

**BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO**

IN THE MATTER OF THE APPLICATION OF EAST CHEYENNE GAS STORAGE, LLC TO UNITIZE THE LEWIS CREEK DAKOTA J UNIT II AND TO TERMINATE THE LEWIS CREEK FIELD "J" SAND UNIT	CAUSE NO. 23 DOCKET NO. 1410-SP-2142
APPLICATION TO APPROVE LEWIS CREEK DAKOTA J UNIT II	

East Cheyenne Gas Storage, LLC ("East Cheyenne") ("Applicant"), by its lawyers, Caldwell Hathcoat LLC, respectfully moves for the approval of the LEWIS CREEK DAKOTA J UNIT II for purposes of an enhanced oil recovery project, and the subsequent termination of the LEWIS CREEK FIELD "J" SAND UNIT and to vacate Order No. 23-2, all as ordered in the Commission's Order No. 23-5(as corrected).

In support hereof, Applicant states as follows:

1. The Commission heard this matter at the Durango Public Library, in Durango, Colorado on October 27, 2014, after proper notice was given to all interested parties on Applicant's Second Amended Application to establish a unit in Logan County, Colorado in the lands described in the application, for the purpose of an enhanced oil recovery project in the "J" Sand formation.

2. After a hearing in which testimony was had from witnesses supporting and opposing said application, the Commission made findings and conclusions, entered November 24, 2014, corrected January 8, 2015, effective as of October 27, 2014, as follows:

1. The Lewis Creek "J" Sand Unit established for the below-described lands by Order No. 23-2 will be vacated and terminated upon the establishment and approval of the proposed unit subject to the approval by the Commission of the Unit Agreement pursuant to §34-60-118, C.R.S.

2. The Application for an order to establish an approximate 635.290-acre unit for the purpose of an enhanced oil recovery project, and the unitized operations and development from the "J" Sand Formation, is hereby denied.

3. An approximate 617.665-acre unit (the Lewis Creek Dakota J Unit II) for the below-described lands, is hereby established, **subject to the approval by the Commission of the Unit Agreement**, for the purpose of an enhanced oil recovery project, and the unitized operations and development from the "J" Sand Formation:

Township 11 North, Range 52 West, 6th P.M.

Section 7: W1/2 SW1/4 SW1/4

Township 11 North, Range 53 West, 6th P.M.

Section 12: SE1/4 NW1/4, S1/2 NE1/4, E1/2 SW1/4, SE1/4

Section 13: E1/2 NW1/4, NE1/4

3. Pursuant to §34-60-118, C.R.S., Applicant has obtained written approval, ratification and joinder of the subject unit, from owners of more than eighty percent (80%) of the production or proceeds thereof that will be credited to interests which are free of cost, such as royalties and overriding royalties. Exhibit 1 to this Application is the proposed Unit Agreement governing the Lewis Creek Dakota J Unit II, including Exs. A, B and C thereto, and the Ratification and Joinders of the owners of more than 80% of the production or proceeds thereof that will be credited to interests which are free of cost, as required in the statute.
4. Applicant owns more than 80% of the working interest in the subject unit and formations, and meets the requirement of §34-60-118, C.R.S., of the approval in writing of those who will be required to pay at least eighty percent of the costs of the unit operation. Exhibit 2 to this Application is the signed and completed Unit Operating Agreement governing the proposed Lewis Creek Dakota J Unit II, including Exs. A - G thereto, and demonstrating that Applicant holds more than 80% of the working interest in the subject unit and is responsible for more than eighty percent of the costs, as required in the statute.
5. Applicant, based on the foregoing, requests that the proposed Lewis Creek Dakota J Unit II be approved by the Commission according to Order No. 23-5 (as corrected), and that The Lewis Creek "J" Sand Unit established by Order No. 23-2 be vacated and that unit terminated upon the approval of the proposed unit.
6. If for any reason the relief requested in this Application is not granted, the Applicant requests an additional 180 days to gather the requisite joiners and written approvals pursuant to §34-60-118, C.R.S.
7. Granting any other relief necessary to prevent waste and protect correlative rights.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing, that any notice be given as required by law, and that the Commission enter its Order granting the relief requested in this Application, after any such proper notice and hearing.

Dated April 27, 2015.

Respectfully submitted,

East Cheyenne Gas Storage, LLC

By:



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UNIT AGREEMENT

LEWIS CREEK DAKOTA J UNIT II

LOGAN COUNTY, COLORADO

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UNIT AGREEMENT

LEWIS CREEK DAKOTA J UNIT II

LOGAN COUNTY, COLORADO

THIS AGREEMENT, entered into this 2nd day of March, 2015 and made effective as of the date provided in paragraph 15.1 herein, by the parties who have signed the original of this instrument, a counterpart thereof, or other instrument agreeing to become a Person hereto,

WITNESSETH:

WHEREAS, in the interest of the public welfare and to promote conservation and increase the ultimate recovery of Unitized Substances from the Lewis Creek Field, in Logan County, Colorado, and to protect the rights of the owners of interests therein, it is deemed necessary and desirable to enter into this Agreement to unitize the Oil and Gas Rights in and to the Unitized Formation in order to conduct Unit Operations as herein provided,

NOW, THEREFORE, in consideration of the premise and of the mutual agreements herein contained, it is agreed as follows:

ARTICLE 1

DEFINITIONS

As used in this Agreement:

1.1 Unit Area is the land described by Tracts in Exhibit "B" and shown on Exhibit "A" as to which this Agreement becomes effective or to which it may be extended as herein provided.

1.2 Unitized Formation shall mean the Dakota J Sand formation for the reservoir or common pool as now recognized by the Electrical Log run in the Jorritsma No. 7 well on March 6, 1954, and located in the SW/4NE/4 of Section 12, Township 11 North, Range 53 West, 6th P.M., Logan County, Colorado, with the top of the "J" Sand Formation being found at a depth of 5,340' below the surface (-758) and the base of the Unitized Formation being found at a depth of 5,420' below the surface (-838) or to the stratigraphic equivalent thereto.

1.3 Unitized Substances are all oil, gas, gaseous substances, sulphur contained in gas, condensate, distillate, and all associated and constituent liquid or liquefiable hydrocarbons other than Outside Substances within or produced from the Unitized Formation

1.4 Working Interest is an interest in Unitized Substances by virtue of a lease, operating agreement, fee title or otherwise, including a carried interest, the owner of which interest is obligated to pay, either in cash or out of production or otherwise, a portion of the Unit Expense; however, Oil and Gas Rights that are free of lease or other instrument creating a Working Interest shall be regarded as a Working Interest to the extent of eight-eighths less the existing Land Owners Royalty. A Royalty Interest created out of a Working Interest subsequent to the execution of this Agreement by the owner of such Working Interest shall continue to be subject to such Working Interest burdens and obligations that are stated in this Agreement and the Unit Operating Agreement.

1.5 Royalty Interest is a right to or interest in any portion of the Unitized Substances or proceeds thereof other than a Working Interest.

1.6 Royalty Owner is a Person hereto who owns a Royalty Interest.

1.7 Working Interest Owner is a Person hereto who owns a Working Interest.

1.8 Tract is the land described as such and given a Tract number in Exhibit "B."

1.9 Unit Operating Agreement is the agreement entered into by Working Interest Owners, having the same Effective date as this Agreement, entitled "Unit Operating Agreement, Lewis Creek Dakota J Unit II, Logan County, Colorado."

1.10 Unit Operator is the Working Interest Owner designated by Working Interest Owners under the Unit Operating Agreement to conduct Unit Operations, acting as operator and not as a Working Interest Owner.

1.11 Tract Participation is the percentage shown on Exhibit "C" for allocating Unitized Substances to a Tract.

1.12 Unit Participation of a Working Interest Owner is the sum of the percentages obtained by multiplying the Working Interest of such Working Interest Owner in each Tract that qualifies for inclusion within the Unit Area by the Tract Participation of such Tract.

1.13 Outside Substances are substances purchased or otherwise obtained for a consideration of Working Interest Owners and injected into the Unitized Formation.

1.14 Oil and Gas Rights are the rights to explore, develop, and operate lands within the Unit Area for the production of Unitized Substances, or to share in the production so obtained or the proceeds thereof.

1.15 Unit Operations are all operations conducted pursuant to this Agreement and the Unit Operating Agreement

1.16 Unit Equipment is all personal property, lease and well equipment, plants and other facilities and equipment taken over or otherwise acquired for the joint account for use in Unit Operations.

1.17 Unit Expense is all costs, expense or indebtedness incurred by Working Interest Owners or Unit Operator pursuant to this Agreement and the Unit Operating Agreement for or on account of Unit Operations.

1.18 Effective Date is the time and date this Agreement becomes effective as provided in Article 15.

1.19 Person is any individual, corporation, partnership, association, receiver, trustee, curator, executor, administrator, guardian, tutor, fiduciary, or other representative of any kind, any department, agency, or instrumentality of the state, or any governmental subdivision thereof, or any other entity capable of holding an interest in the Unitized Formation.

ARTICLE 2

EXHIBITS

2.1 Exhibits. The following exhibits, which are attached hereto, are incorporated herein by reference:

2.1.1 Exhibit "A" is a map that shows the boundary lines of the Lewis Creek Dakota J Unit II Unit Area and the tracts therein.

2.1.2 Exhibit "B" is a schedule that describes each Tract in the Lewis Creek Dakota J Unit II Unit Area.

2.1.3 Exhibit "C" is a schedule that shows the Tract Participation of each Tract.

2.2 Reference to Exhibits. When reference is made to an exhibit, it is to the exhibit as originally attached or, if revised, to the last revision.

2.3 Exhibits Considered Correct. Exhibits "A," "B" and "C" shall be considered to be correct until revised as herein provided.

2.4 Correcting Errors. The shapes and descriptions of the respective Tracts have been established by using the best information available. If it subsequently appears that any Tract, because of diverse royalty or working interest ownership on the Effective Date, should have been divided into more than one Tract, or that any mechanical miscalculation or clerical error has been made, Unit Operator, with the approval of Working Interest Owners, shall correct the mistake by revising the exhibits to conform to the facts. The revision shall not include any re-evaluation of engineering or geological interpretations used in determining Tract Participation. Each such

revision of an exhibit made prior to thirty (30) days after the Effective Date shall be effective as of the Effective Date. Each such revision thereafter made shall be effective at 7:00 A.M. on the first day of the calendar month next following the filing for record of the revised exhibit or on such other date as may be determined by Working Interest Owners and set forth in the revised exhibit.

2.5 Filing Revised Exhibits. If an exhibit is revised, Unit Operator shall execute an appropriate instrument with the revised exhibit attached and file the same for record in the county or counties in which this Agreement is filed.

ARTICLE 3

CREATION AND EFFECT OF UNIT

3.1 Oil and Gas Rights Unitized. All Oil and Gas Rights of Royalty Owners in and to the lands described in Exhibit "B," and all Oil and Gas Rights of Working Interest Owners in and to said lands, are hereby unitized insofar as the respective Oil and Gas Rights pertain to the Unitized Formation, so that Unit Operations may be conducted with respect to the Unitized Formation as if the Unit Area had been included in a single lease executed by all Royalty Owners, as lessors, in favor of all Working Interest Owners, as lessees, and as if the lease contained all of the provisions of this Agreement.

3.2 Personal Property Excepted. All lease and well equipment, materials and other facilities heretofore or hereafter placed by any Working Interest Owners on the lands covered hereby shall be deemed to be and shall remain personal property belonging to and may be removed by Working Interest Owners. The rights and interests therein as among Working Interest Owners are set forth in the Unit Operating Agreement.

3.3 Amendment of Leases and Other Agreements. The provisions of the various leases, agreements, division and transfer orders, or other instruments pertaining to the respective Tracts or the production therefrom are amended to the extent necessary to make them conform to the provisions of this Agreement, but otherwise shall remain in effect.

3.4 Continuation of Leases and Term Interests. Production from any part of the Unitized Formation, except for the purpose of determining payments to Royalty Owners, or other Unit Operations shall be considered as production from or operations upon each Tract, and such production or operations shall continue in effect each lease or term mineral or royalty interest as to all lands and formations covered thereby just as if such operations were conducted on and as if a well were producing from each Tract.

3.5 Titles Unaffected by Unitization. Nothing herein shall be construed to result in the transfer of title to Oil and Gas Rights by any Person hereto to any other Person or to Unit Operator.

3.6 Injection Rights. Royalty Owners hereby granting Working Interest Owners the right to inject into the Unitized Formation any substances in whatever amounts Working Interest Owners deem expedient for Unit Operations, together with the right to drill, use and maintain injection wells on the Unit Area, and to use for injection purposes any nonproducing or abandoned wells or dry holes, and any producing wells completed in the Unitized Formations.

3.7 Development Obligation. Nothing herein shall relieve Working Interest Owners from any obligation to develop reasonably as a whole the lands and leases committed hereto.

3.8 Cooperative Agreements. Unit Operator may, after approval by Working Interest Owners, enter into cooperative agreements with respect to lands adjacent to the Unit Areas for the purpose of coordinating operations.

ARTICLE 4

UNIT OPERATIONS

4.1 Unit Operator. Working Interest Owners are concurrently herewith entering into the Unit Operating Agreement, designating East Cheyenne Gas Storage, LLC as the initial Unit Operator. Unit Operator shall have the exclusive right to conduct Unit Operations, which shall conform to the provisions of this Agreement and the Unit Operating Agreement. If there is any conflict between such agreements, this Agreement shall govern.

4.2 Method of Operation. To the end that the quantity of Unitized Substances ultimately recoverable may be increased and waste prevented, Working Interest Owners shall, with diligence and in accordance with good engineering and production practices, engage in secondary recovery operations by injecting gas, water or other fluids or combinations thereof deemed necessary or desirable to efficiently and economically increase the ultimate recovery of Unitized Substances.

4.3 Change of Method of Operation. Nothing herein shall prevent Working Interest Owners from discontinuing or changing in whole or in part any method of operation which, in their opinion, is no longer in accord with good engineering or production practices. Other methods of operation may be conducted or changes may be made by Working Interest Owners from time to time if determined by them to be feasible, necessary or desirable to increase the ultimate recovery of Unitized Substances.

ARTICLE 5

TRACT PARTICIPATIONS

5.1 Tract Participations. The Tract Participation of each Tract, shown in Exhibit "C," has been determined by adjusting the calculations establishing Tract Participation shown on Exhibit "B" of that certain Unitization Agreement for the Development and Operation of the "J" Sand Reservoir Unit Area, Lewis Creek Field, Logan County, Colorado, approved October 31, 1958 by the Colorado Oil and Gas Conservation Commission at 23-Order 23-2 and recorded in B503-P350 of the Logan County, Colorado public records, to conform with the size and placement of the new tracts as shown in Exhibit "A" herein.

5.2 Relative Tract Participations. If the Unit Area is enlarged or reduced, the revised Tract Participations of the Tracts remaining in the Unit Area and which were within the Unit Area prior to the enlargement or reduction shall remain in the same ratio one to another.

ARTICLE 6

ALLOCATION OF UNITIZED SUBSTANCES

6.1 Allocation of Tracts. All Unitized Substances produced and saved shall be allocated to the several Tracts in accordance with the respective Tract Participations effective during the period that the Unitized Substances were produced. The amount of Unitized Substances allocated to each tract, regardless of whether the amount is more or less than the actual production of Unitized Substances from the well or wells, if any, on such Tract, shall be deemed for all purposes to have been produced from such Tract.

6.2 Distribution within Tracts. The Unitized Substances allocated to each Tract shall be distributed among, or accounted for, the Persons entitled to share in the production from such Tract in the same manner, in the same proportions, and upon the same conditions as they would have participated and shared in the production from such tract, or in the proceeds thereof, had this Agreement not been entered into, and with the same legal effect. If any Oil and Gas Rights in a tract hereafter become divided and owned in severalty as to different parts of the Tract, the owners of the divided interests, in the absence of an agreement providing for a different division, shall share in the Unitized Substances allocated to the Tract, or in the proceeds thereof, in proportion to the surface acreage of their respective parts of the Tract. Any royalty or other payment which depends upon per well production or pipeline runs from a well or wells on a Tract shall, after the Effective Date, be determined by dividing the Unitized Substances allocated to the Tract by the number of wells on the Tract capable of producing Unitized Substances on the Effective Date; however, if any tract has no well thereon capable of producing Unitized Substances on the Effective Date, the tract shall, for the purpose of this determination, be deemed to have one such well thereon.

6.3 Taking Unitized Substances in Kind. The Unitized Substances allocated to each Tract shall be delivered in kind to the respective Persons entitled thereto by virtue of the ownership of Oil and Gas rights therein or by purchase from such owners. Such Persons shall have the right to construct, maintain and operate within the Unit Area all necessary facilities for that purpose, provided they are so constructed, maintained and operated as not to interfere with Unit Operations. Any extra expenditures incurred by Unit Operator by reason of the delivery in kind of any portion of Unitized Substances shall be borne by the owners of such portion. If a Royalty Owner has the right to take in kind a share of Unitized Substances and fails to do so, the Working Interest Owner who's Working Interest is subject to such Royalty Interest shall be entitled to take in kind such share of Unitized Substances.

6.4 Failure to Take in Kind. If any Person fails to take in kind or separately dispose of such Person's share of Unitized Substances, Unit Operator shall have the right, but not the obligation, for the time being and subject to revocation at will by the Person owning the share, to purchase or sell to others such share; however, all contracts of sale by Unit Operator of any other Person's share of Unitized Substances shall be only for such reasonable periods of time as are consistent with the minimum needs of the industry under the circumstances, but in no event shall any such contract be for a period in excess of one year. The proceeds of the Unitized Substances so disposed of by Unit Operator shall be paid to the Working Interest Owners of each affected Tract or a person designated by such Working Interest Owners who shall distribute such proceeds to the Persons entitled thereto. Notwithstanding the foregoing, Unit Operator shall not make a sale into interstate commerce of any other Person's share of gas production without first giving such other party sixty (60) days notice of such intended sale.

6.5 Responsibility for Royalty Settlements. Any Person receiving in kind or separately disposing of all or part of the Unitized Substances allocated to any Tract shall be responsible for the payment of all royalties, overriding royalties, production payments and all other payments chargeable against or payable out of such Unitized Substances, and shall indemnify all Persons hereto, including Unit Operator, against any liability for such payment.

6.6 Royalty on Outside Substances. If any Outside Substance consisting of natural gases is injected into the Unitized Formation, any such substance contained in Unitized Substances subsequently produced and sold, or used for other than Unit Operations, shall be deemed to be a part of the Outside Substances so injected until the total volume deemed to be such Outside Substance equals the total volume of such Outside Substance so injected. No payment shall be due or payable to Royalty Owners on substances produced from the Unitized Formation that are deemed to be Outside Substances.

ARTICLE 7

PRODUCTION AS OF THE EFFECTIVE DATE

7.1 Oil or Liquid hydrocarbons in Lease Tanks. Unit Operator shall gauge or otherwise determine the amount of merchantable oil or other liquid hydrocarbons produced from the Unitized Formation that are in lease and power-oil tanks as of 7:00 A.M. on the Effective Date. Oil or other liquid hydrocarbons in treating vessels, separation equipment and tanks below pipeline connections shall not be considered to be merchantable. Any merchantable oil or liquid hydrocarbons that are a part of or attributable to the prior allowable of the wells from which they were produced shall remain the property of the Persons entitled thereto as if this Agreement had not been entered into. Any such merchantable oil or other liquid hydrocarbons not promptly removed may be sold by Unit Operator for the account of the Working Interest Owners entitled thereto who shall pay all royalty due thereon under the provisions of applicable leases or other contracts. Any oil or liquid hydrocarbons in excess of that attributable to the prior allowable of the wells from which they were produced shall be regarded as Unitized Substances produced after the Effective Date.

7.2 Overproduction. If, as of the Effective Date, any Tract is overproduced with respect to the allowable of the wells on that Tract, and if the amount of overproduction has been sold or otherwise disposed of, such overproduction shall be charged against such tract as having been delivered to the Persons entitled to Unitized Substances allocated to such Tract.

ARTICLE 8

USE OR LOSS OF UNITIZED SUBSTANCES

8.1 Use of Unitized Substances. Working Interest Owners may use or consume Unitized Substances for Unit Operations, including but not limited to the injection thereof into the Unitized Formation.

8.2 Royalty Payments. No royalty, overriding royalty or other payments shall be payable on account of Unitized Substances used, lost or consumed in Unit Operations.

ARTICLE 9

TITLES

9.1 Warranty and Indemnity. Each Person who, by acceptance of produced Unitized Substances or the proceeds thereof, may claim to own a Working Interest or Royalty Interest in and to any tract or in the Unitized

Substances allocated thereto, shall be deemed to have warranted its title to such interest, and, upon receipt of the Unitized Substances or the proceeds thereof to the credit of such interest, shall indemnify and hold harmless all other Persons in interest from any loss due to failure, in whole or in part, of its title to any such interest.

9.2 Production Where Title is in Dispute. If the title or right of any Person claiming the right to receive in kind all or any portion of the Unitized Substances allocated to a Tract is in dispute, Unit Operator at the direction of Working Interest Owners shall either:

(a) require that the Person to whom such Unitized Substances are delivered or to whom the proceeds thereof are paid furnish security for the proper accounting thereof to the rightful owner if the title or right of such Person fails in whole or in part, or

(b) withhold and market the portion of Unitized Substances with respect to which title or right is in dispute and impound the proceeds thereof until such time as the title or right thereto is established by a final judgment of a court of competent jurisdiction or otherwise to the satisfaction of Working Interest Owners, whereupon the proceeds so impounded shall be paid to the Person rightfully entitled thereto.

9.3 Payments of Taxes to Protect Title. The owner of surface rights to lands within the Unit Area, or severed mineral interests or Royalty Interest in such lands, or lands outside the Unit Area on which Unit Equipment is located, is responsible for the payment of any ad valorem taxes on all such rights, interests or property, unless such owner and Working Interest Owners otherwise agree. If any ad valorem taxes are not paid by or for such owner when due, Unit Operator may with approval of the Working Interest Owners at any time prior to tax sale or expiration of period of redemption after tax sale, pay the tax, redeem such rights, interests or property, and discharge the tax lien. Any such payment shall be an item of Unit Expense. Unit Operator shall, if possible, withhold from any proceeds derived from the sale of Unitized Substances otherwise due any delinquent taxpayer an amount sufficient to defray the costs of such payment or redemption, such withholding to be credited to Working Interest Owners. Such withholding shall be without prejudice to any other remedy available to Unit Operator or Working Interest Owners.

