BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

In the matter of the Application of John O. Farmer, Inc. for)	Docket No. 21-CONS-3175-CUNI
an order authorizing the unitization and unit operation of the)	
Sutor-Ziegler Waterflood Unit to be located in Sheridan)	CONSERVATION DIVISION
County, Kansas)	
)	License No: 5135

<u>APPLICATION</u>

John O. Farmer, Inc. ("Farmer") files this Application requesting an order of the State Corporation Commission of the State of Kansas ("Commission") authorizing the unitization and unit operation of the Sutor-Ziegler Waterflood Unit in Sheridan County, Kansas, pursuant to K.S.A. 55-1301, et seq. In support of its Application, Farmer states as follows:

- 1. Farmer is a Kansas Corporation authorized and in good standing with the Kansas Secretary of State to do business in Kansas. Farmer's business address is 370 West Wichita, Russell, Kansas 67665.
- 2. The Commission has issued to Farmer oil and gas operator's License No. 5135, which license is in full force and effect through June 30, 2021.
- 3. Farmer is the owner of undivided working interests in certain oil and gas leases covering the pool sought to be unitized pursuant to this Application. Farmer operates said leases on its own behalf and on behalf of the other non-operating working interest owners of the leases.
- 4. The proposed Sutor-Ziegler Waterflood Unit will contain 640 contiguous leasehold acres situated in Sheridan County, Kansas. The aerial boundaries of the Sutor-Ziegler Waterflood Unit are depicted on Exhibit B to the Unit Agreement (Exhibit I) described as follows ("Unit Area"):

All of Section Thirty (30), Township Eight (8) South, Range Twentysix (26) West of the 6th P.M., Sheridan County, Kansas, 640 acres.

- 5. Farmer proposes to unitize and operate the oil and gas leases covering the Unit Area insofar as such leases cover the lands included in the Unit Area as to oil rights only and limited in depth to the Lansing-Kansas City Formation and all formations above the Lansing-Kansas City Formation ("Unitized Formations") pursuant to K.S.A. 55-1301, et seq., specifically 55-1304(a)(2).
- 6. Farmer intends to conduct an enhanced oil recovery project within the Unitized Formations underlying the Unit Area. The proposed waterflood will be completed in several phases. Currently, there are four active, producing oil wells within the Unit Area. Each of

these wells will be operated to produce secondary recovery oil. Phase one of the design includes drilling and equipping a water injection well located as depicted on Exhibit B to the Unit Agreement (Exhibit I). Phase two will include utilization of the produced water from the oil producing wells as injection water for injection into the Unitized Formations in a manner designed to push oil in the Unitized Formations towards producing wellbores to increase the ultimate recovery of oil efficiently and economically from the pool within the Unitized Formations underlying the Unit Area. Where practical, water injection will be limited to a single producing zone at any given time, beginning with the deepest (Lansing-Kansas City "K" zone) and moving subsequently up the well bore, but only after all secondary recovery barrels of oil have been realized within each zone. Phase three includes a comprehensive waterflood performance analysis to determine waterflood effectiveness and assess the need for any adjustments that may improve efficiency, such as additional water injection wells. The development plan attached as Exhibit B to the Operating Agreement ("Exhibit II") describes and depicts the enhanced oil recovery project.

7. Oil produced from the Sutor-Ziegler Waterflood Unit will be allocated across the following described two tracts:

Tract 1:

The West Half (W/2) and the Southeast Quarter of the Northeast Quarter (SE/4 NE/4) and the Northeast Quarter of the Southeast Quarter (NE/4 SE/4) and the South Half of the Southeast Quarter (S/2 SE/4) of Section Thirty (30), Township Eight (8) South, Range Twenty-six (26) West of the 6th P.M., Sheridan County, Kansas;

Tract 2:

The North Half of the Northeast Quarter (N/2 NE/4) and the Southwest Quarter of the Northeast Quarter (SW/4 NE/4) and the Northwest Quarter of the Southeast Quarter (NW/4 SE/4) of Section Thirty (30), Township Eight (8) South, Range Twenty-six (26) West of the 6th P.M., Sheridan County, Kansas.

The two tracts are depicted in Exhibit B to the Unit Agreement ("Exhibit II").

Tract Number	Tract Operator	Tract Name	Description	Tract Participation
1 .	John O. Farmer, Inc.	Sutor	See above	56.28%
2	John O. Farmer, Inc.	Ziegler	See above	43.72%
	TOTAL			100.00%

8. Tract participation and allocation will be based upon a unitization formula which contains the following equally weighted factors, to-wit:

1/3 Current Production: Oil production from December 1, 2018 – November 30, 2019.

1/3 Remaining Primary: Estimated remaining primary reserves.
1/3 Cumulative Production: Total cumulative production to November 30, 2019.

Exhibit A to the Unit Agreement ("Exhibit I") shows the allocation of oil across the two different tracts. All costs and expenses incurred in the operation of the Sutor-Ziegler Waterflood Unit will be allocated to the two tracts in the same proportion that revenues from the sale of oil will be allocated.

