Davis  
Chief Operating Officer / Chief  
Financial Officer

*[This space is intentionally blank. Acknowledgements appear on the following page.]*

## ACKNOWLEDGMENTS

STATE OF TEXAS       §  
                                   §  
 COUNTY OF DALLAS   §

The foregoing instrument was acknowledged before me on this 12<sup>th</sup> day of Nov, 2015, by Duane A. Davis, Chief Operating Officer / Chief Financial Officer of Nearburg Exploration Company, L.L.C., a Texas limited liability company, on behalf of said limited liability company.



Kathryn M Craft  
 Notary Public, State of Texas

STATE OF TEXAS       §  
                                   §  
 COUNTY OF DALLAS   §

The foregoing instrument was acknowledged before me on this 12<sup>th</sup> day of Nov, 2015, by Duane A. Davis, Chief Operating Officer / Chief Financial Officer of Nearburg Exploration Company, L.L.C., Sole Member of SRO2 LLC, a Texas limited liability company, on behalf of said limited liability company.



Kathryn M Craft  
 Notary Public, State of Texas

EXHIBIT "A"

Attached to and made a part of the certain Assignment and Bill of Sale between  
Nearburg Exploration Company, L.L.C., as Assignor, and SRO2 LLC, as Assignee

NEX Lease Number: 4309-00

Lessor: State of New Mexico V0 7450 1

Original Lessee: Doug J. Schutz

Lease Date: July 1, 2005

Recorded: Not Recorded

Description: Township 26 South, Range 28 East, N.M.P.M.  
Eddy County, New Mexico

Section 20: W/2, containing 320 acres, and limited to the  
2<sup>nd</sup> Bone Spring productive interval as defined in the Marbob  
Energy SRO State Unit #1H, located in Section 4, Township  
26 South, Range 28 East, API No. 30-015-37120, as being from  
7,760 feet - 8,130 feet MD as evidenced on the Dual Laterolog  
run by Halliburton on July 29, 2009.

RECEPTION NO: 1512384 STATE OF  
NEW MEXICO, COUNTY OF EDDY  
RECORDED 11/17/2015 8:38 AM  
BOOK 1047 PAGE 0226 JWS  
ROBIN VANNATTA, COUNTY CLERK