9.4 Transfer of Title. Any conveyance of all or any part of any interest owned by a Person with respect to any Tract shall be subject to this Agreement. No change of title shall be binding upon Unit Operator, or upon any Person other than the Person so transferring, until 7:00 A.M. on the first day of the calendar month next succeeding the date of receipt by Unit Operator of a photocopy or a certified copy of the recorded instrument evidencing such change in ownership.

ARTICLE 10

EASEMENTS OR USE OF SURFACE

10.1 Grant of Easements. The parties hereto, to the extent of their rights and interests, hereby grant to Working Interest Owners the right to use as much of the surface of the land within the Unit Area as may be reasonably necessary for Unit Operations and the removal of Unitized Substances from the Unit Area; however, nothing herein shall be construed as leasing or otherwise conveying to Working Interest Owners a camp site or a plant site for water injection, gas injection or gas processing.

10.2 Use of Water. Working Interest Owners shall have and are hereby granted free use of water from the Unit Area for Unit Operations, except water from any well, lake, pond or irrigation ditch of a Royalty Owner.

10.3 Surface Damages. Working Interest Owners shall pay the owner for damage to growing crops, timber, fences, improvements and structures on the Unit Area that result from Unit Operations.

ARTICLE 11

CHANGES AND AMENDMENTS

11.1 Changes and Amendments. Any change of the Unit Area or any amendment to this Agreement or the Unit Operating Agreement shall be in accordance with Colorado Revised Statutes Section 34-60-118, as amended and re-enacted.

ARTICLE 12

RELATIONSHIP OF PERSONS

12.1 No Partnership. The duties, obligations and liabilities of the Persons hereto are intended to be several and not joint or collective. This Agreement is not intended to create, and shall not be construed to create, an association or trust, or to impose a partnership duty, obligation or liability with regard to any one or more of the Persons hereto. Each Person hereto shall be individually responsible for its own obligations as herein provided.

12.2 No Joint Refining or Marketing. This Agreement is not intended to provide, and shall not be construed to provide, directly or indirectly, for any joint refining or marketing of Unitized Substances.

12.3 Royalty Owners Free of Costs. This Agreement is not intended to impose, and shall not be construed to impose, upon any Royalty Owner any obligation to pay Unit Expense unless such Royalty Owner is otherwise so obligated.

12.4 Information to Royalty Owners. Each Royalty Owner shall be entitled to all information in possession of Unit Operator to which such Royalty Owner is entitled by an existing agreement with any Working Interest Owner.

ARTICLE 13

LAWS AND REGULATIONS

13.1 Laws and Regulations. This Agreement shall be subject to all applicable federal, state and municipal laws, rules, regulations and orders.

ARTICLE 14

FORCE MAJEURE

14.1 Force Majeure. All obligations imposed by this Agreement on each Person, except for the payment of money, shall be suspended while compliance is prevented, in whole or in part, by a labor dispute, fire, war, civil disturbance, act of God; by federal, state or municipal laws; by any rule, regulation or order of a governmental agency; by inability to secure materials; or by any other cause or causes, whether similar or dissimilar, beyond reasonable control of the party. No Person shall be required against his will to adjust or settle any labor dispute. Neither this Agreement nor any lease or other instrument subject hereto shall be terminated by reason of suspension of Unit Operations due to any one or more of the causes set forth in this Article.

ARTICLE 15

EFFECTIVE DATE

15.1 Effective Date. The Unit Agreement shall be effective the first day of the month next following the approval thereof by the Colorado Oil and Gas Conservation Commission pursuant to Colorado Revised Statutes Section 34-60-118, as amended and re-enacted.

15.2 Ipsa Facto Termination. If the requirements of Section 17.1 are not accomplished on or before April 30th, 2015 or, as may be extended by order of the Colorado Oil and Gas Conservation Commission, this Agreement shall ipso facto terminate on that date (hereinafter called "termination date") and thereafter be of no further effect, unless prior thereto Working Interest Owners owning a combined Unit Participation of at least eighty percent (80%) have become Persons to this Agreement and have decided to extend the termination date for a period not to exceed six (6) months. If the termination date is so extended and the requirements of Section 17.1 are not accomplished on or before the extended and the requirements of Section 17.1 are not accomplished on or before the extended termination date, this Agreement shall ipso facto terminate on the extended termination date and thereafter be of no further effect. For the purpose of this Section, Unit Participations shown on the original Exhibit "B."

15.3 Certificate of Effectiveness. Unit Operator shall file for record in the county or counties in which the land affected is located a certificate stating the Effective Date.

ARTICLE 16

TERM

16.1 Term. The term of this Agreement shall be for the time that Unitized Substances are produced or other Unit Operations are conducted without a cessation of more than ninety (120) consecutive days, unless sooner terminated by Working Interest Owners in the manner herein provided.

16.2 Termination by Working Interest Owners. This Agreement may be terminated at any time by Working Interest Owners owning a combined Unit Participation of eighty percent (80%) or more whenever such Working Interest Owners determine that Unit Operations will not be or are no longer profitable or feasible.

16.3 Effect of Termination. Upon termination of this Agreement, the further development and operation of the Unitized Formation as a unit shall be abandoned, and Unit Operations shall cease. Each oil and gas lease and other agreement covering lands within the Unit Area shall remain in force for sixty (60) days after the date on which this Agreement terminates, and for such further period as is provided by the lease or other agreement.

16.4 Salvaging Equipment Upon Termination. If not otherwise granted by the leases of other instruments affecting each Tract, Royalty Owners hereby grant Working Interest Owners a period of six (6) months after the date of termination of this Agreement within which to salvage and remove Unit Equipment.

16.5 Certificate of Termination. Upon termination of this Agreement, Unit Operator shall file for record in the county or counties in which the land affected is located a certificate that this Agreement has terminated, stating its termination date.

ARTICLE 17

APPROVAL

17.1 Original, Counterpart or Other Instrument. An owner of Oil and Gas Rights may approve this Agreement by signing the original of this instrument, a counterpart thereof or other instrument approving this instrument hereto. The signing of any such instrument shall have the same effect as if all Persons had signed the same instrument.

17.2 Joinder in Dual Capacity. Execution as herein provided by any Person as either a Working Interest Owner or a Royalty Owner shall commit all interests owned or controlled by such Person and any additional interest thereafter acquired.

17.3 Approval by the Colorado Oil and Gas Conservation Commission. Notwithstanding anything in this Section to the contrary, all tracts within the Unit Area shall be deemed to be qualified for participation if this Agreement and the Unit Operating Agreement are duly approved as the Plan of Unitization and Operating Plan by Order of Colorado Oil and Gas Conservation Commission pursuant to Colorado Revised Statutes Section 34-60-118, as amended and re-enacted.

ARTICLE 18

GENERAL

18.1 Amendments Affecting Working Interest Owners. Amendments hereto relating wholly to Working Interest Owners may be made if signed by the majority interest of the Working Interest Owners.

18.2 Action by Working Interest Owners. Except as otherwise provided in this Agreement, any action or approval required by Working Interest Owners hereunder shall be in accordance with the provisions of the Unit Operating Agreement.

18.3 Lien and Security Interest of Unit Operator. Unit Operator shall have a lien upon and a security interest in the interests of Working Interest Owners in the Unit as provided in the Unit Operating Agreement.

ARTICLE 19

SUCCESSORS AND ASSIGNS

19.1 Successors and Assigns. This Agreement shall extend to, be binding upon, and inure to the benefit of the Persons hereto and their respective heirs, devisees, legal representatives, successors and assigns and shall constitute a covenant running with the lands, leases and interests covered hereby.

IN WITNESS WHEREOF, this Agreement is approved on the dates opposite the respective signatures.

UNIT OPERATOR AND WORKING INTEREST OWNER

East Cheyenne Gas Storage, LLC

By James Hoff
James Hoff, Vice President

Address:
10370 Richmond Avenue, Suite 510
Houston, TX 77042

STATE OF TEXAS)
) ss.
COUNTY OF HARRIS)

The foregoing instrument was acknowledged before me by James Hoff,
_____ as Vice President
_____ of East Cheyenne Gas Storage, LLC.

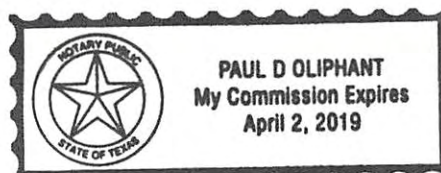
This 6th day of March, 2015.

WITNESS my hand and official seal.

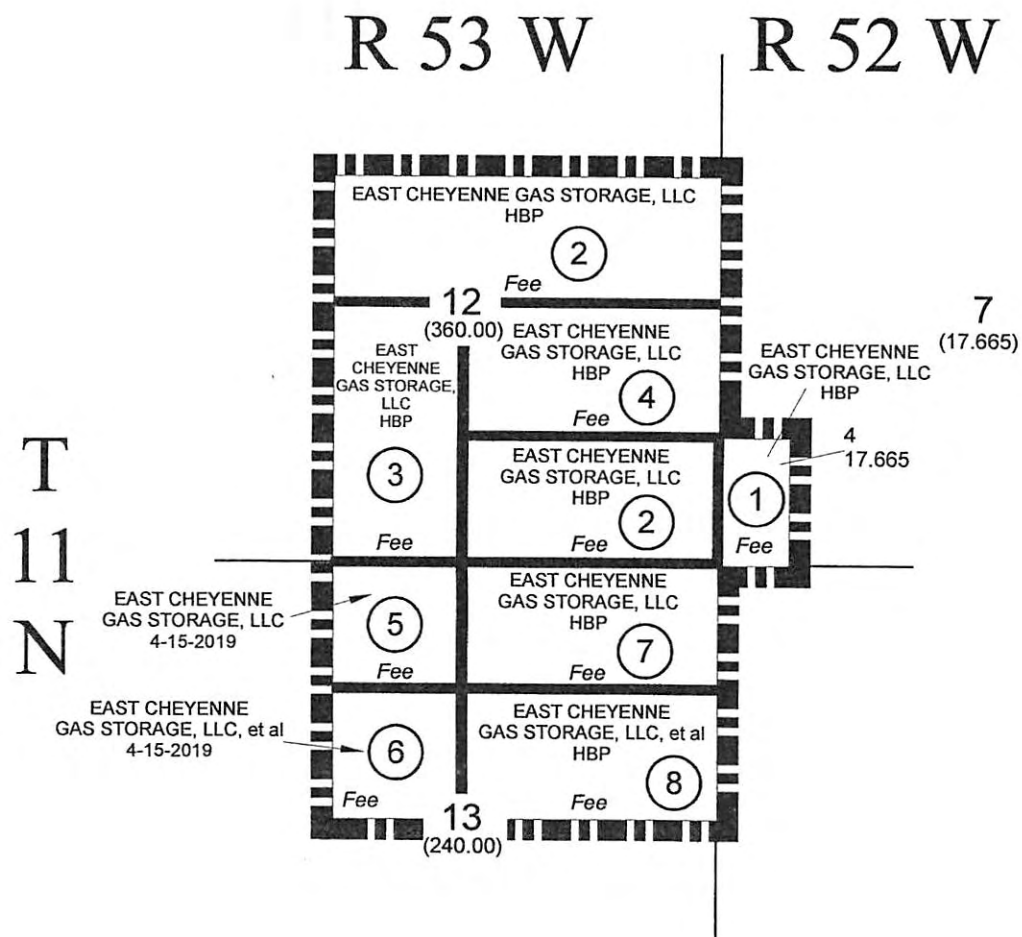
My commission Expires:

4/2/2019

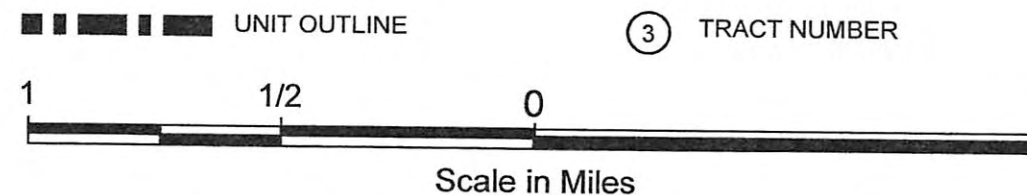
Paul D. Oliphant
Notary Public



UNIT OPERATOR SIGNATURE PAGE
LEWIS CREEK DAKOTA J UNIT II AGREEMENT
LOGAN COUNTY, COLORADO



	ACREAGE	PERCENTAGE
PATENTED LANDS	617.665	100.00%
TOTALS	617.665	100.00%



NOTE: UNLESS OTHERWISE NOTED HEREIN THE SECTIONS ON THIS PLAT CONTAIN 640.00 ACRES

EXHIBIT "A"

LEWIS CREEK DAKOTA J UNIT II

LOGAN COUNTY, COLORADO

EAST CHEYENNE GAS STORAGE, LLC
DENVER, COLORADO

EXHIBIT "B"
SCHEDULE SHOWING THE PERCENTAGE AND KIND OF OWNERSHIP OF OIL AND GAS INTERESTS
LEWIS CREEK DAKOTA J UNIT II
LOGAN COUNTY, COLORADO

Ownership Reflected herein is limited to the "J" Sand defined in the Electrical Log run in the Jorritsma No 7 well on March 6, 1954, and located in the SWNE of Section 12, Township 11 North, Range 53 West, 6th P.M., Logan County, Colorado, with the top of the "J" Sand Formation being found at a depth of 5340' below the surface and the base of the Unitized Formation being found at a depth of 5420' below the surface or to the stratigraphic equivalent thereto.

4-16-2015

4-16-2015											
TRACT NO.	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER & EXPIRATION DATE OF LEASE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE				
1.	<u>T11N-R52W, 6TH P.M.</u> Sec. 7: W/2 Lot 4	17.665	HBP	East Cheyenne Gas Storage, LLC (12.5% Royalty)	54.375000%	East Cheyenne Gas Storage, LLC	100.000000%	ConocoPhillips Company 17 Van Z. & Susan K. Spence 18 Donald A. Richardson Janice A. Satrom 19 BBE Holdings LLC 20 Julie L. Weber 21 BNG Living Trust 22 Larry G. & Esther M. Nelson TOTAL	1.000000% 0.625000% 0.500000% 0.500000% 0.250000% 0.250000% 0.125000% 0.055556% 3.305556%	East Cheyenne Gas Storage, LLC	54.375000%
			HBP	Williams Investment Corporation (12.5% Royalty)	27.187500%	East Cheyenne Gas Storage, LLC	100.000000%			East Cheyenne Gas Storage, LLC	27.187500%
			HBP	1 William H. Wiese, as Trustee of the Hulda Wiese Trust, est. by Trust Agreement Dated 12-9-1989 (12.5% Royalty)	9.062500%	East Cheyenne Gas Storage, LLC	100.000000%			East Cheyenne Gas Storage, LLC	9.062500%
			HBP	The heirs of Lois F. Yockel: (12.5% Royalty)		East Cheyenne Gas Storage, LLC	100.000000%			East Cheyenne Gas Storage, LLC	6.250000%
				24 Judy Foster-Lupkin heir to Wanda Gibbs	1.562500%						
				Julie Reynolds	0.390625%						
				Charles M. Reynolds	0.390625%						
				2 Donald R. Reynolds	1.562500%						
				Randy E. Reynolds	0.390625%						
				Mark L. Reynolds	0.390625%						
				3 Wendy Cohn heir to Robert Wendell Reynolds	1.562500%						
			HBP	Raymond C. Guise & Dolores C. Guise (12.5% Royalty)	3.125000%	East Cheyenne Gas Storage, LLC	100.000000%			East Cheyenne Gas Storage, LLC	3.125000%
				TOTAL	100.000000%					TOTAL	100.000000%

EXHIBIT "B"
SCHEDULE SHOWING THE PERCENTAGE AND KIND OF OWNERSHIP OF OIL AND GAS INTERESTS
LEWIS CREEK DAKOTA J UNIT II
LOGAN COUNTY, COLORADO

Ownership Reflected herein is limited to the "J" Sand defined in the Electrical Log run in the Jorritsma No 7 well on March 6, 1954, and located in the SWNE of Section 12, Township 11 North, Range 53 West, 6th P.M., Logan County, Colorado, with the top of the "J" Sand Formation being found at a depth of 5340' below the surface and the base of the Unitized Formation being found at a depth of 5420' below the surface or to the stratigraphic equivalent thereto.

4-16-2015

4-16-2015											
TRACT NO.	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER & EXPIRATION DATE OF LEASE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE				
1.	<u>T11N-R52W, 6TH P.M.</u> Sec. 7: W/2 Lot 4	17.665	HBP	East Cheyenne Gas Storage, LLC (12.5% Royalty)	54.375000%	East Cheyenne Gas Storage, LLC	100.000000%	ConocoPhillips Company 17 Van Z. & Susan K. Spence 18 Donald A. Richardson Janice A. Satrom 19 BBE Holdings LLC 20 Julie L. Weber 21 BNG Living Trust 22 Larry G. & Esther M. Nelson TOTAL	1.000000% 0.625000% 0.500000% 0.500000% 0.250000% 0.250000% 0.125000% 0.055556% 3.305556%	East Cheyenne Gas Storage, LLC	54.375000%
			HBP	Williams Investment Corporation (12.5% Royalty)	27.187500%	East Cheyenne Gas Storage, LLC	100.000000%			East Cheyenne Gas Storage, LLC	27.187500%
			HBP	1 William H. Wiese, as Trustee of the Hulda Wiese Trust, est. by Trust Agreement Dated 12-9-1989 (12.5% Royalty)	9.062500%	East Cheyenne Gas Storage, LLC	100.000000%			East Cheyenne Gas Storage, LLC	9.062500%
			HBP	The heirs of Lois F. Yockel: (12.5% Royalty)		East Cheyenne Gas Storage, LLC	100.000000%			East Cheyenne Gas Storage, LLC	6.250000%
				24 Judy Foster-Lupkin heir to Wanda Gibbs	1.562500%						
				Julie Reynolds	0.390625%						
				Charles M. Reynolds	0.390625%						
				2 Donald R. Reynolds	1.562500%						
				Randy E. Reynolds	0.390625%						
				Mark L. Reynolds	0.390625%						
				3 Wendy Cohn heir to Robert Wendell Reynolds	1.562500%						
			HBP	Raymond C. Guise & Dolores C. Guise (12.5% Royalty)	3.125000%	East Cheyenne Gas Storage, LLC	100.000000%			East Cheyenne Gas Storage, LLC	3.125000%
				TOTAL	100.000000%					TOTAL	100.000000%

TRACT NO.	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER & EXPIRATION DATE OF LEASE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE
3.	<u>continued.</u>		HBP	4 Rosalee W. Lewellen, Life Tenant for the life of 4 Rosalee W. Lewellen & 6 Marvin D. Lewellen or the survivor of them, subject to remainder 7 interest of Joan P. Timmerman (12.5% Royalty) TOTAL	33.333333% 100.000000%	East Cheyenne Gas Storage, LLC 100.000000%	East Cheyenne Gas Storage, LLC TOTAL 100.000000%
4.	<u>T11N-R53W, 6TH P.M.</u> Sec. 12: N/2SE/4	80.000	HBP	Heirs of Marie Elizabeth Herboldsheimer 4 (12.5% Royalty) 5 Rosalie & Marvin Lewellen 6 Donna Jones aka Donna m. Haase 7 Joan P. & Roger A. Timmerman Grace Esther Wagner (12.5% Royalty) TOTAL	50.000000% 50.000000% 100.000000%	East Cheyenne Gas Storage, LLC East Cheyenne Gas Storage, LLC 100.000000%	ConocoPhillips Company 2.054686% 18 Donald A. Richardson 1.000000% Janice A. Satrom 1.000000% 17 Van Z. & Susan K. Spence 0.625000% 19 BBE Holdings LLC 0.250000% 20 Julie L. Weber 0.250000% 21 BNG Living Trust 0.125000% The Diana B. Koin Revocable Trust 0.164063% 23 The Janet Koin Dampier Revocable Trust 0.164063% 22 Larry G. & Esther M. Nelson 0.055556% FWVA Oil, LLC 0.045573% Kristopher W. Amico 0.009115% TOTAL 5.743056%
5.	<u>T11N-R53W, 6TH P.M.</u> Sec. 13: NE/4NW/4	40.000	4/15/2019	9 Duane O. Nippert & 10 Marilyn J. Nippert Ttes of the Duane O. Nippert Revocable Living Trust dated 7-17-2007 (12.5% Royalty)*	50.000000% 50.000000% 100.000000%	East Cheyenne Gas Storage, LLC East Cheyenne Gas Storage, LLC 100.000000%	East Cheyenne Gas Storage, LLC East Cheyenne Gas Storage, LLC TOTAL 100.000000%
* As to the production of natural gas, natural gas liquids and casinghead gas, the land owner's royalty is owned by East Cheyenne Gas Storage, LLC				6/25/2019	9 Duane O. Nippert & 10 Marilyn J. Nippert Ttes of the Marilyn J. Nippert Revocable Living Trust dated 7-17-2007 (12.5% Royalty)* TOTAL	50.000000% 50.000000% 100.000000%	East Cheyenne Gas Storage, LLC East Cheyenne Gas Storage, LLC TOTAL 100.000000%
Lewis Creek Dakota J Unit II					3		4/17/2015

TRACT NO.	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER & EXPIRATION DATE OF LEASE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE				
6.	<u>T11N-R53W, 6TH P.M.</u> Sec. 13: SE/4NW/4	40.000	HBP	9 Duane O. Nippert & 10 Marilyn J. Nippert Ttes of the Duane O. Nippert Revocable Living Trust dated 7-17-2007 (12.5% Royalty)*	50.000000%	East Cheyenne Gas Storage, LLC TOC - Rocky Mountains Inc. TOTAL	89.000000% 11.000000% 100.000000%	17 Van Z. & Susan K. Spence 19 BBE Holdings LLC 20 Julie L. Weber ConocoPhillips Company 21 BNG Living Trust 18 Donald A. Richardson Janice A. Satrom 22 Larry G. & Esther M. Nelson TOTAL	0.556250% 0.222500% 0.222500% 0.140000% 0.111250% 0.070000% 0.070000% 0.049444% 1.441944%	East Cheyenne Gas Storage, LLC TOC - Rocky Mountains Inc.	44.500000% 5.500000%
	* As to the production of natural gas, natural gas liquids and casinghead gas, the land owner's royalty is owned by East Cheyenne Gas Storage, LLC		HBP	9 Duane O. Nippert & 10 Marilyn J. Nippert Ttes of the Marilyn J. Nippert Revocable Living Trust dated 7-17-2007 (12.5% Royalty)* TOTAL	50.000000% 100.000000%	East Cheyenne Gas Storage, LLC TOC - Rocky Mountains Inc. TOTAL	89.000000% 11.000000% 100.000000%			East Cheyenne Gas Storage, LLC TOC - Rocky Mountains Inc. TOTAL	44.500000% 5.500000% 100.000000%
7.	<u>T11N-R53W, 6TH P.M.</u> Sec. 13: N/2NE/4	80.000	HBP	11 Anadarko Land Corp. (20.0% Royalty)	100.000000%	East Cheyenne Gas Storage, LLC	100.000000%	None		East Cheyenne Gas Storage, LLC	100.000000%
8.	<u>T11N-R53W, 6TH P.M.</u> Sec. 13: S/2NE/4	80.000	HBP	Mary Elizabeth Conley (12.5% Royalty)	16.666667%	East Cheyenne Gas Storage, LLC TOC - Rocky Mountains Inc. TOTAL	89.000000% 11.000000% 100.000000%	17 Van Z. & Susan K. Spence 19 BBE Holdings LLC 20 Julie L. Weber ConocoPhillips Company The Diana B. Koin Revocable Trust 23 The Janet Koin Dampier Revocable Trust FWWA Oil, LLC 21 BNG Living Trust 18 Donald A. Richardson Janice A. Satrom 22 Larry G. & Esther M. Nelson Kristopher W. Amico TOTAL	0.556250% 0.222500% 0.222500% 0.194687% 0.164063% 0.164063% 0.137240% 0.111250% 0.070000% 0.070000% 0.049444% 0.027447% 1.989444%	East Cheyenne Gas Storage, LLC TOC - Rocky Mountains Inc.	14.833334% 1.833333%
			HBP	David Smith Newton (12.5% Royalty)	16.666667%	East Cheyenne Gas Storage, LLC TOC - Rocky Mountains Inc. TOTAL	89.000000% 11.000000% 100.000000%			East Cheyenne Gas Storage, LLC TOC - Rocky Mountains Inc.	14.833334% 1.833333%
			HBP	12 Douglas Weld Newton (12.5% Royalty)	16.666667%	East Cheyenne Gas Storage, LLC TOC - Rocky Mountains Inc. TOTAL	89.000000% 11.000000% 100.000000%			East Cheyenne Gas Storage, LLC TOC - Rocky Mountains Inc.	14.833334% 1.833333%
			HBP	13 Keith G. Newton (12.5% Royalty)	16.666667%	East Cheyenne Gas Storage, LLC TOC - Rocky Mountains Inc. TOTAL	89.000000% 11.000000% 100.000000%			East Cheyenne Gas Storage, LLC TOC - Rocky Mountains Inc.	14.833334% 1.833333%

TRACT NO.	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER & EXPIRATION DATE OF LEASE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE
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8.	continued.		HBP	14 David M. Ryan and	16.666666%	East Cheyenne Gas	89.000000%	East Cheyenne Gas	14.833333%
				15 Ruthanne R. Ryan TIC		Storage, LLC		Storage, LLC	
				(12.5% Royalty)		TOC - Rocky Mountains Inc.	11.000000%	TOC - Rocky Mountains Inc.	1.833333%
				TOTAL		TOTAL	100.000000%		
			HBP	16 Robert E. Ryan and	16.666666%	East Cheyenne Gas	89.000000%	East Cheyenne Gas	14.833333%
				Delores A. Ryan TIC		Storage, LLC		Storage, LLC	
				(12.5% Royalty)		TOC - Rocky Mountains Inc.	11.000000%	TOC - Rocky Mountains Inc.	1.833333%
				TOTAL	100.000000%	TOTAL	100.000000%	TOTAL	100.000000%

RECAPITULATION

PATENTED LANDS	617.665	100.0000%
	617.665	100.0000%

EXHIBIT "C"

Attached to and made a part of the Unit Agreement
for the Lewis Creek J II Unit Area
Logan County, Colorado

<u>TRACT #</u>	<u>PERCENTAGE</u>
1	1.007145%
2	28.095438%
3	11.238175%
4	11.238175%
5	5.705307%
6	3.117236%
7	20.811191%
8	18.787333%
	<u>100.000000%</u>

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **Lewis Creek Dakota J Unit II Area**, County of Logan, State of Colorado, dated MAR 2, 2015, in form approved on behalf of the Colorado Oil and Gas Conservation Commission, the undersigned (whether one or more) hereby expressly joins said Unit Agreement and ratifies, approves, adopts and confirms said Unit Agreement as fully as though the undersigned had executed the original instrument.

This Ratification and Joinder shall be effective as to the undersigned's interests in any lands and leases, or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substances, covering the lands within the Unit Area in which the undersigned may be found to have an oil or gas interest.

This Ratification and Joinder of Unit Agreement, shall be binding upon the undersigned, his, her or its heirs, devisees, executors, assigns or successors in interest.

EXECUTED this 4th day of March, 2015.

By William H. Wiersma
Harold Wiersma Trust
Address: 12214 E Parallel

Haven KS 67543

INDIVIDUAL ACKNOWLEDGMENT

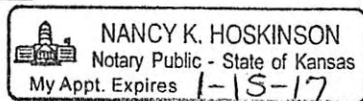
STATE OF Kansas)
COUNTY OF Reno) ss.

The foregoing instrument was acknowledged before me by ~~William~~ Nancy K. Hoskinson
This 4th day of March, 2015.

WITNESS my hand and official seal.

My Commission Expires:

1-15-17



Nancy K. Hoskinson
Notary Public

CORPORATE ACKNOWLEDGMENT

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me by _____,
as _____ of _____.

This _____ day of _____, 2015.

WITNESS my hand and official seal.

My Commission Expires:

Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **Lewis Creek Dakota J Unit II Area**, County of Logan, State of Colorado, dated MAR 2, 2015, in form approved on behalf of the Colorado Oil and Gas Conservation Commission, the undersigned (whether one or more) hereby expressly joins said Unit Agreement and ratifies, approves, adopts and confirms said Unit Agreement as fully as though the undersigned had executed the original instrument.

This Ratification and Joinder shall be effective as to the undersigned's interests in any lands and leases, or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substances, covering the lands within the Unit Area in which the undersigned may be found to have an oil or gas interest.

This Ratification and Joinder of Unit Agreement, shall be binding upon the undersigned, his, her or its heirs, devisees, executors, assigns or successors in interest.

EXECUTED this 20 day of March, 2015.

Donald Richard Reynolds

Address: 2025 Alta Vista Rd
Eagle Point
Oregon 97524

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Oregon)
) ss.
COUNTY OF Sackson)

The foregoing instrument was acknowledged before me by Donald Richard Reynolds.

This 20 day of March, 2015.

WITNESS my hand and official seal.

My Commission Expires:

04-24-2018

April Kay Nordin
Notary Public

CORPORATE ACKNOWLEDGMENT

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me by _____,

as _____ of _____.

This _____ day of _____, 2015.

WITNESS my hand and official seal.

My Commission Expires:

Notary Public



RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **Lewis Creek Dakota J Unit II Area**, County of Logan, State of Colorado, dated MAR 2, 2015, in form approved on behalf of the Colorado Oil and Gas Conservation Commission, the undersigned (whether one or more) hereby expressly joins said Unit Agreement and ratifies, approves, adopts and confirms said Unit Agreement as fully as though the undersigned had executed the original instrument.

This Ratification and Joinder shall be effective as to the undersigned's interests in any lands and leases, or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substances, covering the lands within the Unit Area in which the undersigned may be found to have an oil or gas interest.

This Ratification and Joinder of Unit Agreement, shall be binding upon the undersigned, his, her or its heirs, devisees, executors, assigns or successors in interest.

EXECUTED this 10th day of April, 2015.

Wendy Cohn
Robert Wendell Reynolds, deceased
By Wendy Cohn

Address: 7420 Gila Rd. NE
Albuquerque, New Mexico 87109

INDIVIDUAL ACKNOWLEDGMENT

STATE OF New Mexico
COUNTY OF Bernalillo ss.

The foregoing instrument was acknowledged before me by Wendy Cohn.
This 10th day of April, 2015.

WITNESS my hand and official seal.

My Commission Expires:

11/10/18



Notary Public

CORPORATE ACKNOWLEDGMENT

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me by _____,
as _____ of _____.
This _____ day of _____, 2015.

WITNESS my hand and official seal.

My Commission Expires:

Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **Lewis Creek Dakota J Unit II Area**, County of Logan, State of Colorado, dated MAR 2, 2015, in form approved on behalf of the Colorado Oil and Gas Conservation Commission, the undersigned (whether one or more) hereby expressly joins said Unit Agreement and ratifies, approves, adopts and confirms said Unit Agreement as fully as though the undersigned had executed the original instrument.

This Ratification and Joinder shall be effective as to the undersigned's interests in any lands and leases, or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substances, covering the lands within the Unit Area in which the undersigned may be found to have an oil or gas interest.

This Ratification and Joinder of Unit Agreement, shall be binding upon the undersigned, his, her or its heirs, devisees, executors, assigns or successors in interest.

EXECUTED this 9 day of March, 2015.

Rosalee W. Lewellen

Address: 300 E. 3rd St
Kimballe, NE 69145

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Nebraska)
COUNTY OF Kimball) ss.

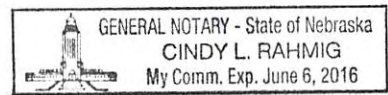
The foregoing instrument was acknowledged before me by Rosalee W Lewellen.

This 9th day of March, 2015.

WITNESS my hand and official seal.

My Commission Expires:

June 6, 2016



Cindy L Rahmig
Notary Public

CORPORATE ACKNOWLEDGMENT

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me by _____,

as _____ of _____.

This _____ day of _____, 2015.

WITNESS my hand and official seal.

My Commission Expires:

Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **Lewis Creek Dakota J Unit II Area**, County of Logan, State of Colorado, dated MAR 2, 2015, in form approved on behalf of the Colorado Oil and Gas Conservation Commission, the undersigned (whether one or more) hereby expressly joins said Unit Agreement and ratifies, approves, adopts and confirms said Unit Agreement as fully as though the undersigned had executed the original instrument.

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This Ratification and Joinder of Unit Agreement, shall be binding upon the undersigned, his, her or its heirs, devisees, executors, assigns or successors in interest.

EXECUTED this 11 day of March, 2015.

Donna M. Jones
Address: 311 S. Washington
Kimball, Neb
69145

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Nebraska)
COUNTY OF Kimball) ss.

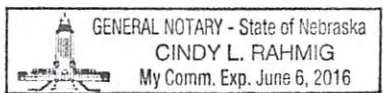
The foregoing instrument was acknowledged before me by Donna M Jones.

This 11th day of March, 2015.

WITNESS my hand and official seal.

My Commission Expires:

June 6, 2016



Cindy L. Rahmig
Notary Public

CORPORATE ACKNOWLEDGMENT

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me by _____,

as _____ of _____.

This _____ day of _____, 2015.

WITNESS my hand and official seal.

My Commission Expires:

Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **Lewis Creek Dakota J Unit II Area**, County of Logan, State of Colorado, dated MAR 2, 2015, in form approved on behalf of the Colorado Oil and Gas Conservation Commission, the undersigned (whether one or more) hereby expressly joins said Unit Agreement and ratifies, approves, adopts and confirms said Unit Agreement as fully as though the undersigned had executed the original instrument.

This Ratification and Joinder shall be effective as to the undersigned's interests in any lands and leases, or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substances, covering the lands within the Unit Area in which the undersigned may be found to have an oil or gas interest.

This Ratification and Joinder of Unit Agreement, shall be binding upon the undersigned, his, her or its heirs, devisees, executors, assigns or successors in interest.

EXECUTED this 9th day of MARCH, 2015.

Marvin D. Jewellen

Address: 300 E 3rd St
Kimball Ne
69145

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Nebraska)
) ss.
COUNTY OF Kimball)

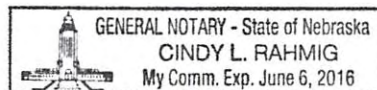
The foregoing instrument was acknowledged before me by MARVIN D. Jewellen.

This 9th day of MARCH, 2015.

WITNESS my hand and official seal.

My Commission Expires:

June 6, 2016



Cindy L. Rahmig
Notary Public

CORPORATE ACKNOWLEDGMENT

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me by _____,

as _____ of _____.

This _____ day of _____, 2015.

WITNESS my hand and official seal.

My Commission Expires:

Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **Lewis Creek Dakota J Unit II Area**, County of Logan, State of Colorado, dated MAR 2, 2015, in form approved on behalf of the Colorado Oil and Gas Conservation Commission, the undersigned (whether one or more) hereby expressly joins said Unit Agreement and ratifies, approves, adopts and confirms said Unit Agreement as fully as though the undersigned had executed the original instrument.

This Ratification and Joinder shall be effective as to the undersigned's interests in any lands and leases, or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substances, covering the lands within the Unit Area in which the undersigned may be found to have an oil or gas interest.

This Ratification and Joinder of Unit Agreement, shall be binding upon the undersigned, his, her or its heirs, devisees, executors, assigns or successors in interest.

EXECUTED this 13 day of March, 2015.

Jean P Timmerman

Address: 4967 Rd 24S.
Kimball, NE
69145

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Nebraska)
COUNTY OF Kimball) ss.

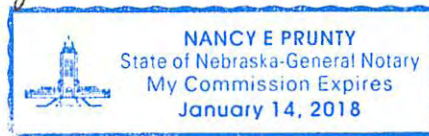
The foregoing instrument was acknowledged before me by Jean P Timmerman.

This 13 day of March, 2015.

WITNESS my hand and official seal.

My Commission Expires:

1-14-15



Nancy E Prunty
Notary Public

CORPORATE ACKNOWLEDGMENT

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me by _____,

as _____ of _____.

This _____ day of _____, 2015.

WITNESS my hand and official seal.

My Commission Expires:

Notary Public

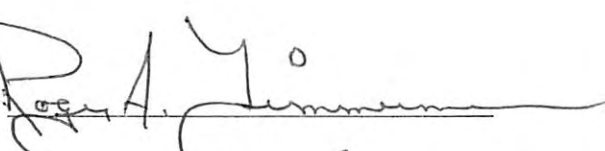
RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **Lewis Creek Dakota J Unit II Area**, County of Logan, State of Colorado, dated MAR 2, 2015, in form approved on behalf of the Colorado Oil and Gas Conservation Commission, the undersigned (whether one or more) hereby expressly joins said Unit Agreement and ratifies, approves, adopts and confirms said Unit Agreement as fully as though the undersigned had executed the original instrument.

This Ratification and Joinder shall be effective as to the undersigned's interests in any lands and leases, or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substances, covering the lands within the Unit Area in which the undersigned may be found to have an oil or gas interest.

This Ratification and Joinder of Unit Agreement, shall be binding upon the undersigned, his, her or its heirs, devisees, executors, assigns or successors in interest.

EXECUTED this 11 day of March 2015.


Address: 4967 Road 24 South
Kimball, Ne.
69145

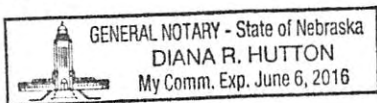
INDIVIDUAL ACKNOWLEDGMENT

STATE OF Nebraska)
COUNTY OF Kimball) ss.

The foregoing instrument was acknowledged before me by Roger A Timmerman.
This 11 day of March, 2015.

WITNESS my hand and official seal.

My Commission Expires:
June 6, 2016




Notary Public

CORPORATE ACKNOWLEDGMENT

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me by _____,
as _____ of _____.
This _____ day of _____, 2015.

WITNESS my hand and official seal.

My Commission Expires:

Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT
AND
UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **Lewis Creek Dakota J Unit II Area**, County of Logan, State of Colorado, dated MAR 2, 2015, in form approved on behalf of the Colorado Oil and Gas Conservation Commission, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement as fully as though the undersigned had executed the original instrument.

This Ratification and Joinder shall be effective as to the undersigned's interests in any lands and leases, or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substances, covering any lands within the Unit Area in which the undersigned may be found to have an oil or gas interest.

This Ratification and Joinder shall be binding upon the undersigned, its heirs, devisees, assignees or successors in interest.

EXECUTED this 3 day of Mar, 2015.

Duane O. Nippert Trust, Duane O.
Nippert Revocable Trust + Marilyn J. Nippert Revocable
Address: 3354 160TH ST
Villisca Iowa
50864 6996
Trust

CORPORATE ACKNOWLEDGMENT

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me by _____,
as _____ of _____.

This _____ day of _____, 2015.

WITNESS my hand and official seal.

My Commission Expires:

Notary Public

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Iowa)
COUNTY OF Adams) ss.

The foregoing instrument was acknowledged before me by Duane O. Nippert.

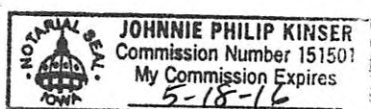
This 3 day of March, 2015.

WITNESS my hand and official seal.

My Commission Expires:

5-18-16

Johnnie P. Kinser
Notary Public



RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **Lewis Creek Dakota J Unit II Area**, County of Logan, State of Colorado, dated MAR 2, 2015, in form approved on behalf of the Colorado Oil and Gas Conservation Commission, the undersigned (whether one or more) hereby expressly joins said Unit Agreement and ratifies, approves, adopts and confirms said Unit Agreement as fully as though the undersigned had executed the original instrument.

This Ratification and Joinder shall be effective as to the undersigned's interests in any lands and leases, or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substances, covering the lands within the Unit Area in which the undersigned may be found to have an oil or gas interest.

This Ratification and Joinder of Unit Agreement, shall be binding upon the undersigned, his, her or its heirs, devisees, executors, assigns or successors in interest.

EXECUTED this 3 day of March, 2015.

Marilyn J. Nippert trustee, Duane
O. Nippert Rescuable Trusts Marilyn J.
Address: 3354 160th Street Nippert
Vesperia, Ca Rescuable
50864-6996 Trust

INDIVIDUAL ACKNOWLEDGMENT

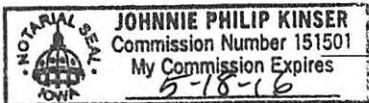
STATE OF Iowa)
COUNTY OF Adams) ss.

The foregoing instrument was acknowledged before me by Marilyn J. Nippert.
This 3 day of March, 2015.

WITNESS my hand and official seal.

My Commission Expires:

5-18-16



Johnnie P. Kinser
Notary Public

CORPORATE ACKNOWLEDGMENT

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me by _____,
as _____ of _____.

This _____ day of _____, 2015.

WITNESS my hand and official seal.

My Commission Expires:

Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Lewis Creek Dakota J Unit II Area, County of Logan, State of Colorado, dated MAR 2, 2015, in form approved on behalf of the Colorado Oil and Gas Conservation Commission, the undersigned (whether one or more) hereby expressly joins said Unit Agreement and ratifies, approves, adopts and confirms said Unit Agreement as fully as though the undersigned had executed the original instrument.

This Ratification and Joinder shall be effective as to the undersigned's interests in any lands and leases, or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substances, covering the lands within the Unit Area in which the undersigned may be found to have an oil or gas interest.

This Ratification and Joinder of Unit Agreement, shall be binding upon the undersigned, his, her or its heirs, devisees, executors, assigns or successors in interest.

EXECUTED this 18th day of March, 2015.

Anadarko Land Corp

John S. Jordan

John S. Jordan
Agent and Attorney-In-Fact

Address: _____

P.O. Box 173779

Denver, Co 80217-3779

INDIVIDUAL ACKNOWLEDGMENT

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me by _____.

This _____ day of _____, 2015.

WITNESS my hand and official seal.

My Commission Expires:

Notary Public

CORPORATE ACKNOWLEDGMENT

STATE OF COLORADO)
) ss.
COUNTY OF DENVER)

The foregoing instrument was acknowledged before me by John S. Jordan,

as Agent & Attorney-in-Fact of Anadarko Land Corp.

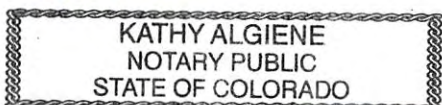
This 18th day of March, 2015.

WITNESS my hand and official seal.

My Commission Expires:

9/21/2015

Kathy Algieri
Notary Public



MY COMMISSION EXPIRES 9/21/2015

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **Lewis Creek Dakota J Unit II Area**, County of Logan, State of Colorado, dated MAR 2 2015, in form approved on behalf of the Colorado Oil and Gas Conservation Commission, the undersigned (whether one or more) hereby expressly joins said Unit Agreement and ratifies, approves, adopts and confirms said Unit Agreement as fully as though the undersigned had executed the original instrument.

This Ratification and Joinder shall be effective as to the undersigned's interests in any lands and leases, or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substances, covering the lands within the Unit Area in which the undersigned may be found to have an oil or gas interest.

This Ratification and Joinder of Unit Agreement, shall be binding upon the undersigned, his, her or its heirs, devisees, executors, assigns or successors in interest.

EXECUTED this 13 day of March, 2015.

Douglas W. Newton
Address: Douglas W. Newton
362 Adelphi Street
Brooklyn, NY 11238

INDIVIDUAL ACKNOWLEDGMENT

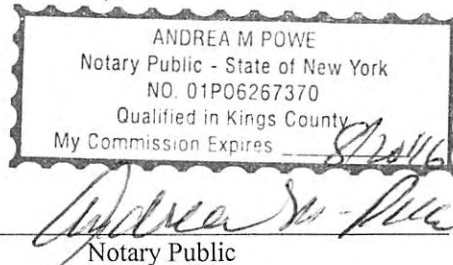
STATE OF New York)
COUNTY OF KINGS) ss.

The foregoing instrument was acknowledged before me by Douglas W. Newton.
This 13th day of March, 2015.

WITNESS my hand and official seal.

My Commission Expires:

8/20/16



CORPORATE ACKNOWLEDGMENT

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me by _____,
as _____ of _____.

This _____ day of _____, 2015.

WITNESS my hand and official seal.

My Commission Expires:

Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **Lewis Creek Dakota J Unit II Area**, County of Logan, State of Colorado, dated MAR 2, 2015, in form approved on behalf of the Colorado Oil and Gas Conservation Commission, the undersigned (whether one or more) hereby expressly joins said Unit Agreement and ratifies, approves, adopts and confirms said Unit Agreement as fully as though the undersigned had executed the original instrument.

This Ratification and Joinder shall be effective as to the undersigned's interests in any lands and leases, or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substances, covering the lands within the Unit Area in which the undersigned may be found to have an oil or gas interest.

This Ratification and Joinder of Unit Agreement, shall be binding upon the undersigned, his, her or its heirs, devisees, executors, assigns or successors in interest.

EXECUTED this 2nd day of March, 2015.

[Signature]
Address: 1465 Hooksett Rd. Unit 372
Hooksett, NH 03106

INDIVIDUAL ACKNOWLEDGMENT

STATE OF New Hampshire)
COUNTY OF Merrimack) ss.

The foregoing instrument was acknowledged before me by Keith G Newton.

This 2 day of March, 2015.

WITNESS my hand and official seal.

My Commission Expires:

MARK A. GLISSON, Notary Public
My Commission Expires April 3, 2018

[Signature]
Notary Public

CORPORATE ACKNOWLEDGMENT

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me by _____,

as _____ of _____.

This _____ day of _____, 2015.

WITNESS my hand and official seal.

My Commission Expires:

Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **Lewis Creek Dakota J Unit II Area**, County of Logan, State of Colorado, dated MAR 2, 2015, in form approved on behalf of the Colorado Oil and Gas Conservation Commission, the undersigned (whether one or more) hereby expressly joins said Unit Agreement and ratifies, approves, adopts and confirms said Unit Agreement as fully as though the undersigned had executed the original instrument.

This Ratification and Joinder shall be effective as to the undersigned's interests in any lands and leases, or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substances, covering the lands within the Unit Area in which the undersigned may be found to have an oil or gas interest.

This Ratification and Joinder of Unit Agreement, shall be binding upon the undersigned, his, her or its heirs, devisees, executors, assigns or successors in interest.

EXECUTED this 13th day of March, 2015.

David Ryan
Address: 2001 West 86th St.
Bloomington, MN. 55431

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Minnesota)
COUNTY OF Hennepin) ss.

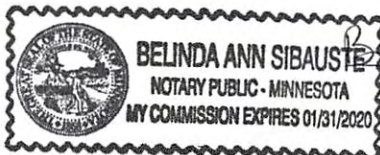
The foregoing instrument was acknowledged before me by David Ryan.

This 13 day of March, 2015.

WITNESS my hand and official seal.

My Commission Expires:

1/31/2020



Belinda Ann Sibauste
Notary Public

CORPORATE ACKNOWLEDGMENT

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me by _____,

as _____ of _____.

This _____ day of _____, 2015.

WITNESS my hand and official seal.

My Commission Expires:

Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **Lewis Creek Dakota J Unit II Area**, County of Logan, State of Colorado, dated MAR 2, 2015, in form approved on behalf of the Colorado Oil and Gas Conservation Commission, the undersigned (whether one or more) hereby expressly joins said Unit Agreement and ratifies, approves, adopts and confirms said Unit Agreement as fully as though the undersigned had executed the original instrument.

This Ratification and Joinder shall be effective as to the undersigned's interests in any lands and leases, or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substances, covering the lands within the Unit Area in which the undersigned may be found to have an oil or gas interest.

This Ratification and Joinder of Unit Agreement, shall be binding upon the undersigned, his, her or its heirs, devisees, executors, assigns or successors in interest.

EXECUTED this 17th day of March, 2015.

Ruthanne R. Ryan

Address: 2001 West 86th Street
Bloomington, MN 55431

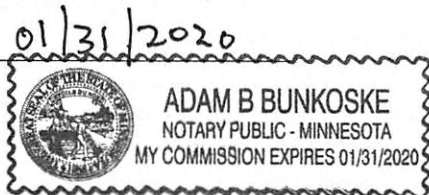
INDIVIDUAL ACKNOWLEDGMENT

STATE OF Minnesota)
COUNTY OF Hennepin) ss.

The foregoing instrument was acknowledged before me by Ruthanne R. Ryan.
This 27th day of March, 2015.

WITNESS my hand and official seal.

My Commission Expires:



Adam B Bunkoske

Notary Public

CORPORATE ACKNOWLEDGMENT

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me by _____,
as _____ of _____.

This _____ day of _____, 2015.

WITNESS my hand and official seal.

My Commission Expires:

Notary Public


RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **Lewis Creek Dakota J Unit II Area**, County of Logan, State of Colorado, dated MAR 2, 2015, in form approved on behalf of the Colorado Oil and Gas Conservation Commission, the undersigned (whether one or more) hereby expressly joins said Unit Agreement and ratifies, approves, adopts and confirms said Unit Agreement as fully as though the undersigned had executed the original instrument.

This Ratification and Joinder shall be effective as to the undersigned's interests in any lands and leases, or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substances, covering the lands within the Unit Area in which the undersigned may be found to have an oil or gas interest.

This Ratification and Joinder of Unit Agreement, shall be binding upon the undersigned, his, her or its heirs, devisees, executors, assigns or successors in interest.

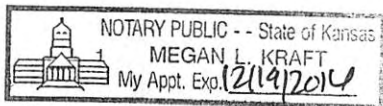
EXECUTED this 16 day of March, 2015.


Delores P. Ryan

Address: 7814 4th St
LENEXA KS 66216

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Kansas)
COUNTY OF Johnson) ss.




The foregoing instrument was acknowledged before me by Robert Ryan and Delores Ryan.

This 16 day of March, 2015.

WITNESS my hand and official seal.

My Commission Expires:

12/19/2014


Notary Public

CORPORATE ACKNOWLEDGMENT

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me by _____,

as _____ of _____.

This _____ day of _____, 2015.

WITNESS my hand and official seal.

My Commission Expires:

Notary Public

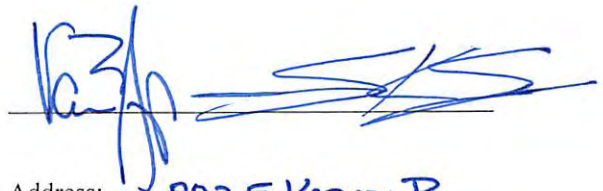
RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **Lewis Creek Dakota J Unit II Area**, County of Logan, State of Colorado, dated MAR 2, 2015, in form approved on behalf of the Colorado Oil and Gas Conservation Commission, the undersigned (whether one or more) hereby expressly joins said Unit Agreement and ratifies, approves, adopts and confirms said Unit Agreement as fully as though the undersigned had executed the original instrument.

This Ratification and Joinder shall be effective as to the undersigned's interests in any lands and leases, or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substances, covering the lands within the Unit Area in which the undersigned may be found to have an oil or gas interest.

This Ratification and Joinder of Unit Agreement, shall be binding upon the undersigned, his, her or its heirs, devisees, executors, assigns or successors in interest.

EXECUTED this 12th day of March, 2015.



Address: 982 E KARVAL R
SUPERIOR CO 80021

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Colorado)
) ss.
COUNTY OF Denver)

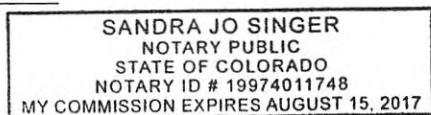
The foregoing instrument was acknowledged before me by Van Z. Spruce and Susan M. Spruce.

This 12th day of March, 2015.

WITNESS my hand and official seal.

My Commission Expires:

8/15/2017




Notary Public

CORPORATE ACKNOWLEDGMENT

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me by _____,

as _____ of _____.

This _____ day of _____, 2015.

WITNESS my hand and official seal.

My Commission Expires:

Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **Lewis Creek Dakota J Unit II Area**, County of Logan, State of Colorado, dated MAR - 2 -, 2015, in form approved on behalf of the Colorado Oil and Gas Conservation Commission, the undersigned (whether one or more) hereby expressly joins said Unit Agreement and ratifies, approves, adopts and confirms said Unit Agreement as fully as though the undersigned had executed the original instrument.

This Ratification and Joinder shall be effective as to the undersigned's interests in any lands and leases, or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substances, covering the lands within the Unit Area in which the undersigned may be found to have an oil or gas interest.

This Ratification and Joinder of Unit Agreement, shall be binding upon the undersigned, his, her or its heirs, devisees, executors, assigns or successors in interest.

EXECUTED this 2nd day of March, 2015.

Donald A. Richardson
Donald A. Richardson

Address: 1499 Blake St.
2L
Denver CO 80202

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Colorado)
) ss.
COUNTY OF Denver)

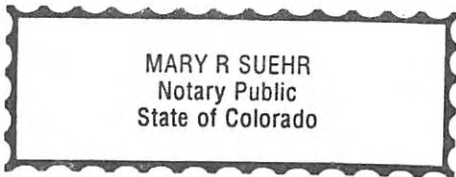
The foregoing instrument was acknowledged before me by Donald A Richardson.

This 2nd day of March, 2015.

WITNESS my hand and official seal.

My Commission Expires:

06/22/2016



[Signature]
Notary Public

CORPORATE ACKNOWLEDGMENT

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me by _____,

as _____ of _____.

This _____ day of _____, 2015.

WITNESS my hand and official seal.

My Commission Expires:

Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT

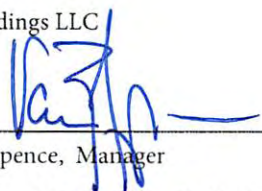
In consideration of the execution of the Unit Agreement for the Development and Operation of the Lewis Creek Dakota J Unit II Area, County of Logan, State of Colorado, dated MAR 2, 2015, in form approved on behalf of the Colorado Oil and Gas Conservation Commission, the undersigned (whether one or more) hereby expressly joins said Unit Agreement and ratifies, approves, adopts and confirms said Unit Agreement as fully as though the undersigned had executed the original instrument.

This Ratification and Joinder shall be effective as to the undersigned's interests in any lands and leases, or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substances, covering the lands within the Unit Area in which the undersigned may be found to have an oil or gas interest.

This Ratification and Joinder of Unit Agreement, shall be binding upon the undersigned, his, her or its heirs, devisees, executors, assigns or successors in interest.

EXECUTED this 12th day of March, 2015.

BBE Holdings LLC



Van Z. Spence, Manager

Address: 1512 Larimer St., Suite 550

Denver, CO 80202

INDIVIDUAL ACKNOWLEDGMENT

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me by _____.

This _____ day of _____, 2015.

WITNESS my hand and official seal.

My Commission Expires:

Notary Public

CORPORATE ACKNOWLEDGMENT

STATE OF Colorado)
COUNTY OF Denver) ss.

The foregoing instrument was acknowledged before me by Van Z. Spence,

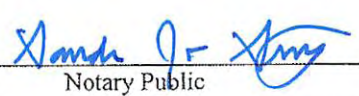
as Manager of BBE Holdings LLC.

This 12th day of March, 2015.

WITNESS my hand and official seal.

My Commission Expires:

8/15/2017



Notary Public

SANDRA JO SINGER NOTARY PUBLIC STATE OF COLORADO NOTARY ID # 19974011748 COMMISSION EXPIRES AUGUST 15, 2017

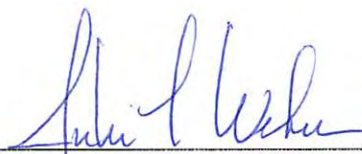
RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Lewis Creek Dakota J Unit II Area, County of Logan, State of Colorado, dated MAR 2, 2015, in form approved on behalf of the Colorado Oil and Gas Conservation Commission, the undersigned (whether one or more) hereby expressly joins said Unit Agreement and ratifies, approves, adopts and confirms said Unit Agreement as fully as though the undersigned had executed the original instrument.

This Ratification and Joinder shall be effective as to the undersigned's interests in any lands and leases, or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substances, covering the lands within the Unit Area in which the undersigned may be found to have an oil or gas interest.

This Ratification and Joinder of Unit Agreement, shall be binding upon the undersigned, his, her or its heirs, devisees, executors, assigns or successors in interest.

EXECUTED this 12th day of March, 2015.



Julie L. Weber
Address: 2301 S. Humboldt St.
Denver, CO 80210

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Colorado)
) ss.
COUNTY OF Denver)

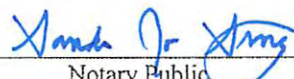
The foregoing instrument was acknowledged before me by Julie L. Weber.

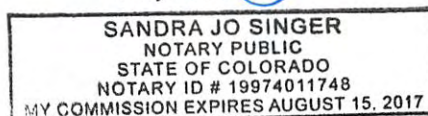
This 12th day of March, 2015.

WITNESS my hand and official seal.

My Commission Expires:

8/15/2017



Notary Public


CORPORATE ACKNOWLEDGMENT

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me by _____,

as _____ of _____.

This _____ day of _____, 2015.

WITNESS my hand and official seal.

My Commission Expires:

Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **Lewis Creek Dakota J Unit II Area**, County of Logan, State of Colorado, dated MAR 2, 2015, in form approved on behalf of the Colorado Oil and Gas Conservation Commission, the undersigned (whether one or more) hereby expressly joins said Unit Agreement and ratifies, approves, adopts and confirms said Unit Agreement as fully as though the undersigned had executed the original instrument.

This Ratification and Joinder shall be effective as to the undersigned's interests in any lands and leases, or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substances, covering the lands within the Unit Area in which the undersigned may be found to have an oil or gas interest.

This Ratification and Joinder of Unit Agreement, shall be binding upon the undersigned, his, her or its heirs, devisees, executors, assigns or successors in interest.

EXECUTED this 16 day of MARCH, 2015.

R. L. L. Trust
BNG LIVING TRUST
Address: 3545 S. ELKHART ST
AURORA, CO 80014

INDIVIDUAL ACKNOWLEDGMENT

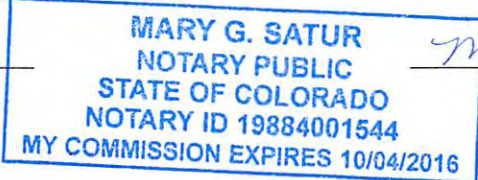
STATE OF Colorado)
) ss.
COUNTY OF Denver)

The foregoing instrument was acknowledged before me by LEON R BAILEY.

This 16th day of MARCH, 2015.

WITNESS my hand and official seal.

My Commission Expires:

10/04/2016  Mary H Satur
Notary Public

CORPORATE ACKNOWLEDGMENT

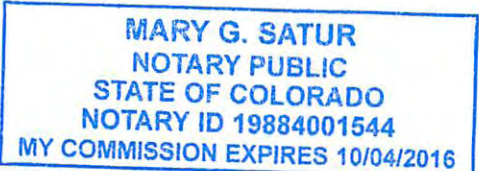
STATE OF COLORADO)
) ss.
COUNTY OF DENVER)

The foregoing instrument was acknowledged before me by LEON R BAILEY,
as TRUSTEE of BNG LIVING TRUST.

This 16th day of MARCH, 2015.

WITNESS my hand and official seal.

My Commission Expires:

10/04/2016  Mary H Satur
Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT

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This Ratification and Joinder of Unit Agreement, shall be binding upon the undersigned, his, her or its heirs, devisees, executors, assigns or successors in interest.

EXECUTED this 31st day of March, 2015.

Esther M. Nelson
Larry G. Nelson
Address: 16407 CR 72 #33
Peetz, CO
80747

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Colorado)
COUNTY OF Morgan) ss.

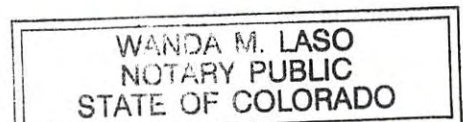
The foregoing instrument was acknowledged before me by Esther M Nelson Larry G Nelson
This 31st day of March, 2015.

WITNESS my hand and official seal.

My Commission Expires:

1/7/2016

Wanda M. Laso
Notary Public



CORPORATE ACKNOWLEDGMENT My Commission Expires 1/7/2016

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me by _____,
as _____ of _____.

This _____ day of _____, 2015.

WITNESS my hand and official seal.

My Commission Expires:

Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **Lewis Creek Dakota J Unit II Area**, County of Logan, State of Colorado, dated MAR 2, 2015, in form approved on behalf of the Colorado Oil and Gas Conservation Commission, the undersigned (whether one or more) hereby expressly joins said Unit Agreement and ratifies, approves, adopts and confirms said Unit Agreement as fully as though the undersigned had executed the original instrument.

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This Ratification and Joinder of Unit Agreement, shall be binding upon the undersigned, his, her or its heirs, devisees, executors, assigns or successors in interest.

EXECUTED this 11th day of March, 2015.

Janet K Dampier, Trustee of The
Janet Koin, Dampier Revocable
Trust
Janet K Dampier

Address: 2961 S Franklen St
Englewood CO 80113

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Georgia)
COUNTY OF Fulton) ss.

The foregoing instrument was acknowledged before me by Janet K. Dampier.

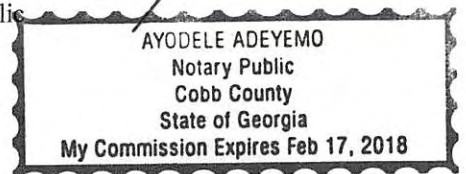
This 11th day of March, 2015.

WITNESS my hand and official seal.

My Commission Expires:

Feb. 17, 2018

Ayodele Adeyemo
Notary Public



CORPORATE ACKNOWLEDGMENT

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me by _____,

as _____ of _____.

This _____ day of _____, 2015.

WITNESS my hand and official seal.

My Commission Expires:

Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **Lewis Creek Dakota J Unit II Area**, County of Logan, State of Colorado, dated MAR 2, 2015, in form approved on behalf of the Colorado Oil and Gas Conservation Commission, the undersigned (whether one or more) hereby expressly joins said Unit Agreement and ratifies, approves, adopts and confirms said Unit Agreement as fully as though the undersigned had executed the original instrument.

This Ratification and Joinder shall be effective as to the undersigned's interests in any lands and leases, or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substances, covering the lands within the Unit Area in which the undersigned may be found to have an oil or gas interest.

This Ratification and Joinder of Unit Agreement, shall be binding upon the undersigned, his, her or its heirs, devisees, executors, assigns or successors in interest.

EXECUTED this 15 day of April, 2015.

Judie Foster-Lupkin
Wanda Gibbs, deceased
By Judie Foster-Lupkin

Address: 1101 NW Cottonwood Lane
Albany, Oregon 97321

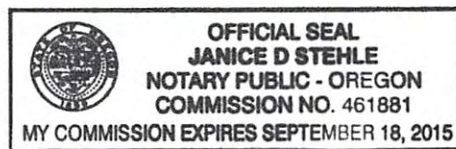
INDIVIDUAL ACKNOWLEDGMENT

STATE OF Oregon)
COUNTY OF Linn) ss.

The foregoing instrument was acknowledged before me by Judie Foster-Lupkin.
This 15 day of April, 2015.

WITNESS my hand and official seal.

My Commission Expires:
9-18-15



Janice D. Stehle
Notary Public

CORPORATE ACKNOWLEDGMENT

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me by _____,
as _____ of _____.

This _____ day of _____, 2015.

WITNESS my hand and official seal.

My Commission Expires:

Notary Public

UNIT OPERATING AGREEMENT
LEWIS CREEK DAKOTA J II UNIT AREA
COUNTY OF LOGAN
STATE OF COLORADO

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UNIT OPERATING AGREEMENT
LEWIS CREEK DAKOTA J UNIT II

COUNTY OF LOGAN

STATE OF COLORADO

THIS AGREEMENT, entered into as of the 2nd day of March, 2015 and made effective upon approval of the Lewis Creek Dakota J Unit II by the Colorado Oil and Gas Conservation Commission.

WITNESSETH:

WHEREAS, an agreement entitled, "Unit Agreement, Lewis Creek Dakota J Unit II, Logan County, Colorado (herein referred to as "Unit Agreement") has been made which, among other things, provides for a separate agreement to provide for Unit Operations as therein defined,

NOW, THEREFORE, it is provided as follows:

ARTICLE 1

CONFIRMATION OF UNIT AGREEMENT

1.1 Confirmation of Unit Agreement. The Unit Agreement is hereby confirmed and by reference made a part of this Agreement. The definitions in the Unit Agreement are adopted for all purposes of this Agreement. If there is any conflict between the Unit Agreement and this Agreement, the Unit Agreement shall govern.

ARTICLE 2

EXHIBITS

2.1 Exhibits. The following exhibits are incorporated herein by reference:

2.1.1 Exhibits "A," "B" 2nd and "C" of the Unit Agreement.

2.1.2 Exhibit "D," attached hereto, is a schedule showing the Working Interest of each Working Interest Owner in each Tract, the percentage of total Unit Participation attributable to each such interest, and the total unit Participation of each Working Interest Owner. Exhibit "D," or a revision thereof, shall not be conclusive as to the information therein, except it may be used as showing the Unit Participations of the Working Interest Owners for purposes of this Agreement until shown to be in error, or is revised as herein authorized.

2.1.3 Exhibit "E," attached hereto, is the Accounting Procedure applicable to Unit Operations. If there is any conflict between this Agreement and Exhibit "E," this Agreement shall govern.

2.1.4 Exhibit "F," attached hereto, contains insurance provisions applicable to Unit Operations.

2.1.5 Exhibit "G," attached hereto, contains the inventory and pricing procedure.

2.2 Revision of Exhibits. Whenever Exhibits "A," "B" and "C" are revised, Exhibit "D" shall be revised accordingly, and be effective as of the same date. Unit Operator shall also revise Exhibit "D" and "G" from time to time as required to conform to changes in ownership of which Unit Operator has been notified as provided in the Unit Agreement.

2.3 Reference to Exhibits. Whenever reference is made herein to an exhibit, it is to the exhibit as originally attached or, if revised, to the last revision.

ARTICLE 3

SUPERVISION OF OPERATIONS BY WORKING INTEREST OWNERS

3.1 Overall Supervision. Working Interest Owners shall exercise overall supervision and control of all matters pertaining to Unit Operations. In the exercise of such authority, each Working Interest Owner shall act solely in its own behalf in the capacity of an individual owner and not on behalf of the owners as an entirety.

3.2 Specific Authority and Duties. The matters with respect to which Working Interest Owners shall decide and take action shall include, but not be limited to, the following:

3.2.1 Method of Operation. The method of operation, including the type of recovery program to be employed.

3.2.2 Drilling of Wells. The drilling of any well whether for production of Unitized Substances, for use as an injection well, or for other purposes.

3.2.3 Well Recompletions and Change of Status. The recompletion, abandonment, or change of status of any well, or the use of any well for injection or other purposes.

3.2.4 Unit Operator's Tools and Equipment. The use by Unit Operator of its own tools and equipment in the drilling of a well or in any other operation in which drilling equipment is required.

3.2.5 Expenditures. The making of any single expenditure in excess of Twenty-five Thousand Dollars (\$25,000.00); however, approval by Working Interest Owners of the drilling, reworking, deepening, or plugging back of any well shall include approval of all necessary expenditures required therefor, and for completing, testing and equipping the well, including necessary flow lines, separators and lease tankage.

3.2.6 Disposition of Unit Equipment. The selling or otherwise disposing of any item of surplus unit Equipment, if the current price of new equipment similar thereto is in excess of Ten Thousand Dollars (\$10,000.00).

3.2.7 Appearance Before a Court or Regulatory Agency. The designating of a representative to appear before any court or regulatory agency in matters pertaining to Unit Operators; however, such designation shall not prevent any Working Interest Owner from appearing in person or from designating another representative in its own behalf.

3.2.8 Audit Exceptions. The settlement of unresolved audit exceptions.

3.2.9 Inventories. The taking of periodic inventories as provided by Exhibit "E."

3.2.10 Technical Services. The authorizing of charges to the joint account for services by consultants or Unit Operator's technical personnel not covered by the charges provided by Exhibit "E."

3.2.11 Assignments to Committees. The appointment of committees to study any problems in connection with Unit Operations.

3.2.12 Removal of Operator. The removal of Unit Operator and the selection of a successor.

3.2.13 Changes and Amendments. The changing of the Unit Area or the amending of this Agreement or the Unit Agreement as provided by Article 11 of the Unit Agreement.

3.2.14 Investment Adjustment. The adjustment and readjustment of investments.

3.2.15 Termination of Unit Agreement. The termination of the Unit Agreement as provided therein.

ARTICLE 4

MANNER OF EXERCISING SUPERVISION

4.1 Designation of Representatives. Each Working Interest Owner shall inform Unit Operator in writing of the names and addresses of the representative and alternate who are authorized to represent and bind such Working Interest Owner with respect to Unit Operations. The representative or alternate may be changed from time to time by written notice to Unit Operator.

4.2 Meetings. All meetings of Working Interest Owners shall be called by Unit Operator upon its own motion or at the request of one or more Working Interest Owners having a total Unit Participation of not less than three percent (3%). No meeting shall be called on less than fourteen (14) days advance written notice, with agenda for the meeting attached. Working Interest Owners who attend the meeting may amend items included in the agenda and may act upon an amended item or other items presented at the meeting. The representative of Unit Operator shall be chairman of each meeting.

4.3 Voting Procedure. Working Interest Owners shall determine all matters coming before them as follows:

4.3.1 Voting Interest. Each Working Interest Owner shall have a voting interest equal to its Unit Participation.

4.3.2 Vote Required. Unless otherwise provided herein or in the Unit Agreement, Working Interest Owners shall determine all matters by the affirmative vote of two or more Working Interest Owners having a combined voting interest of at least seventy percent (70%); however, should any one Working Interest Owner own thirty percent (30%) or more of the voting interest, its negative vote or failure to vote shall not defeat any proposal unless supported by the vote of at least one or more other Working Interest Owners having at least five percent (5%) of the voting interest.

4.3.3 Vote at Meeting by Non-attending Working Interest Owner. Any Working Interest Owner who is not represented at a meeting may vote on any agenda item by letter, telegram or facsimile addressed to the representative of Unit Operator if its vote is received prior to the vote at the meeting.

4.3.4 Poll Votes. Working Interest Owners may vote by letter, telegram or facsimile on any matter submitted in writing to all Working Interest Owners. If a meeting is not requested, as provided in Article 4.2, within seven (7) days after a written proposal is received by the Working Interest Owners, the vote taken by letter, telegram or facsimile shall control. Unit Operator shall give prompt notice of the results of such voting to each Working Interest Owner.

4.3.5 Binding Effect of Vote. All Working Interest Owners shall be bound for their proportionate share of all costs and expenses of Unit Operations approved by the Working Interest Owners by the vote required herein.

ARTICLE 5

INDIVIDUAL RIGHTS OF WORKING INTEREST OWNERS

5.1 Reservation of Rights. Working Interests Owners retain all their rights, except as otherwise provided in this Agreement or the Unit Agreement.

5.2 Specific Rights. Each Working Interest Owner shall have, among others, the following specific rights:

5.2.1 Access to Unit Area. Access to the Unit Area at all reasonable times to inspect Unit Operations, all wells, and the records and data pertaining thereto.

5.2.2 Reports. The right to receive from Unit Operator, upon written request, copies of all reports to any governmental agency, reports of crude oil runs and stocks, inventory reports, and all other information pertaining to Unit Operations. The cost of gathering and furnishing information not ordinarily furnished by Unit Operator to all Working Interest Owners shall be charged to the Working Interest Owner that requests the information.

5.2.3 Audits. The right to audit the accounts of Unit Operator pertaining to Unit Operations according to the provisions of Exhibit "E."

5.3 Reversionary Interest. When a Tract ownership changes due to the payout (or multiple) of a well within the unit, the balance remaining to recover will be calculated on an allocated Tract basis after the effective date of the unit. Payout will be deemed to occur the first day of the month following the time that the payout balance becomes zero.

ARTICLE 6

UNIT OPERATOR

6.1 Unit Operator. East Cheyenne Gas Storage, LLC is designated as the initial Unit Operator.

6.2 Resignation or Removal. Unit Operator may resign at any time. Unit Operator may be removed at any time by the affirmative vote of Working Interest Owners having seventy percent (70%) or more of the voting interest remaining after excluding the voting interest of Unit Operator. Such resignation or removal shall not become effective for a period of three (3) months after the resignation or removal, unless a successor Unit Operator has taken over Unit Operations prior to the expiration of such period. If Unit Operator sells all or a simple majority of its initial Unit Participation interest, an election of a new Unit Operator is required.

6.3 Selection of Successor. Upon the resignation or removal of Unit Operator, a successor Unit Operator shall be selected by a majority vote of the Working Interest Owners. If the removed Unit Operator fails to vote or votes only to succeed itself, the successor Unit Operator shall be selected by the affirmative vote of Working Interest Owners having sixty percent (60%) or more of the voting interest remaining after excluding the voting interest of the removed Unit Operator.

ARTICLE 7

AUTHORITY AND DUTIES OF UNIT OPERATOR

7.1 Exclusive Right to Operate Unit. Subject to the provisions of this Agreement and to instructions from Working Interest Owners, Unit Operator shall have the exclusive right and be obligated to conduct Unit Operations.

7.2 Workmanlike Conduct. Unit Operator shall conduct Unit Operations in a good workmanlike manner as would a prudent operator under the same or similar circumstances. Unit Operator shall freely consult with Working Interest Owners and keep them informed of all matters which Unit Operator, in the exercise of its best judgment, considers important. Unit Operator shall not be liable to Working Interest Owners for damages resulting from any act or omission by Unit Operator in conducting Unit Operations, unless such damages result from its gross negligence or willful misconduct.

7.3 Liens and Encumbrances. Unit Operator shall endeavor to keep the lands and leases in the Unit Area and Unit Equipment free from all liens and encumbrances occasioned by Unit Operations, except those provided for in Article 11.

7.4 Employees. The number of employees used by Unit Operator in conducting Unit Operations, their selection, hours of labor, and compensation shall be determined by Unit Operator. Such employees shall be the employees of Unit Operator.

7.5 Records. Unit Operator shall keep correct books, accounts and records of Unit Operations.

7.6 Reports to Working Interest Owners. Unit Operator shall furnish Working Interest Owners quarterly summary reports on unit activities, plus timely filed copies of reports of production and injection required periodically by any governmental agency.

7.7 Reports to Governmental Authorities. Unit Operator shall make all reports to governmental authorities that it has the duty to make as Unit Operator.

7.8 Engineering and Geological Information. Unit Operator shall furnish to all Working Interest Owners a copy of all logs and other engineering and geological data pertaining to wells drilled for Unit Operations.

7.9 Expenditures. Unit Operator is authorized to make single expenditures not in excess of Twenty-Five Thousand Dollars (25,000.00) without prior approval of Working Interest Owners. In the event of an emergency, Unit Operator may immediately make or incur such expenditures as in its opinion are required to deal with the emergency. Unit Operator shall report to Working Interest Owners, as promptly as possible, the nature of the emergency and the action taken.

7.10 Wells Drilled by Unit Operator. All wells drilled by Unit Operator shall be at the rates prevailing in the area. Unit Operator may employ its own tools and equipment, but the charge thereof should not exceed the usual prevailing rate in the area, and the work shall be performed by Unit Operator under the same terms and conditions as are usual in the area in the contracts of independent contractors doing work of a similar nature.

ARTICLE 8

TAXES

8.1 Property Taxes. Beginning with the first calendar year after the Effective Date hereof, Unit Operator shall make and file all necessary property tax renditions and returns with the proper taxing authorities with respect to all property of each Working Interest Owner used or held by Unit Operator for Unit Operations. Unit Operator shall settle assessments arising therefrom. All such property taxes shall be paid by Unit Operator and charged to the joint account; however, if the interest of a Working Interest Owner is subject to a separately assessed overriding royalty interest production payment, or other interest in excess of a one-eighth (1/8) royalty, such Working Interest Owner shall be given credit for the reduction in taxes paid resulting therefrom.

8.2 Other Taxes. Each Working Interest Owner shall pay or cause to be paid all production severance gathering, and other taxes imposed upon or with respect to the production or handling of its share of Unitized Substances.

8.3 Income Tax Election. Notwithstanding any provisions herein that the rights and liabilities hereunder are several and not joint or collective, or that this Agreement and operations hereunder shall not constitute a partnership, if for Federal income tax purposes this Agreement and the operations hereunder are regarded as a partnership, then each Person hereby affected elects to be excluded from the application of all of the provisions of Subchapter K, Chapter 1, Subtitle A, of the Internal Revenue Code of 1986, as permitted and authorized by Section 761 of the Code and the regulations promulgated thereunder. Unit Operator is authorized and directed to execute on behalf of each Person hereby affected such evidence of this election as may be required by the Secretary of the Treasury of the United States of the Federal Internal Revenue Service, including specifically, but not by way of limitation, all of the returns, statements and the data required by Federal Regulations 1.761-1(a). Should there be any requirement that each Person hereby affected give further evidence of this election, each such Person shall execute such documents and furnish such other evidence as may be required by the Federal Internal Revenue Service or as may be necessary to evidence this election. No such Person shall give any notices or take any other action inconsistent with the election made hereby. If any present or future income tax laws of the state or states in which the Unit Area is located or any future income tax law of the United States contain provisions similar to those in Subchapter K, Chapter 1, Subtitle A, of the Internal Revenue Code of 1986, under which an election similar to that provided by Section 761 of the Code is permitted, each Person hereby affected shall make such election as may be permitted or required by such laws. In making the foregoing election, each such Person states that the income derived by such Person from Unit Operations can be adequately determined without the computation of partnership taxable income.

ARTICLE 9

INSURANCE

9.1 Insurance. Unit Operator, with respect to Unit Operations, shall:

- (a) comply with the Workmen's Compensation Laws of the State,

(b) comply with Employer's Liability and other insurance requirements of the laws of the state, and

(c) provide insurance or other protection as set forth in Exhibit "F."

ARTICLE 10

ADJUSTMENT OF INVESTMENTS

10.1 Property Taken Over. Upon the Effective Date, Working Interest owners shall deliver to Unit Operator the following:

10.1.1 Wells. All wells completed in the Unitized Formation, as shown on Exhibit "A."

10.1.2 Equipment. The casing and tubing in each such well, the wellhead connections thereon, and all other lease and operating equipment that is used in the operation of such wells which Working Interest Owners determine is necessary or desirable for conducting Unit Operations. Working Interest Owners shall have twelve (12) months after this Unit Operating Agreement becomes effective in which to make such determination, and all such property that is determined to be surplus shall be returned to the Working Interest Owners in as good condition as received, considering normal wear, who delivered same to Unit Operator and such surplus shall not be considered to have been taken over under this Section.

10.1.3 Records. A copy of all production and well records of such wells.

10.2 Inventory and Evaluation. Working Interest Owners shall at Unit Expense inventory and evaluate the wells and equipment taken over. The inventory of equipment shall be limited to those items considered controllable under Exhibit "E" except, upon determination of Working Interest Owners, items considered non-controllable may be included in the inventory in order to ensure a more equitable adjustment of investment. Casing shall be included in the inventory for record purposes, but shall be excluded from pricing and investment adjustment. The method of evaluating wells and equipment shall be in accordance with Exhibit "G," attached hereto.

10.3 Investment Adjustment. Upon approval by Working Interest owners of the inventory and evaluation, each Working Interest Owner shall be credited with the value of its interest in all wells and equipment taken over under Article 10.1, and shall be charged with an amount equal to that obtained by multiplying the total value of all wells and equipment taken over under Article 10.1 by each Working Interest Owner's Unit Participation. If the charge against any Working Interest Owner is greater than the amount credited to such Working Interest Owner, the resulting net charge shall be an item of Unit Expense chargeable against such Working Interest Owner. If the credit to any Working Interest Owner is greater than the amount charged against such Working Interest Owner, the resulting net credit shall be paid to such Working Interest Owner by Unit Operator out of funds received by it in settlement of the net charges described above.

10.4 General Facilities. The acquisition of warehouses, warehouse stocks, lease houses, camps, facility systems and office buildings necessary for Unit Operations shall be by negotiation by the owners thereof and Unit Operator, subject to the approval of Working Interest Owners.

10.5 Ownership of Property and Facilities. Each Working Interest Owner, individually, shall by virtue hereof own an undivided interest, equal to its Unit Participation in all wells, equipment and facilities taken over or otherwise acquired by Unit Operator pursuant to this Agreement.

ARTICLE 11

UNIT EXPENSE

11.1 Basis of Charge to Working Interest Owners. Unit Operator initially shall pay all Unit Expense. Each Working Interest Owner shall reimburse Unit Operator for its share of Unit Expense in proportion to its respective Unit Participation. All charges, credits and accounting for Unit Expense shall be in accordance with Exhibit "E."

11.2 Budgets. Before or as soon as practical after the Effective Date, Unit Operator shall prepare a budget of estimated Unit Expense and production volumes for the remainder of the calendar year, and on or before the first day of each September thereafter, shall prepare such a budget for the ensuing calendar year. A budget shall set forth the estimated Unit Expense and production volumes by quarterly periods. Budgets shall be estimates only, and shall be adjusted or corrected by Working Interest Owners and Unit Operator whenever an adjustment or correction is proper. A copy of each budget and adjusted budget shall be furnished promptly to each Working Interest Owner.

11.3 Advance Billings. Unit Operator shall have the right to require Working Interest Owners to advance their respective shares of estimated Unit Expenses as provided by Exhibit "E."

11.4 Commingling of Funds. Funds received by Unit Operator under this Agreement need not be segregated or maintained by it as a separate fund, but may be commingled with its own funds.

11.5 Unpaid Unit Expense. If any Working Interest Owner fails or is unable to pay its share of Unit Expense within sixty (60) days after rendition of a statement therefor by Unit Operator, the non-defaulting Working Interest Owners shall, upon request by Unit Operator, pay the unpaid amount as if it were Unit Expense in the proportion that the Unit Participation of each such Working Interest Owner bears to the Unit Participation of all such Working Interest Owners. Each Working Interest Owner so paying its share of the unpaid amount shall, to obtain reimbursement thereof, be subrogated to the security rights described in Article 11.6 of this Agreement.

11.6 Security Rights. In addition to any other security rights and remedies provided for by the laws of Colorado with respect to services rendered or materials and equipment furnished under this Agreement, Unit Operator shall have a first and prior lien upon each Working Interest, including the Unitized Substances and the Unit Equipment credited thereto, in order to secure payment of the Unit Expense charged against such Working Interest, together with interest thereon at the rate set forth in Exhibit "E" or the maximum rate allowed by law, whichever is less. If any Working Interest Owner does not pay its share of Unit Expense when due, or if any Working Interest Owner elects to be carried or otherwise financed, Unit Operator shall have the right to collect from the purchaser the proceeds from the sale of such Working Interest Owner's share of Unitized Substances until the amount owed, plus interest at the rate of two percent (2%) above prime rate, as established by the Chase Manhattan Bank, New York, NY, on the last day of the calendar month in which the unpaid balance becomes due or the maximum contract rate permitted by the applicable usury laws, whichever is the lesser, has been paid. Each purchaser shall be entitled to rely on Unit Operator's statement concerning the amount owed and the interest payable thereon.

11.7 Carved-Out Interests. Any overriding royalty, production payment, net proceeds interest, carried interest or any other interest carved out of a Working Interest and created after the Effective Date of this Agreement shall be subject to this Agreement. If a Working Interest Owner does not pay its share of Unit Expense and the proceeds from the sale of unitized Substances under Article 11.6 are insufficient for that purpose, the security rights provided for therein may be applied against the carved-out interests with which such Working Interest is burdened. In such event, the owner of such carved-out interest shall be subrogated to the security rights granted by Article 11.6.

11.8 Pre-Unitization Expense. Prior to Effective Date, Unit Operator and other Working Interest Owners have incurred certain costs and expenses for and on behalf of the Working Interest Owners in anticipation of the Unit Agreement and this Agreement becoming effective. Such costs approved by the Working Interest Owners shall herein be referred to as "Pre-Unitization Expenses." As soon as practicable after the Effective Date of this Agreement, Pre-Unitization Expenses shall be reallocated and billed among all Working Interest Owners in accordance with the Unit Participation interest of each such owner. Credit shall be given for payments made by Working Interest Owners prior to the Effective Date for costs included in the Pre-Unitization Expense. If the charge against any Working Interest Owner is greater than the amount credited to such Working Interest Owner, the resulting net charge shall be an item of Unit Expense chargeable against such Working Interest Owner. If the credit to any Working Interest Owner is greater than the amount charged against such Working Interest Owner, the resulting net credit shall be paid to such Working Interest Owner by Unit Operator out of funds received by it in settlement of the net charge described above.

ARTICLE 12

NON-UNITIZED FORMATIONS

12.1 Right to Operate. Any Working Interest Owner that now has or hereafter acquires the right to drill for and produce oil, gas or other minerals from a formation underlying the Unit Area other than the Unitized Formation, shall have the right to do so notwithstanding this Agreement or the Unit Agreement. In exercising the right, however, such Working Interest Owner shall exercise care to prevent unreasonable interference with Unit Operations. No Working Interest Owner other than Unit Operator shall produce Unitized Substances. If any Working Interest Owner drills any well into or through the Unitized Formation, the Unitized Formation shall be protected in a manner satisfactory to Working Interest Owners so that the production of Unitized Substances will not be affected adversely.

ARTICLE 13

LIABILITY, CLAIMS, AND SUITS

13.1 Individual Liability. The duties, obligations and liabilities of Working Interest Owners shall be several and not joint or collective; and nothing herein shall ever be construed as creating a partnership of any kind, joint venture, association or trust among Working Interest Owners.

13.2 Settlements. Unit Operator may settle any single damage claim or suit involving Unit Operations if the expenditure does not exceed Ten Thousand Dollars (\$10,000.00), and if the payment is in complete settlement of such claim or suit. If the amount required for settlement exceeds the above amount, Working Interest Owners shall determine the further handling of the claim or suit. All costs and expense of handling, settling or otherwise discharging such claim or suit shall be an item of Unit Expense, subject to such limitation as is set forth in Exhibit "E." If a claim is made against any Working Interest Owner or if any Working Interest Owner is sued on account of any matter arising from Unit Operations over which such Working Interest Owner individually has no control because of the rights given Working Interest Owners and Unit Operator by this Agreement and the Unit Agreement, the Working Interest Owner shall immediately notify the Unit Operator, and the claim or suit shall be treated as any other claim or suit involving Unit Operations.

13.3 Notice of Loss. Unit Operator shall report to Working Interest Owners as soon as practicable after each occurrence, damage or loss to Unit Equipment, and each accident, occurrence, claim or suit involving third-party bodily injury or property damage not covered by insurance carried for the benefit of Working Interest Owners.

ARTICLE 14

NONDISCRIMINATION

14.1 Nondiscrimination. During the performance of work under this Agreement, Unit Operator agrees to comply with all of the provisions of Subsections (1) through (7) of Section 202, Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967, and as subsequently amended, which are hereby incorporated by reference in this Agreement.

ARTICLE 15

NOTICES

15.1 Notices. All notices required hereunder shall be in writing and shall be deemed to have been properly served when sent by mail or telegram to the address of the representative of each Working Interest Owner as furnished to Unit Operator in accordance with Article 4.

ARTICLE 16

WITHDRAWAL OF WORKING INTEREST OWNER

16.1 Withdrawal. A Working Interest Owner may withdraw from this Agreement by transferring, without warranty of title either express or implied, to the Working Interest Owners who do not desire to withdraw all its Oil and Gas Rights, exclusive of Royalty Interests, together with its interest in all

Unit Equipment and in all wells used in Unit Operations, provided that such transfer shall not relieve such Working Interest Owner from any obligation or liability incurred prior to the first day of the month following receipt by Unit Operator of such transfer. The delivery of the transfer shall be made to Unit Operator for the transferees. The transferred interest shall be owned by the transferees in proportion to their respective Unit Participations. The transferees, in proportion to the respective interests so acquired, shall pay the transferor for its interest in Unit Equipment, the salvage value thereof less its share of the estimated cost of salvaging same, and of plugging and abandoning all wells then being used or held for Unit Operations, as determined by Working Interest Owners. In the event such withdrawing owner's interest in the aforesaid salvage value is less than such owner's share of such estimated costs, the withdrawing owner, as a condition precedent to withdrawal, shall pay the Unit Operator, for the benefit of Working Interest Owners succeeding to its interest, a sum equal to the deficiency. Within sixty (60) days after receiving delivery of the transfer, Unit Operator shall render a final statement to the withdrawing owner for its share of Unit Expense, including any deficiency in salvage value, as determined by Working Interest Owners, incurred as of the first day of the month following the date of receipt of the transfer. Provided all Unit Expense, including any deficiency hereunder, due from the withdrawing owner has been paid in full within thirty (30) days after the rendering of such final statement by the Unit Operator, the transfer shall be effective the first day of the month following its receipt by Unit Operator and, as of such effective date, withdrawing owner shall be relieved from all further obligations and liabilities hereunder and under the Unit Agreement, and the rights of the withdrawing Working Interest owner hereunder and under the Unit Agreement shall cease insofar as they existed by virtue of the interest transferred.

16.2 Limitation on Withdrawal. Notwithstanding anything set forth in Article 16.1, Working Interest Owners may refuse to permit the withdrawal of a Working Interest Owner if its Working Interest is burdened by any royalties, overriding royalties, production payments, net proceeds interest, carried interest, or any other interest created out of the Working Interest in excess of existing Land Owner's Royalty, unless the other Working Interest Owners willing to accept the assignment agree to accept the Working Interest subject to such burdens.

ARTICLE 17

ABANDONMENT OF WELLS

17.1 Rights of Former Owners. If Working Interest Owners determine to permanently abandon any well within the Unit Area prior to termination of the Unit Agreement, the Unit Operator shall give written notice thereof to the Working Interest Owners of the Tract on which the well is located, and they shall have the option for a period of sixty (60) days after the sending of such notice to notify the Unit Operator in writing of their election to take over and own the well. Within ten (10) days after the Working Interest Owners of the Tract have notified Unit Operator of their election to take over the well, they shall pay Unit Operator, for credit to the joint account, the amount determined by Working Interest Owners to be the net salvage value of the casing and equipment, through the wellhead, in and on the well. The Working Interest Owners of the Tract, by taking over the well, agree to seal off the Unitized Formation, and upon abandonment to plug the well in compliance with applicable laws and regulations.

17.2 Plugging. If the Working Interest owners of a Tract do not elect, in accordance with the voting procedure of Article 4.3.2, to take over a well located within the Unit Area that is proposed for abandonment, Unit Operator shall plug and abandon the well in compliance with applicable laws and regulations.

ARTICLE 18

EFFECTIVE DATE AND TERM

18.1 Effective Date. This Agreement shall become effective when the Unit Agreement becomes effective.

18.2 Term. This Agreement shall continue in effect so long as the Unit Agreement remains in effect, and thereafter until (a) all Unit wells have been plugged and abandoned or turned over to Working Interest Owners in accordance with Article 19; (b) all Unit Equipment and real property acquired for the joint account have been disposed of by Unit Operator in accordance with instructions of Working Interest Owners; and (c) there has been a final accounting.

ARTICLE 19

ABANDONMENT OF OPERATIONS

19.1 Termination. Upon termination of the Unit Agreement, the following will occur:

19.1.1 Oil and Gas Rights. Oil and Gas Rights in and to each separate Tract shall no longer be affected by this Agreement, and thereafter the parties shall be governed by the terms and provisions of the leases, contracts and other instruments affecting the separate Tracts.

19.1.2 Right to Operate. Working Interest Owners of any Tract that desire to take over and to continue to operate wells located thereon may do so by paying Unit Operator, for credit to the joint account, the net salvage value, as determined by Working Interest Owners, of the casing and equipment, through the wellhead, in and on the wells taken over and by agreeing upon abandonment to plug each well in compliance with applicable laws and regulations.

19.1.3 Salvaging Wells. Unit Operator shall salvage as much of the casing and equipment in or on wells not taken over by Working Interest Owners of separate Tracts as can economically and reasonably be salvaged, and shall cause the wells to be plugged and abandoned in compliance with applicable laws and regulations.

19.1.4 Cost of Abandonment. The cost of abandonment of Unit Operations shall be Unit Expense.

19.1.5 Distribution of Assets. Working Interest Owners shall share in the distribution of Unit Equipment, or the proceeds thereof, in proportion to their Unit Participations.

ARTICLE 20

APPROVAL

20.1 Original, Counterpart or Other Instrument. An owner of a Working Interest may approve this Agreement by signing the original, a counterpart thereof or other instrument approving this Agreement. The signing of any such instrument shall have the same effect as if all Persons had signed the same instrument.

ARTICLE 21

SUCCESSORS AND ASSIGNS

21.1 Successors and Assigns. This Agreement shall extend to, be binding upon, and inure to the benefit of the Persons hereto and their respective heirs, devisees, legal representatives, successors and assigns, and shall constitute a covenant running with the lands, leases and interests covered hereby.

IN WITNESS WHEREOF, this Agreement is approved on the dates opposite the respective signatures.

UNIT OPERATOR AND WORKING INTEREST OWNER

East Cheyenne Gas Storage, LLC

By James Hoff
James Hoff, Vice President

Address:
10370 Richmond Avenue, Suite 510
Houston, TX 77042

STATE OF TEXAS)
) ss.
COUNTY OF HARRIS)

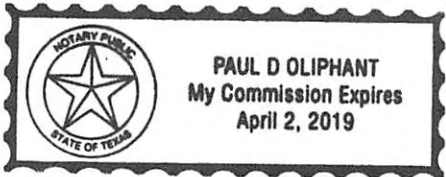
The foregoing instrument was acknowledged before me by JAMES HOFF,
as VICE PRESIDENT of EAST CHEYENNE GAS STORAGE, LLC

This 6th day of MARCH, 2015.

WITNESS my hand and official seal.

My commission Expires:
4/2/2019

Paul D. Oliphant
Notary Public



UNIT OPERATOR SIGNATURE PAGE
LEWIS CREEK "J II" SAND UNIT OPERATING AGREEMENT
LOGAN COUNTY, COLORADO

EXHIBIT "C"

Attached to and made a part of the Unit Operating Agreement
for the Lewis Creek J II Unit Area
Logan County, Colorado

<u>TRACT #</u>	<u>PERCENTAGE</u>
1	1.007145%
2	28.095438%
3	11.238175%
4	11.238175%
5	5.705307%
6	3.117236%
7	20.811191%
8	18.787333%
	<u>100.000000%</u>

EXHIBIT "D"
 ATTACHED TO AND MADE A PART OF THE UNIT OPERATING AGREEMENT FOR THE
 LEWIS CREEK DAKOTA J II UNIT AREA
 LOGAN COUNTY, COLORADO

WORKING INTEREST OWNERS

TRACT NUMBER	1	2	3	4	5	6	7	8	TOTAL
TRACT PARTICIPATION	1.007145%	28.095438%	11.238175%	11.238175%	5.705307%	3.117236%	20.811191%	18.787333%	100.000000%
EAST CHEYENNE GAS STORAGE, LLC TOC - ROCKY MOUNTAINS INC.	1.007145%	28.095438%	11.238175%	11.238175%	5.705307%	2.774340% 0.342896%	20.811191%	16.720726% 2.066607%	97.590497% 2.409503%
TOTALS	1.007145%	28.095438%	11.238175%	11.238175%	5.705307%	3.117236%	20.811191%	18.787333%	100.000000%

Exhibit "E "

ACCOUNTING PROCEDURE

JOINT OPERATIONS

Attached to and made part of the

Unit Operating Agreement for the Lewis Creek Dakota J Unit II Unit Area

Logan County, Colorado

I. GENERAL PROVISIONS

IF THE PARTIES FAIL TO SELECT EITHER ONE OF COMPETING "ALTERNATIVE" PROVISIONS, OR SELECT ALL THE COMPETING "ALTERNATIVE" PROVISIONS, ALTERNATIVE 1 IN EACH SUCH INSTANCE SHALL BE DEEMED TO HAVE BEEN ADOPTED BY THE PARTIES AS A RESULT OF ANY SUCH OMISSION OR DUPLICATE NOTATION.

IN THE EVENT THAT ANY "OPTIONAL" PROVISION OF THIS ACCOUNTING PROCEDURE IS NOT ADOPTED BY THE PARTIES TO THE AGREEMENT BY A TYPED, PRINTED OR HANDWRITTEN INDICATION, SUCH PROVISION SHALL NOT FORM A PART OF THIS ACCOUNTING PROCEDURE, AND NO INFERENCE SHALL BE MADE CONCERNING THE INTENT OF THE PARTIES IN SUCH EVENT.

1. DEFINITIONS

All terms used in this Accounting Procedure shall have the following meaning, unless otherwise expressly defined in the Agreement:

"Affiliate" means for a person, another person that controls, is controlled by, or is under common control with that person. In this definition, (a) control means the ownership by one person, directly or indirectly, of more than fifty percent (50%) of the voting securities of a corporation or, for other persons, the equivalent ownership interest (such as partnership interests), and (b) "person" means an individual, corporation, partnership, trust, estate, unincorporated organization, association, or other legal entity.

"Agreement" means the operating agreement, between the Parties to which this Accounting Procedure is attached.

"Controllable Material" means Material that, at the time of acquisition or disposition by the Joint Account, as applicable, is so classified in the Material Classification Manual most recently recommended by the Council of Petroleum Accountants Societies (COPAS).

"Equalized Freight" means the procedure of charging transportation cost to the Joint Account based upon the distance from the nearest Railway Receiving Point to the property.

"Excluded Amount" means a specified excluded trucking amount most recently recommended by COPAS.

"Field Office" means a structure, or portion of a structure, whether a temporary or permanent installation, the primary function of which is to directly serve daily operation and maintenance activities of the Joint Property and which serves as a staging area for directly chargeable field personnel.

"First Level Supervision" means those employees whose primary function in Joint Operations is the direct oversight of the Operator's field employees and/or contract labor directly employed On-site in a field operating capacity. First Level Supervision functions may include, but are not limited to:

- Responsibility for field employees and contract labor engaged in activities that can include field operations, maintenance, construction, well remedial work, equipment movement and drilling
- Responsibility for day-to-day direct oversight of rig operations
- Responsibility for day-to-day direct oversight of construction operations
- Coordination of job priorities and approval of work procedures
- Responsibility for optimal resource utilization (equipment, Materials, personnel)
- Responsibility for meeting production and field operating expense targets
- Representation of the Parties in local matters involving community, vendors, regulatory agents and landowners, as an incidental part of the supervisor's operating responsibilities
- Responsibility for all emergency responses with field staff
- Responsibility for implementing safety and environmental practices
- Responsibility for field adherence to company policy
- Responsibility for employment decisions and performance appraisals for field personnel
- Oversight of sub-groups for field functions such as electrical, safety, environmental, telecommunications, which may have group or team leaders.

"Joint Account" means the account showing the charges paid and credits received in the conduct of the Joint Operations that are to be shared by the Parties, but does not include proceeds attributable to hydrocarbons and by-products produced under the Agreement.

"Joint Operations" means all operations necessary or proper for the exploration, appraisal, development, production, protection, maintenance, repair, abandonment, and restoration of the Joint Property.

1 "Joint Property" means the real and personal property subject to the Agreement.

2
3 "Laws" means any laws, rules, regulations, decrees, and orders of the United States of America or any state thereof and all other
4 governmental bodies, agencies, and other authorities having jurisdiction over or affecting the provisions contained in or the transactions
5 contemplated by the Agreement or the Parties and their operations, whether such laws now exist or are hereafter amended, enacted,
6 promulgated or issued.

7
8 "Material" means personal property, equipment, supplies, or consumables acquired or held for use by the Joint Property.

9
10 "Non-Operators" means the Parties to the Agreement other than the Operator.

11
12 "Off-site" means any location that is not considered On-site as defined in this Accounting Procedure.

13
14 "On-site" means on the Joint Property when in direct conduct of Joint Operations. The term "On-site" shall also include that portion of
15 fabrication yards, and staging areas from which Joint Operations are conducted, or other
16 facilities that directly control equipment on the Joint Property, regardless of whether such facilities are owned by the Joint Account.

17
18 "Operator" means the Party designated pursuant to the Agreement to conduct the Joint Operations.

19
20 "Parties" means legal entities signatory to the Agreement or their successors and assigns. Parties shall be referred to individually as
21 "Party."

22
23 "Participating Interest" means the percentage of the costs and risks of conducting an operation under the Agreement that a Party agrees,
24 or is otherwise obligated, to pay and bear.

25
26 "Participating Party" means a Party that approves a proposed operation or otherwise agrees, or becomes liable, to pay and bear a share of
27 the costs and risks of conducting an operation under the Agreement.

28
29 "Personal Expenses" means reimbursed costs for travel and temporary living expenses.

30
31 "Railway Receiving Point" means the railhead nearest the Joint Property for which freight rates are published, even though an actual
32 railhead may not exist.

33
34
35 "Supply Store" means a recognized source or common stock point for a given Material item.

36
37 "Technical Services" means services providing specific engineering, geoscience, or other professional skills, such as those performed by
38 engineers, geologists, geophysicists, and technicians, required to handle specific operating conditions and problems for the benefit of Joint
39 Operations; provided, however, Technical Services shall not include those functions specifically identified as overhead under the second
40 paragraph of the introduction of Section III (*Overhead*). Technical Services may be provided by the Operator, Operator's Affiliate, Non-
41 Operator, Non-Operator Affiliates, and/or third parties.

42 43 2. STATEMENTS AND BILLINGS

44
45 The Operator shall bill Non-Operators on or before the last day of the month for their proportionate share of the Joint Account for the
46 preceding month. Such bills shall be accompanied by statements that identify the AFE (authority for expenditure), lease or facility, and all
47 charges and credits summarized by appropriate categories of investment and expense. Controllable Material shall be separately identified
48 and fully described in detail, or at the Operator's option, Controllable Material may be summarized by major Material classifications.
49 Intangible drilling costs, audit adjustments, and unusual charges and credits shall be separately and clearly identified.

50
51 The Operator may make available to Non-Operators any statements and bills required under Section I.2 and/or Section I.3.A (*Advances*
52 *and Payments by the Parties*) via email, electronic data interchange, internet websites or other equivalent electronic media in lieu of paper
53 copies. The Operator shall provide the Non-Operators instructions and any necessary information to access and receive the statements and
54 bills within the timeframes specified herein. A statement or billing shall be deemed as delivered twenty-four (24) hours (exclusive of
55 weekends and holidays) after the Operator notifies the Non-Operator that the statement or billing is available on the website and/or sent via
56 email or electronic data interchange transmission. Each Non-Operator individually shall elect to receive statements and billings
57 electronically, if available from the Operator, or request paper copies. Such election may be changed upon thirty (30) days prior written
58 notice to the Operator.

3. ADVANCES AND PAYMENTS BY THE PARTIES

- A. Unless otherwise provided for in the Agreement, the Operator may require the Non-Operators to advance their share of the estimated charges for the succeeding month's operations, or for a proposed operation in which the Non-Operator has elected to participate, as provided in Articles VI and VII of the Operating Agreement. The Operator shall adjust each monthly billing to reflect advances received from the Non-Operators for such month. If a refund is due, the Operator shall apply the amount to be refunded to the subsequent month's billing or advance, unless the Non-Operator sends the Operator a written request for a cash refund. The Operator shall remit the refund to the Non-Operator within thirty (30) days of receipt of such written request.
- B. Except as provided below, each Party shall pay its proportionate share of all bills in full within thirty (30) days of receipt date. If payment is not made within such time, the unpaid balance shall bear interest compounded monthly at the prime rate published by the *Wall Street Journal* on the first day of each month the payment is delinquent, **plus three percent (3%)**, per annum, or the maximum contract rate permitted by the applicable usury Laws governing the Joint Property, whichever is the lesser, plus attorney's fees, court costs, and other costs in connection with the collection of unpaid amounts. If the *Wall Street Journal* ceases to be published or discontinues publishing a prime rate, the unpaid balance shall bear interest compounded monthly at the prime rate published by the Federal Reserve **plus three percent (3%)**, per annum. Interest shall begin accruing on the first day of the month in which the payment was due. Payment shall not be reduced or delayed as a result of inquiries or anticipated credits unless the Operator has agreed. Notwithstanding the foregoing, the Non-Operator may reduce payment, provided it furnishes documentation and explanation to the Operator at the time payment is made, to the extent such reduction is caused by:
- (1) being billed at an incorrect working interest or Participating Interest that is higher than such Non-Operator's actual working interest or Participating Interest, as applicable; or
 - (2) being billed for a project or AFE requiring approval of the Parties under the Agreement that the Non-Operator has not approved or is not otherwise obligated to pay under the Agreement; or
 - (3) being billed for a property in which the Non-Operator no longer owns a working interest, provided the Non-Operator has furnished the Operator a copy of the recorded assignment or letter in-lieu. Notwithstanding the foregoing, the Non-Operator shall remain responsible for paying bills attributable to the interest it sold or transferred for any bills rendered during the thirty (30) day period following the Operator's receipt of such written notice; or
 - (4) charges outside the adjustment period, as provided in Section I.4 (*Adjustments*).

4. ADJUSTMENTS

- A. Payment of any such bills shall not prejudice the right of any Party to protest or question the correctness thereof; however, all bills and statements, including payout statements, rendered during any calendar year shall conclusively be presumed to be true and correct, with respect only to expenditures, after twenty-four (24) months following the end of any such calendar year, unless within said period a Party takes specific detailed written exception thereto making a claim for adjustment. The Operator shall provide a response to all written exceptions, whether or not contained in an audit report, within the time periods prescribed in Section I.5 (*Expenditure Audits*).
- B. All adjustments initiated by the Operator, except those described in items (1) through (4) of this Section I.4.B, are limited to the twenty-four (24) month period following the end of the calendar year in which the original charge appeared or should have appeared on the Operator's Joint Account statement or payout statement. Adjustments that may be made beyond the twenty-four (24) month period are limited to adjustments resulting from the following:
- (1) a physical inventory of Controllable Material as provided for in Section V (*Inventories of Controllable Material*), or
 - (2) an offsetting entry (whether in whole or in part) that is the direct result of a specific joint interest audit exception granted by the Operator relating to another property, or
 - (3) a government/regulatory audit, or
 - (4) a working interest ownership or Participating Interest adjustment.

5. EXPENDITURE AUDITS

- A. A Non-Operator, upon written notice to the Operator and all other Non-Operators, shall have the right to audit the Operator's accounts and records relating to the Joint Account within the twenty-four (24) month period following the end of such calendar year in which such bill was rendered; however, conducting an audit shall not extend the time for the taking of written exception to and the adjustment of accounts as provided for in Section I.4 (*Adjustments*). Any Party that is subject to payout accounting under the Agreement shall have the right to audit the accounts and records of the Party responsible for preparing the payout statements, or of the Party furnishing information to the Party responsible for preparing payout statements. Audits of payout accounts may include the volumes of hydrocarbons produced and saved and proceeds received for such hydrocarbons as they pertain to payout accounting required under the Agreement. Unless otherwise provided in the Agreement, audits of a payout account shall be conducted within the twenty-four (24) month period following the end of the calendar year in which the payout statement was rendered.

Where there are two or more Non-Operators, the Non-Operators shall make every reasonable effort to conduct a joint audit in a manner that will result in a minimum of inconvenience to the Operator. The Operator shall bear no portion of the Non-Operators' audit cost incurred under this paragraph unless agreed to by the Operator. The audits shall not be conducted more than once each year without prior approval of the Operator, except upon the resignation or removal of the Operator, and shall be made at the expense of

those Non-Operators approving such audit.

The Non-Operator leading the audit (hereinafter "lead audit company") shall issue the audit report within ninety (90) days after completion of the audit testing and analysis; however, the ninety (90) day time period shall not extend the twenty-four (24) month requirement for taking specific detailed written exception as required in Section I.4.A (*Adjustments*) above. All claims shall be supported with sufficient documentation.

A timely filed written exception or audit report containing written exceptions (hereinafter "written exceptions") shall, with respect to the claims made therein, preclude the Operator from asserting a statute of limitations defense against such claims, and the Operator hereby waives its right to assert any statute of limitations defense against such claims for so long as any Non-Operator continues to comply with the deadlines for resolving exceptions provided in this Accounting Procedure. If the Non-Operators fail to comply with the additional deadlines in Section I.5.B or I.5.C, the Operator's waiver of its rights to assert a statute of limitations defense against the claims brought by the Non-Operators shall lapse, and such claims shall then be subject to the applicable statute of limitations, provided that such waiver shall not lapse in the event that the Operator has failed to comply with the deadlines in Section I.5.B or I.5.C.

- B. The Operator shall provide a written response to all exceptions in an audit report within one hundred eighty (180) days after Operator receives such report. Denied exceptions should be accompanied by a substantive response. If the Operator fails to provide substantive response to an exception within this one hundred eighty (180) day period, the Operator will owe interest on that exception or portion thereof, if ultimately granted, from the date it received the audit report. Interest shall be calculated using the rate set forth in Section I.3.B (*Advances and Payments by the Parties*).
- C. The lead audit company shall reply to the Operator's response to an audit report within ninety (90) days of receipt, and the Operator shall reply to the lead audit company's follow-up response within ninety (90) days of receipt; provided, however, each Non-Operator shall have the right to represent itself if it disagrees with the lead audit company's position or believes the lead audit company is not adequately fulfilling its duties. Unless otherwise provided for in Section I.5.E, if the Operator fails to provide substantive response to an exception within this ninety (90) day period, the Operator will owe interest on that exception or portion thereof, if ultimately granted, from the date it received the audit report. Interest shall be calculated using the rate set forth in Section I.3.B (*Advances and Payments by the Parties*).
- D. If any Party fails to meet the deadlines in Sections I.5.B or I.5.C or if any audit issues are outstanding fifteen (15) months after Operator receives the audit report, the Operator or any Non-Operator participating in the audit has the right to call a resolution meeting, as set forth in this Section I.5.D or it may invoke the dispute resolution procedures included in the Agreement, if applicable. The meeting will require one month's written notice to the Operator and all Non-Operators participating in the audit. The meeting shall be held at the Operator's office or mutually agreed location, and shall be attended by representatives of the Parties with authority to resolve such outstanding issues. Any Party who fails to attend the resolution meeting shall be bound by any resolution reached at the meeting. The lead audit company will make good faith efforts to coordinate the response and positions of the Non-Operator participants throughout the resolution process; however, each Non-Operator shall have the right to represent itself. Attendees will make good faith efforts to resolve outstanding issues, and each Party will be required to present substantive information supporting its position. A resolution meeting may be held as often as agreed to by the Parties. Issues unresolved at one meeting may be discussed at subsequent meetings until each such issue is resolved.

If the Agreement contains no dispute resolution procedures and the audit issues cannot be resolved by negotiation, the dispute shall be submitted to mediation. In such event, promptly following one Party's written request for mediation, the Parties to the dispute shall choose a mutually acceptable mediator and share the costs of mediation services equally. The Parties shall each have present at the mediation at least one individual who has the authority to settle the dispute. The Parties shall make reasonable efforts to ensure that the mediation commences within sixty (60) days of the date of the mediation request. Notwithstanding the above, any Party may file a lawsuit or complaint (1) if the Parties are unable after reasonable efforts, to commence mediation within sixty (60) days of the date of the mediation request, (2) for statute of limitations reasons, or (3) to seek a preliminary injunction or other provisional judicial relief, if in its sole judgment an injunction or other provisional relief is necessary to avoid irreparable damage or to preserve the status quo. Despite such action, the Parties shall continue to try to resolve the dispute by mediation.

E. ☐ (*Optional Provision – Forfeiture Penalties*)

If the Non-Operators fail to meet the deadline in Section I.5.C, any unresolved exceptions that were not addressed by the Non-Operators within one (1) year following receipt of the last substantive response of the Operator shall be deemed to have been withdrawn by the Non-Operators. If the Operator fails to meet the deadlines in Section I.5.B or I.5.C, any unresolved exceptions that were not addressed by the Operator within one (1) year following receipt of the audit report or receipt of the last substantive response of the Non-Operators, whichever is later, shall be deemed to have been granted by the Operator and adjustments shall be made, without interest, to the Joint Account.

6. APPROVAL BY PARTIES

A. GENERAL MATTERS

Where an approval or other agreement of the Parties or Non-Operators is expressly required under other Sections of this Accounting Procedure and if the Agreement to which this Accounting Procedure is attached contains no contrary provisions in regard thereto, the

Operator shall notify all Non-Operators of the Operator's proposal and the agreement or approval of a majority in interest of the Non-Operators shall be controlling on all Non-Operators.

This Section I.6.A applies to specific situations of limited duration where a Party proposes to change the accounting for charges from that prescribed in this Accounting Procedure. This provision does not apply to amendments to this Accounting Procedure, which are covered by Section I.6.B.

B. AMENDMENTS

If the Agreement to which this Accounting Procedure is attached contains no contrary provisions in regard thereto, this Accounting Procedure can be amended by an affirmative vote of two (2) or more Parties, one of which is the Operator, having a combined working interest of at least fifty-one percent (51 %), which approval shall be binding on all Parties, provided, however, approval of at least one (1) Non-Operator shall be required.

C. AFFILIATES

For the purpose of administering the voting procedures of Sections I.6.A and I.6.B, if Parties to this Agreement are Affiliates of each other, then such Affiliates shall be combined and treated as a single Party having the combined working interest or Participating Interest of such Affiliates.

For the purposes of administering the voting procedures in Section I.6.A, if a Non-Operator is an Affiliate of the Operator, votes under Section I.6.A shall require the majority in interest of the Non-Operator(s) after excluding the interest of the Operator's Affiliate.

II. DIRECT CHARGES

The Operator shall charge the Joint Account with the following items:

1. RENTALS AND ROYALTIES

Lease rentals and royalties paid by the Operator, on behalf of all Parties, for the Joint Operations.

2. LABOR

A. Salaries and wages, including incentive compensation programs as set forth in COPAS MFI-37 ("Chargeability of Incentive Compensation Programs"), for:

- (1) Operator's field employees directly employed On-site in the conduct of Joint Operations,
- (2) Operator's employees directly employed on the Joint Property if such costs are not charged under Section II.6 (*Equipment and Facilities Furnished by Operator*) or are not a function covered under Section III (*Overhead*),
- (3) Operator's employees providing First Level Supervision,
- (4) Operator's employees providing On-site Technical Services for the Joint Property if such charges are excluded from the overhead rates in Section III (*Overhead*),
- (5) Operator's employees providing Off-site Technical Services for the Joint Property if such charges are excluded from the overhead rates in Section III (*Overhead*).

Charges for the Operator's employees identified in Section II.2.A may be made based on the employee's actual salaries and wages, or in lieu thereof, a day rate representing the Operator's average salaries and wages of the employee's specific job category.

B. Operator's cost of holiday, vacation, sickness, and disability benefits, and other customary allowances paid to employees whose salaries and wages are chargeable to the Joint Account under Section II.2.A, excluding severance payments or other termination allowances. Such costs under this Section II.2.B may be charged on a "when and as-paid basis" or by "percentage assessment" on the amount of salaries and wages chargeable to the Joint Account under Section II.2.A. If percentage assessment is used, the rate shall be based on the Operator's cost experience.

C. Expenditures or contributions made pursuant to assessments imposed by governmental authority that are applicable to costs chargeable to the Joint Account under Sections II.2.A and B.

- D. Personal Expenses of personnel whose salaries and wages are chargeable to the Joint Account under Section II.2.A when the expenses are incurred in connection with directly chargeable activities.
- E. Reasonable relocation costs incurred in transferring to the Joint Property personnel whose salaries and wages are chargeable to the Joint Account under Section II.2.A. Notwithstanding the foregoing, relocation costs that result from reorganization or merger of a Party, or that are for the primary benefit of the Operator, shall not be chargeable to the Joint Account. Extraordinary relocation costs, such as those incurred as a result of transfers from remote locations, such as Alaska or overseas, shall not be charged to the Joint Account unless approved by the Parties pursuant to Section I.6.A (*General Matters*).
- F. Training costs as specified in COPAS MFI-35 ("Charging of Training Costs to the Joint Account") for personnel whose salaries and wages are chargeable under Section II.2.A. This training charge shall include the wages, salaries, training course cost, and Personal Expenses incurred during the training session. The training cost shall be charged or allocated to the property or properties directly benefiting from the training. The cost of the training course shall not exceed prevailing commercial rates, where such rates are available.
- G. Operator's current cost of established plans for employee benefits, as described in COPAS MFI-27 ("Employee Benefits Chargeable to Joint Operations and Subject to Percentage Limitation"), applicable to the Operator's labor costs chargeable to the Joint Account under Sections II.2.A and B based on the Operator's actual cost not to exceed the employee benefits limitation percentage most recently recommended by COPAS.
- H. Award payments to employees, in accordance with COPAS MFI-49 ("Awards to Employees and Contractors") for personnel whose salaries and wages are chargeable under Section II.2.A.

3. MATERIAL

Material purchased or furnished by the Operator for use on the Joint Property in the conduct of Joint Operations as provided under Section IV (*Material Purchases, Transfers, and Dispositions*). Only such Material shall be purchased for or transferred to the Joint Property as may be required for immediate use or is reasonably practical and consistent with efficient and economical operations. The accumulation of surplus stocks shall be avoided.

4. TRANSPORTATION

- A. Transportation of the Operator's, Operator's Affiliate's, or contractor's personnel necessary for Joint Operations.
- B. Transportation of Material between the Joint Property and another property, or from the Operator's warehouse or other storage point to the Joint Property, shall be charged to the receiving property using one of the methods listed below. Transportation of Material from the Joint Property to the Operator's warehouse or other storage point shall be paid for by the Joint Property using one of the methods listed below:
 - (1) If the actual trucking charge is less than or equal to the Excluded Amount the Operator may charge actual trucking cost or a theoretical charge from the Railway Receiving Point to the Joint Property. The basis for the theoretical charge is the per hundred weight charge plus fuel surcharges from the Railway Receiving Point to the Joint Property. The Operator shall consistently apply the selected alternative.
 - (2) If the actual trucking charge is greater than the Excluded Amount, the Operator shall charge Equalized Freight. Accessorial charges such as loading and unloading costs, split pick-up costs, detention, call out charges, and permit fees shall be charged directly to the Joint Property and shall not be included when calculating the Equalized Freight.

5. SERVICES

The cost of contract services, equipment, and utilities used in the conduct of Joint Operations, except for contract services, equipment, and utilities covered by Section III (*Overhead*), or Section II.7 (*Affiliates*), or excluded under Section II.9 (*Legal Expense*). Awards paid to contractors shall be chargeable pursuant to COPAS MFI-49 ("Awards to Employees and Contractors").

The costs of third party Technical Services are chargeable to the extent excluded from the overhead rates under Section III (*Overhead*).

6. EQUIPMENT AND FACILITIES FURNISHED BY OPERATOR

In the absence of a separately negotiated agreement, equipment and facilities furnished by the Operator will be charged as follows:

- A. The Operator shall charge the Joint Account for use of Operator-owned equipment and facilities, including but not limited to production facilities, and Field Offices, at rates commensurate with the costs of ownership and operation. The cost of Field Offices shall be chargeable to the extent the Field Offices provide direct service to personnel who are chargeable pursuant to Section II.2.A (*Labor*). Such rates may include labor, maintenance, repairs, other operating expense, insurance, taxes, depreciation using straight line depreciation method, and interest on gross investment less accumulated depreciation not to exceed Twelve percent (12 %) per annum; provided, however, depreciation shall not be charged when the

equipment and facilities investment have been fully depreciated. The rate may include an element of the estimated cost for abandonment, reclamation, and dismantlement. Such rates shall not exceed the average commercial rates currently prevailing in the immediate area of the Joint Property.

- B. In lieu of charges in Section II.6.A above, the Operator may elect to use average commercial rates prevailing in the immediate area of the Joint Property, less twenty percent (20%). If equipment and facilities are charged under this Section II.6.B, the Operator shall adequately document and support commercial rates and shall periodically review and update the rate and the supporting documentation. For automotive equipment, the Operator may elect to use rates published by the Petroleum Motor Transport Association (PMTA) or such other organization recognized by COPAS as the official source of rates.

7. AFFILIATES

- A. Charges for an Affiliate's goods and/or services used in operations requiring an AFE or other authorization from the Non-Operators may be made without the approval of the Parties provided (i) the Affiliate is identified and the Affiliate goods and services are specifically detailed in the approved AFE or other authorization and the total costs for such Affiliate's goods and services billed to such individual project do not exceed \$10,000.00. If the total costs for an Affiliate's goods and services charged to such individual project exceed such amount, charges for such Affiliate shall require approval of the Parties, pursuant to Section I.6.A (General Matters).
- B. For an Affiliate's goods and/or services used in operations not requiring an AFE or other authorization from the Non-Operators, charges for such Affiliate's goods and services shall require approval of the Parties, pursuant to Section I.6.A (General Matters).
- C. The cost of the Affiliate's goods or services shall not exceed average commercial rates prevailing in the area of the Joint Property, unless the Operator obtains the Non-Operators' approval of such rates. The Operator shall adequately document and support commercial rates and shall periodically review and update the rate and the supporting documentation; provided, however, documentation of commercial rates shall not be required if the Operator obtains Non-Operator approval of its Affiliate's rates or charges prior to billing Non-Operators for such Affiliate's goods and services. Notwithstanding the foregoing, direct charges for Affiliate-owned communication facilities or systems shall be made pursuant to Section II.12 (Communications).

8. DAMAGES AND LOSSES TO JOINT PROPERTY

All costs or expenses necessary for the repair or replacement of Joint Property resulting from damages or losses incurred, except to the extent such damages or losses result from a Party's or Parties' gross negligence or willful misconduct, in which case such Party or Parties shall be solely liable.

The Operator shall furnish the Non-Operator written notice of damages or losses incurred as soon as practicable after a report has been received by the Operator.

9. LEGAL EXPENSE

Recording fees and costs of handling, settling, or otherwise discharging litigation, claims, and liens incurred in or resulting from operations under the Agreement, or necessary to protect or recover the Joint Property, to the extent permitted under the Agreement. Costs of the Operator's or Affiliate's legal staff or outside attorneys, including fees and expenses, are not chargeable unless approved by the Parties pursuant to Section I.6.A (General Matters) or otherwise provided for in the Agreement.

Notwithstanding the foregoing paragraph, costs for procuring abstracts, fees paid to outside attorneys for title examinations (including preliminary, supplemental, shut-in royalty opinions, division order title opinions), and curative work shall be chargeable to the extent permitted as a direct charge in the Agreement.

10. TAXES AND PERMITS

All taxes and permitting fees of every kind and nature, assessed or levied upon or in connection with the Joint Property, or the production therefrom, and which have been paid by the Operator for the benefit of the Parties, including penalties and interest, except to the extent the penalties and interest result from the Operator's gross negligence or willful misconduct.

If ad valorem taxes paid by the Operator are based in whole or in part upon separate valuations of each Party's working interest, then notwithstanding any contrary provisions, the charges to the Parties will be made in accordance with the tax value generated by each Party's working interest.

Costs of tax consultants or advisors, the Operator's employees, or Operator's Affiliate employees in matters regarding ad valorem or other tax matters, are not permitted as direct charges unless approved by the Parties pursuant to Section I.6.A (*General Matters*).

Charges to the Joint Account resulting from sales/use tax audits, including extrapolated amounts and penalties and interest, are permitted, provided the Non-Operator shall be allowed to review the invoices and other underlying source documents which served as the basis for tax charges and to determine that the correct amount of taxes were charged to the Joint Account. If the Non-Operator is not permitted to review such documentation, the sales/use tax amount shall not be directly charged unless the Operator can conclusively document the amount owed by the Joint Account.

11. INSURANCE

Net premiums paid for insurance required to be carried for Joint Operations for the protection of the Parties. If Joint Operations are conducted at locations where the Operator acts as self-insurer in regard to its worker's compensation and employer's liability insurance obligation, the Operator shall charge the Joint Account manual rates for the risk assumed in its self-insurance program as regulated by the jurisdiction governing the Joint Property

12. COMMUNICATIONS

Costs of acquiring, leasing, installing, operating, repairing, and maintaining communication facilities or systems, including satellite, radio and microwave facilities, between the Joint Property and the Operator's office(s) directly responsible for field operations in accordance with the provisions of COPAS MFI-44 ("Field Computer and Communication Systems"). If the communications facilities or systems serving the Joint Property are Operator-owned, charges to the Joint Account shall be made as provided in Section II.6 (*Equipment and Facilities Furnished by Operator*). If the communication facilities or systems serving the Joint Property are owned by the Operator's Affiliate, charges to the Joint Account shall not exceed average commercial rates prevailing in the area of the Joint Property. The Operator shall adequately document and support commercial rates and shall periodically review and update the rate and the supporting documentation.

13. ECOLOGICAL, ENVIRONMENTAL, AND SAFETY

Costs incurred for Technical Services and drafting to comply with ecological, environmental and safety Laws or standards recommended by Occupational Safety and Health Administration (OSHA) or other regulatory authorities. All other labor and functions incurred for ecological, environmental and safety matters, including management, administration, and permitting, shall be covered by Sections II.2 (*Labor*), II.5 (*Services*), or Section III (*Overhead*), as applicable.

Costs to provide or have available pollution containment and removal equipment plus actual costs of control and cleanup and resulting responsibilities of oil and other spills as well as discharges from permitted outfalls as required by applicable Laws, or other pollution containment and removal equipment deemed appropriate by the Operator for prudent operations, are directly chargeable.

14. ABANDONMENT AND RECLAMATION

Costs incurred for abandonment and reclamation of the Joint Property, including costs required by lease agreements or by Laws.

15. OTHER EXPENDITURES

Any other expenditure not covered or dealt with in the foregoing provisions of this Section II (*Direct Charges*), or in Section III (*Overhead*) and which is of direct benefit to the Joint Property and is incurred by the Operator in the necessary and proper conduct of the Joint Operations. Charges made under this Section II.15 shall require approval of the Parties, pursuant to Section I.6.A (*General Matters*).

III. OVERHEAD

As compensation for costs not specifically identified as chargeable to the Joint Account pursuant to Section II (*Direct Charges*), the Operator shall charge the Joint Account in accordance with this Section III.

Functions included in the overhead rates regardless of whether performed by the Operator, Operator's Affiliates or third parties and regardless of location, shall include, but not be limited to, costs and expenses of:

- warehousing, other than for warehouses that are jointly owned under this Agreement
- design and drafting (except when allowed as a direct charge under Sections II.13, III.1.A(ii), and III.2, Option B)
- inventory costs not chargeable under Section V (*Inventories of Controllable Material*)
- procurement
- administration
- accounting and auditing
- gas dispatching and gas chart integration

- human resources
- management
- supervision not directly charged under Section II.2 (*Labor*)
- legal services not directly chargeable under Section II.9 (*Legal Expense*)
- taxation, other than those costs identified as directly chargeable under Section II.10 (*Taxes and Permits*)
- preparation and monitoring of permits and certifications; preparing regulatory reports; appearances before or meetings with governmental agencies or other authorities having jurisdiction over the Joint Property, other than On-site inspections; reviewing, interpreting, or submitting comments on or lobbying with respect to Laws or proposed Laws.

Overhead charges shall include the salaries or wages plus applicable payroll burdens, benefits, and Personal Expenses of personnel performing overhead functions, as well as office and other related expenses of overhead functions.

1. OVERHEAD—DRILLING AND PRODUCING OPERATIONS

As compensation for costs incurred but not chargeable under Section II (*Direct Charges*) and not covered by other provisions of this Section III, the Operator shall charge on either:

- ☒ (Alternative 1) Fixed Rate Basis, Section III.1.B.
- ☐ (Alternative 2) Percentage Basis, Section III.1.C.

A. TECHNICAL SERVICES

- (i) Except as otherwise provided in Section II.13 (*Ecological, Environmental, and Safety*) and Section III.2 (*Overhead – Major Construction and Catastrophe*), or by approval of the Parties pursuant to Section I.6.A (*General Matters*), the salaries, wages, related payroll burdens and benefits, and Personal Expenses for **On-site** Technical Services, including third party Technical Services:

☒ **Alternative 1 – Direct** shall be charged direct to the Joint Account.

☐ **(Alternative 2 – Overhead)** shall be covered by the overhead rates.

- (ii) Except as otherwise provided in Section II.13 (*Ecological, Environmental, and Safety*) and Section III.2 (*Overhead – Major Construction and Catastrophe*), or by approval of the Parties pursuant to Section I.6.A (*General Matters*), the salaries, wages, related payroll burdens and benefits, and Personal Expenses for **Off-site** Technical Services, including third party Technical Services:

☒ **(Alternative 1 – All Overhead)** shall be covered by the overhead rates.

(Alternative 2 – All Direct) shall be charged direct to the Joint Account.

☐ **(Alternative 3 – Drilling Direct)** shall be charged direct to the Joint Account, only to the extent such Technical Services are directly attributable to drilling, redrilling, deepening, or sidetracking operations, through completion, temporary abandonment, or abandonment if a dry hole. Off-site Technical Services for all other operations, including workover, recompletion, abandonment of producing wells, and the construction or expansion of fixed assets not covered by Section III.2 (*Overhead – Major Construction and Catastrophe*) shall be covered by the overhead rates.

Notwithstanding anything to the contrary in this Section III, Technical Services provided by Operator's Affiliates are subject to limitations set forth in Section II.7 (*Affiliates*). Charges for Technical personnel performing non-technical work shall not be governed by this Section III.1.A, but instead governed by other provisions of this Accounting Procedure relating to the type of work being performed.

B. OVERHEAD—FIXED RATE BASIS

- (1) The Operator shall charge the Joint Account at the following rates per well per month:

Drilling Well Rate per month \$ 6,500.00

Completion Well Rate per Month \$ Same as Drilling Well Rates

Producing Well Rate per month \$ 650.00

- (2) Application of Overhead—Drilling Well Rate shall be as follows:

- (a) Charges for onshore drilling wells shall begin on the spud date and terminate on the date the drilling and/or completion equipment used on the well is released, whichever occurs later. Charges for offshore and inland waters drilling wells shall begin on the date the drilling or completion equipment arrives on location and terminate on the date the drilling or completion equipment moves off location, or is released, whichever occurs first. No charge shall be made during suspension of drilling and/or completion operations for fifteen (15) or more consecutive calendar days.

(b) Charges for any well undergoing any type of workover, recompletion, and/or abandonment for a period of five (5) or more consecutive work-days shall be made at the Drilling Well Rate. Such charges shall be applied for the period from date operations, with rig or other units used in operations, commence through date of rig or other unit release, except that no charges shall be made during suspension of operations for fifteen (15) or more consecutive calendar days.

(3) Application of Overhead—Producing Well Rate shall be as follows:

(a) An active well that is produced, injected into for recovery or disposal, or used to obtain water supply to support operations for any portion of the month shall be considered as a one-well charge for the entire month.

(b) Each active completion in a multi-completed well shall be considered as a one-well charge provided each completion is considered a separate well by the governing regulatory authority.

(c) A one-well charge shall be made for the month in which plugging and abandonment operations are completed on any well, unless the Drilling Well Rate applies, as provided in Sections III.1.B.(2)(a) or (b). This one-well charge shall be made whether or not the well has produced.

(d) An active gas well shut in because of overproduction or failure of a purchaser, processor, or transporter to take production shall be considered as a one-well charge provided the gas well is directly connected to a permanent sales outlet.

(e) Any well not meeting the criteria set forth in Sections III.1.B.(3) (a), (b), (c), or (d) shall not qualify for a producing overhead charge.

(4) The well rates shall be adjusted on the first day of April each year following the effective date of the Agreement; provided, however, if this Accounting Procedure is attached to or otherwise governing the payout accounting under a farmout agreement, the rates shall be adjusted on the first day of April each year following the effective date of such farmout agreement. The adjustment shall be computed by applying the adjustment factor most recently published by COPAS. The adjusted rates shall be the initial or amended rates agreed to by the Parties increased or decreased by the adjustment factor described herein, for each year from the effective date of such rates, in accordance with COPAS MFI-47 ("Adjustment of Overhead Rates").

2. OVERHEAD—MAJOR CONSTRUCTION AND CATASTROPHE

To compensate the Operator for overhead costs incurred in connection with a Major Construction project or Catastrophe, the Operator shall either negotiate a rate prior to the beginning of the project, or shall charge the Joint Account for overhead based on the following rates for any Major Construction project in excess of the Operator's expenditure limit under the Agreement, or for any Catastrophe regardless of the amount. If the Agreement to which this Accounting Procedure is attached does not contain an expenditure limit, Major Construction Overhead shall be assessed for any single Major Construction project costing in excess of \$100,000 gross.

Major Construction shall mean the construction and installation of fixed assets, the expansion of fixed assets, and any other project clearly discernible as a fixed asset required for the development and operation of the Joint Property, or in the dismantlement, abandonment, removal, and restoration of platforms, production equipment, and other operating facilities.

Catastrophe is defined as a sudden calamitous event bringing damage, loss, or destruction to property or the environment, such as an oil spill, blowout, explosion, fire, storm, hurricane, or other disaster. The overhead rate shall be applied to those costs necessary to restore the Joint Property to the equivalent condition that existed prior to the event.

A. If the Operator absorbs the engineering, design and drafting costs related to the project:

- (1) 5 % of total costs if such costs are less than \$100,000; plus
- (2) 3 % of total costs in excess of \$100,000 but less than \$1,000,000; plus
- (3) 2 % of total costs in excess of \$1,000,000.

B. If the Operator charges engineering, design and drafting costs related to the project directly to the Joint Account:

- (1) 3 % of total costs if such costs are less than \$100,000; plus
- (2) 2 % of total costs in excess of \$100,000 but less than \$1,000,000; plus
- (3) 1 % of total costs in excess of \$1,000,000.

Total cost shall mean the gross cost of any one project. For the purpose of this paragraph, the component parts of a single Major Construction project shall not be treated separately, and the cost of drilling and workover wells and purchasing and installing pumping units and downhole artificial lift equipment shall be excluded. For Catastrophes, the rates shall be applied to all costs associated with each single occurrence or event.

On each project, the Operator shall advise the Non-Operator(s) in advance which of the above options shall apply.

For the purposes of calculating Catastrophe Overhead, the cost of drilling relief wells, substitute wells, or conducting other well operations directly resulting from the catastrophic event shall be included. Expenditures to which these rates apply shall not be reduced by salvage or insurance recoveries. Expenditures that qualify for Major Construction or Catastrophe Overhead shall not qualify for overhead under any other overhead provisions.

In the event of any conflict between the provisions of this Section III.2 and the provisions of Sections II.2 (*Labor*), II.5 (*Services*), or II.7 (*Affiliates*), the provisions of this Section III.2 shall govern.

3. AMENDMENT OF OVERHEAD RATES

The overhead rates provided for in this Section III may be amended from time to time if, in practice, the rates are found to be insufficient or excessive, in accordance with the provisions of Section I.6.B (*Amendments*).

IV. MATERIAL PURCHASES, TRANSFERS, AND DISPOSITIONS

The Operator is responsible for Joint Account Material and shall make proper and timely charges and credits for direct purchases, transfers, and dispositions. The Operator shall provide all Material for use in the conduct of Joint Operations; however, Material may be supplied by the Non-Operators, at the Operator's option. Material furnished by any Party shall be furnished without any express or implied warranties as to quality, fitness for use, or any other matter.

1. DIRECT PURCHASES

Direct purchases shall be charged to the Joint Account at the price paid by the Operator after deduction of all discounts received. The Operator shall make good faith efforts to take discounts offered by suppliers, but shall not be liable for failure to take discounts except to the extent such failure was the result of the Operator's gross negligence or willful misconduct. A direct purchase shall be deemed to occur when an agreement is made between an Operator and a third party for the acquisition of Material for a specific well site or location. Material provided by the Operator under "vendor stocking programs," where the initial use is for a Joint Property and title of the Material does not pass from the manufacturer, distributor, or agent until usage, is considered a direct purchase. If Material is found to be defective or is returned to the manufacturer, distributor, or agent for any other reason, credit shall be passed to the Joint Account within sixty (60) days after the Operator has received adjustment from the manufacturer, distributor, or agent.

2. TRANSFERS

A transfer is determined to occur when the Operator (i) furnishes Material from a storage facility or from another operated property, (ii) has assumed liability for the storage costs and changes in value, and (iii) has previously secured and held title to the transferred Material. Similarly, the removal of Material from the Joint Property to a storage facility or to another operated property is also considered a transfer; provided, however, Material that is moved from the Joint Property to a storage location for safe-keeping pending disposition may remain charged to the Joint Account and is not considered a transfer. Material shall be disposed of in accordance with Section IV.3 (*Disposition of Surplus*) and the Agreement to which this Accounting Procedure is attached.

A. PRICING

The value of Material transferred to/from the Joint Property should generally reflect the market value on the date of physical transfer. Regardless of the pricing method used, the Operator shall make available to the Non-Operators sufficient documentation to verify the Material valuation. When higher than specification grade or size tubulars are used in the conduct of Joint Operations, the Operator shall charge the Joint Account at the equivalent price for well design specification tubulars, unless such higher specification grade or sized tubulars are approved by the Parties pursuant to Section I.6.A (*General Matters*). Transfers of new Material will be priced using one of the following pricing methods; provided, however, the Operator shall use consistent pricing methods, and not alternate between methods for the purpose of choosing the method most favorable to the Operator for a specific transfer:

- (1) Using published prices in effect on date of movement as adjusted by the appropriate COPAS Historical Price Multiplier (HPM) or prices provided by the COPAS Computerized Equipment Pricing System (CEPS).
 - (a) For oil country tubulars and line pipe, the published price shall be based upon eastern mill carload base prices (Houston, Texas, for special end) adjusted as of date of movement, plus transportation cost as defined in Section IV.2.B (*Freight*).
 - (b) For other Material, the published price shall be the published list price in effect at date of movement, as listed by a Supply Store nearest the Joint Property where like Material is normally available, or point of manufacture plus transportation costs as defined in Section IV.2.B (*Freight*).
- (2) Based on a price quotation from a vendor that reflects a current realistic acquisition cost.
- (3) Based on the amount paid by the Operator for like Material in the vicinity of the Joint Property within the previous twelve (12) months from the date of physical transfer.
- (4) As agreed to by the Participating Parties for Material being transferred to the Joint Property, and by the Parties owning the Material for Material being transferred from the Joint Property.

B. FREIGHT

Transportation costs shall be added to the Material transfer price using the method prescribed by the COPAS Computerized Equipment Pricing System (CEPS). If not using CEPS, transportation costs shall be calculated as follows:

- (1) Transportation costs for oil country tubulars and line pipe shall be calculated using the distance from eastern mill to the Railway Receiving Point based on the carload weight basis as recommended by the COPAS MFI-38 ("Material Pricing Manual") and other COPAS MFIs in effect at the time of the transfer.
- (2) Transportation costs for special mill items shall be calculated from that mill's shipping point to the Railway Receiving Point. For transportation costs from other than eastern mills, the 30,000-pound interstate truck rate shall be used. Transportation costs for macaroni tubing shall be calculated based on the interstate truck rate per weight of tubing transferred to the Railway Receiving Point.
- (3) Transportation costs for special end tubular goods shall be calculated using the interstate truck rate from Houston, Texas, to the Railway Receiving Point.
- (4) Transportation costs for Material other than that described in Sections IV.2.B.(1) through (3), shall be calculated from the Supply Store or point of manufacture, whichever is appropriate, to the Railway Receiving Point

Regardless of whether using CEPS or manually calculating transportation costs, transportation costs from the Railway Receiving Point to the Joint Property are in addition to the foregoing, and may be charged to the Joint Account based on actual costs incurred. All transportation costs are subject to Equalized Freight as provided in Section II.4 (*Transportation*) of this Accounting Procedure.

C. TAXES

Sales and use taxes shall be added to the Material transfer price using either the method contained in the COPAS Computerized Equipment Pricing System (CEPS) or the applicable tax rate in effect for the Joint Property at the time and place of transfer. In either case, the Joint Account shall be charged or credited at the rate that would have governed had the Material been a direct purchase.

D. CONDITION

- (1) Condition "A" – New and unused Material in sound and serviceable condition shall be charged at one hundred percent (100%) of the price as determined in Sections IV.2.A (*Pricing*), IV.2.B (*Freight*), and IV.2.C (*Taxes*). Material transferred from the Joint Property that was not placed in service shall be credited as charged without gain or loss; provided, however, any unused Material that was charged to the Joint Account through a direct purchase will be credited to the Joint Account at the original cost paid less restocking fees charged by the vendor. New and unused Material transferred from the Joint Property may be credited at a price other than the price originally charged to the Joint Account provided such price is approved by the Parties owning such Material, pursuant to Section I.6.A (*General Matters*). All refurbishing costs required or necessary to return the Material to original condition or to correct handling, transportation, or other damages will be borne by the divesting property. The Joint Account is responsible for Material preparation, handling, and transportation costs for new and unused Material charged to the Joint Property either through a direct purchase or transfer. Any preparation costs incurred, including any internal or external coating and wrapping, will be credited on new Material provided these services were not repeated for such Material for the receiving property.

- (2) Condition "B" – Used Material in sound and serviceable condition and suitable for reuse without reconditioning shall be priced by multiplying the price determined in Sections IV.2.A (*Pricing*), IV.2.B (*Freight*), and IV.2.C (*Taxes*) by seventy-five percent (75%).

Except as provided in Section IV.2.D(3), all reconditioning costs required to return the Material to Condition "B" or to correct handling, transportation or other damages will be borne by the divesting property.

If the Material was originally charged to the Joint Account as used Material and placed in service for the Joint Property, the Material will be credited at the price determined in Sections IV.2.A (*Pricing*), IV.2.B (*Freight*), and IV.2.C (*Taxes*) multiplied by sixty-five percent (65%).

Unless otherwise agreed to by the Parties that paid for such Material, used Material transferred from the Joint Property that was not placed in service on the property shall be credited as charged without gain or loss.

- (3) Condition "C" – Material that is not in sound and serviceable condition and not suitable for its original function until after reconditioning shall be priced by multiplying the price determined in Sections IV.2.A (*Pricing*), IV.2.B (*Freight*), and IV.2.C (*Taxes*) by fifty percent (50%).

The cost of reconditioning may be charged to the receiving property to the extent Condition "C" value, plus cost of reconditioning, does not exceed Condition "B" value.

- (4) Condition "D" – Material that (i) is no longer suitable for its original purpose but useable for some other purpose, (ii) is obsolete, or (iii) does not meet original specifications but still has value and can be used in other applications as a substitute for items with different specifications, is considered Condition "D" Material. Casing, tubing, or drill pipe used as line pipe shall be

1 priced as Grade A and B seamless line pipe of comparable size and weight. Used casing, tubing, or drill pipe utilized as line
2 pipe shall be priced at used line pipe prices. Casing, tubing, or drill pipe used as higher pressure service lines than standard line
3 pipe, e.g., power oil lines, shall be priced under normal pricing procedures for casing, tubing, or drill pipe. Upset tubular goods
4 shall be priced on a non-upset basis. For other items, the price used should result in the Joint Account being charged or credited
5 with the value of the service rendered or use of the Material, or as agreed to by the Parties pursuant to Section 1.6.A (*General*
6 *Matters*).

7
8 (5) Condition "E" – Junk shall be priced at prevailing scrap value prices.

9
10 E. OTHER PRICING PROVISIONS

11
12 (1) Preparation Costs

13 Subject to Section II (*Direct Charges*) and Section III (*Overhead*) of this Accounting Procedure, costs incurred by the Operator
14 in making Material serviceable including inspection, third party surveillance services, and other similar services will be charged
15 to the Joint Account at prices which reflect the Operator's actual costs of the services. Documentation must be provided to the
16 Non-Operators upon request to support the cost of service. New coating and/or wrapping shall be considered a component of
17 the Materials and priced in accordance with Sections IV.1 (*Direct Purchases*) or IV.2.A (*Pricing*), as applicable. No charges or
18 credits shall be made for used coating or wrapping. Charges and credits for inspections shall be made in accordance with
19 COPAS MFI-38 ("Material Pricing Manual").

20
21
22 (2) Loading and Unloading Costs

23 Loading and unloading costs related to the movement of the Material to the Joint Property shall be charged in accordance with
24 the methods specified in COPAS MFI-38 ("Material Pricing Manual").

25
26 3. DISPOSITION OF SURPLUS

27
28 Surplus Material is that Material, whether new or used, that is no longer required for Joint Operations. The Operator may purchase, but
29 shall be under no obligation to purchase, the interest of the Non-Operators in surplus Material.

30
31 Dispositions for the purpose of this procedure are considered to be the relinquishment of title of the Material from the Joint Property to
32 either a third party, a Non-Operator, or to the Operator. To avoid the accumulation of surplus Material, the Operator should make good
33 faith efforts to dispose of surplus within twelve (12) months through buy/sale agreements, trade, sale to a third party, division in kind, or
34 other dispositions as agreed to by the Parties.

35
36 Disposal of surplus Materials shall be made in accordance with the terms of the Agreement to which this Accounting Procedure is
37 attached. If the Agreement contains no provisions governing disposal of surplus Material, the following terms shall apply:

- 38
39 • The Operator may, through a sale to an unrelated third party or entity, dispose of surplus Material having a gross sale value that
40 is less than or equal to the Operator's expenditure limit as set forth in the Agreement to which this Accounting Procedure is
41 attached without the prior approval of the Parties owning such Material.
- 42
43 • If the gross sale value exceeds the Agreement expenditure limit, the disposal must be agreed to by the Parties owning such
44 Material.
- 45
46 • Operator may purchase surplus Condition "A" or "B" Material without approval of the Parties owning such Material, based on
47 the pricing methods set forth in Section IV.2 (*Transfers*).
- 48
49 • Operator may purchase Condition "C" Material without prior approval of the Parties owning such Material if the value of the
50 Materials, based on the pricing methods set forth in Section IV.2 (*Transfers*), is less than or equal to the Operator's expenditure
51 limitation set forth in the Agreement. The Operator shall provide documentation supporting the classification of the Material as
52 Condition C.
- 53
54 • Operator may dispose of Condition "D" or "E" Material under procedures normally utilized by Operator without prior approval
55 of the Parties owning such Material.

56
57 4. SPECIAL PRICING PROVISIONS

58
59 A. PREMIUM PRICING

60 Whenever Material is available only at inflated prices due to national emergencies, strikes, government imposed foreign trade
61 restrictions, or other unusual causes over which the Operator has no control, for direct purchase the Operator may charge the Joint
62 Account for the required Material at the Operator's actual cost incurred in providing such Material, making it suitable for use, and
63 moving it to the Joint Property. Material transferred or disposed of during premium pricing situations shall be valued in accordance
64 with Section IV.2 (*Transfers*) or Section IV.3 (*Disposition of Surplus*), as applicable.

65
66 B. SHOP-MADE ITEMS

Items fabricated by the Operator's employees, or by contract laborers under the direction of the Operator, shall be priced using the

value of the Material used to construct the item plus the cost of labor to fabricate the item. If the Material is from the Operator's scrap or junk account, the Material shall be priced at either twenty-five percent (25%) of the current price as determined in Section IV.2.A (*Pricing*) or scrap value, whichever is higher. In no event shall the amount charged exceed the value of the item commensurate with its use.

C. MILL REJECTS

Mill rejects purchased as "limited service" casing or tubing shall be priced at eighty percent (80%) of K-55/J-55 price as determined in Section IV.2 (*Transfers*). Line pipe converted to casing or tubing with casing or tubing couplings attached shall be priced as K-55/J-55 casing or tubing at the nearest size and weight.

V. INVENTORIES OF CONTROLLABLE MATERIAL

The Operator shall maintain records of Controllable Material charged to the Joint Account, with sufficient detail to perform physical inventories.

Adjustments to the Joint Account by the Operator resulting from a physical inventory of Controllable Material shall be made within twelve (12) months following the taking of the inventory or receipt of Non-Operator inventory report. Charges and credits for overages or shortages will be valued for the Joint Account in accordance with Section IV.2 (*Transfers*) and shall be based on the Condition "B" prices in effect on the date of physical inventory unless the inventorying Parties can provide sufficient evidence another Material condition applies.

1. DIRECTED INVENTORIES

Physical inventories shall be performed by the Operator upon written request of a majority in working interests of the Non-Operators (hereinafter, "directed inventory"); provided, however, the Operator shall not be required to perform directed inventories more frequently than once every five (5) years. Directed inventories shall be commenced within one hundred eighty (180) days after the Operator receives written notice that a majority in interest of the Non-Operators has requested the inventory. All Parties shall be governed by the results of any directed inventory.

Expenses of directed inventories will be borne by the Joint Account; provided, however, costs associated with any post-report follow-up work in settling the inventory will be absorbed by the Party incurring such costs. The Operator is expected to exercise judgment in keeping expenses within reasonable limits. Any anticipated disproportionate or extraordinary costs should be discussed and agreed upon prior to commencement of the inventory. Expenses of directed inventories may include the following:

- A. A per diem rate for each inventory person, representative of actual salaries, wages, and payroll burdens and benefits of the personnel performing the inventory or a rate agreed to by the Parties pursuant to Section I.6.A (*General Matters*). The per diem rate shall also be applied to a reasonable number of days for pre-inventory work and report preparation.
- B. Actual transportation costs and Personal Expenses for the inventory team.
- C. Reasonable charges for report preparation and distribution to the Non-Operators.

2. NON-DIRECTED INVENTORIES

A. OPERATOR INVENTORIES

Physical inventories that are not requested by the Non-Operators may be performed by the Operator, at the Operator's discretion. The expenses of conducting such Operator-initiated inventories shall not be charged to the Joint Account.

B. NON-OPERATOR INVENTORIES

Subject to the terms of the Agreement to which this Accounting Procedure is attached, the Non-Operators may conduct a physical inventory at reasonable times at their sole cost and risk after giving the Operator at least ninety (90) days prior written notice. The Non-Operator inventory report shall be furnished to the Operator in writing within ninety (90) days of completing the inventory fieldwork.

C. SPECIAL INVENTORIES

The expense of conducting inventories other than those described in Sections V.1 (*Directed Inventories*), V.2.A (*Operator Inventories*), or V.2.B (*Non-Operator Inventories*), shall be charged to the Party requesting such inventory; provided, however, inventories required due to a change of Operator shall be charged to the Joint Account in the same manner as described in Section V.1 (*Directed Inventories*).

EXHIBIT "F"

Attached to and made a part of the
Unit Operating Agreement for the
Lewis Creek "J II" Sand Unit Area
Logan County, Colorado

INSURANCE

For Operations by Unit Operator: The Unit Operator shall carry for the benefit of the joint account insurance to cover the Unit Operator's operations on the lands covered by this Agreement as follows:

1. Workmens' Compensation Insurance in full compliance with the laws of the applicable State in which operations are conducted.
2. Employer's Liability Insurance with limits of \$100,000 as to any one person and \$100,000 as to any one accident.
3. Public Liability Insurance: Bodily Injury (other than automobile) with limits of \$1,000,000 as to any one person, \$1,000,000 as to any one accident; and Property Damage (other than automobile) with limits of \$1,000,000 for each accident, \$1,000,000 aggregate.
4. Automobile Public Liability Insurance, with limits of \$50,000 as to any one person and \$50,000 as to any one accident, and Property Damage of \$50,000 for each accident; excess coverage of such limits up to \$1,000,000 combined single limit.

Operator shall not carry physical damage insurance on jointly-owned property, it being understood and agreed that each party will be responsible for its own interest in such properties and will assume its portion of any loss that occurs. Operator shall promptly notify Non-Operators in writing of all losses involving damage to jointly-owned property in excess of \$1,000.

Operator shall submit to Non-Operators certificates of insurance in evidence of the above coverage. Such certificates shall specify that in event of cancellation or material change in coverage at least ten days prior written notice will be given to Non-Operators at their respective addresses.

Operator shall notify Non-Operators promptly in writing of any occurrences wherein liability may exceed the limits of the insurance if covered by insurance as set out above.

EXHIBIT "G"

Attached to and made a part of the
Unit Operating Agreement for the
Lewis Creek "J II" Sand Unit Area
Logan County, Colorado

INVENTORY AND PRICING PROCEDURE

1. INVENTORY EXPENSE. The cost of each physical inventory will be charged to the joint account. An allowance of \$200.00 per day per person, plus normal personal living expense including travel time between assigned office and unit location, not to exceed two days round trip. Witness of Working Interest Owners of inventory on own tract will not qualify for this allowance.

2. PHYSICAL INVENTORY. All equipment, including loose and idle, will be inventoried. Loose, idle or scrap equipment shall be noted on inventory and it will be the responsibility of each Working Interest Owner to remove such material or equipment from its lease at its sole expense within a reasonable time not to exceed three months. All material and equipment, other than loose, idle or scrap material and equipment inventoried will be referred to hereinafter as "loaned equipment". Any item of material and equipment in obvious poor condition shall be noted on inventory by inventory crews.

It is recognized and agreed that certain inventoried material and equipment now in use may become surplus due to consolidation under unit operation. It is further agreed that such material and equipment will be loaned to the unit during the interim time of such consolidation at no cost to the unit. From time to time, as such consolidation progresses, Unit Operator will notify Working Interest Owners in writing of such surplus material or equipment declared surplus and such Working Interest Owners will remove such material or equipment from the unit area at their sole risk, cost and expense within a reasonable time. All such loaned equipment considered necessary for unit operations and not released as surplus within one year from the effective date of the unit will become unit property and credit will be given to the respective Working Interest Owners and priced according to the provisions of Exhibit "E", Section IV (Pricing of Joint Account Materials, Purchases, Transfers and Dispositions).

For purposes of inventory only, all controllable material and equipment inventoried and retained for unit operation, with the exception of loose, idle and scrap items in obvious poor condition and all material and equipment of less than Condition "B" value, will be priced according to the provisions of Exhibit "E", Section IV.

Each Operator's record of casing head and valves will be accepted for the inventory.

Prior to or on date of inventory, each Operator will furnish Unit Operator, from its records of unitized wells, the following:

Casing - sized, weight and grade, if known, and depth set.

Tubing - size, grade, weight and footage.

Tubing Anchors and Packers - manufacturer, type and size.

Sucker Rods - size and footage or number.

Downhole Pumps or other Flow Equipment.

Casing Heads - make size, series, test, type of valves of controllable nature.

The inventory shall be conducted in accordance with Article 10 of the Unit Operating Agreement and shall be limited to those items of equipment normally considered controllable by operators of oil and gas properties and indicated in Material Classification Manual prepared by the Council of Petroleum Accountants' Society of North America, in general use at the time of such inventory.

Equipment values will be determined by Unit Operator after each working interest owner submits inventory and places a condition rating on his equipment. If the evaluation is not accepted, an independent equipment broker will be contracted to do an appraisal of the equipment and/or site in question. The evaluation of the contracted broker will be binding. If cleanup is necessary on any tracts it will be charged back against equipment inventory in that tract.