- 9. Farmer will be the Unit Operator of the proposed Sutor-Ziegler Waterflood Unit.
- 10. The pool to be unitized lies within the Unitized Formations beneath the Unit Area. The Unitized formation begins at the surface (0') and continues down to the Base Lansing-Kansas City Formation (3884' TVD) as shown on the logs for the Sutor #6 well. The Sutor #6 well has been assigned API #15-179-21100 and is situated in Tract 1 of the Sutor-Ziegler Waterflood Unit at a location 3,630 feet from the South line and 2,970 feet from the East line of Section 30, Township 8 South, Range 26 West of the 6th P.M., Sheridan County, Kansas.
- 11. Farmer's technical staff has determined that unitized management, operation, and further development of the pool to be unitized is economically feasible and reasonably necessary to prevent waste within the reservoir and thereby increase substantially the ultimate recovery of oil.
- 12. Farmer's technical staff has also determined that the value of the estimated additional oil that can be recovered from the Unitized Formations substantially exceeds the estimated additional costs incident to conducting the enhanced oil recovery operation proposed in this Application.
- 13. The Unit Agreement and Unit Operating Agreement comprising Farmer's plan for Unit Operations ("Plan") are attached hereto as Exhibit I and Exhibit II, respectively. The proposed operations outlined in the Plan are fair, reasonable and equitable to all interest owners.
- 14. The Plan has been approved in writing by at least 63 percent of the persons required to pay the costs of the Unit Operations and by the owners of at least 75 percent of the production or proceeds that will be credited to royalties, excluding overriding royalties or other like interests which are carved out of the leasehold estate. Specifically, Farmer has obtained approval of the Plan from those persons who will pay 100 percent of the costs of Unit Operations. Farmer has obtained approval of the Unit Agreement (Exhibit I) from 83 percent of the owners of the production or proceeds credited to royalties. Farmer can furnish the written approvals from these persons upon request.

15. Exhibit III attached hereto contains a listing of the names and addresses of all

oil and gas lessees and other oil and gas interest owners owning interests in the Unitized Formations

beneath the Unit Area, whose names and addresses Farmer has been able to determine after diligent

search and inquiry, which list also includes lessors' mineral owners, overriding royalty interest

owners and mortgagees of oil and gas interests of record. Exhibit IV contains the names and

addresses of each operator or lessee and unleased mineral owners of record within one-half mile

radius of the Unit Area.

16. Farmer has sent a copy of this Application and the Notice of Application by

regular mail to all persons listed on Exhibits III and IV and is causing the Notice of Application to be

published in the Wichita Eagle and the Sheridan Sentinel, an official newspaper for Sheridan

County, Kansas. As a result, notice complies with the requirements of K.S.A. 55-1310, K.S.A. 55-

605 and K.A.R. 82-3-135a and is lawful and proper in all respects. Each published affidavit will be

provided to the Commission upon and after the date of publication of the Notice of Application.

17. Farmer requests that the Commission issue an order authorizing unitization

and unit operation of the Suter-Ziegler Waterflood Unit pursuant to K.S.A. 55-1301, et seq., after

due notice and hearing.

WHEREFORE, Farmer prays that the Commission docket this Application and, if no

written protest is received within fifteen (15) days after Notice of the Application is published and

has been duly provided to all interested persons, administratively grant this Application, and issue an

order providing for the unitization and unit operation of the Sutor-Ziegler Waterflood Unit pursuant

to the terms set forth in the Plan. In the event a timely and proper protest is filed, Farmer requests

that the Commission set this Application for hearing and upon such hearing grant the requested order

and make such other provisions as it deems necessary and proper.

Respectfully Submitted,

Thompson, Arthur, Davidson & Katz

525 North Main Street

P.O. Box 111

Russell, Kansas 67665

Attorneys for John O. Farmer, Inc.

Dennis R. Davidson, #10619

VERIFICATION

STATE OF KANSAS, COUNTY OF RUSSELL:

Dennis R. Davidson, being of lawful age and first being duly sworn upon his oath, deposes and says:

That he is the attorney for John O. Farmer, Inc.; he has read the above and forgoing Application and is familiar with its contents, and that the statements made therein are true and correct to the best of his knowledge and belief.

Dennis R. Davidson

Notary Public (Printed Name) C

My appointment expires: Jun

Signed and sworn to before me on February <u>10</u>, 2021, by Dennis R. Davidson, attorney for John O. Farmer, Inc.

CINDY ROSS
State of Kansas
My Appt. Exp. June 1, 2024

APPLICATION, Page 5 of 5 Pages.

UNIT AGREEMENT

Sutor-Ziegler Water Flood Sheridan County, Kansas

THIS AGREEMENT, entered into as of the 10th day of March, 2020.

WHEREAS, in the interest of the public welfare and to promote conservation and increase the ultimate recovery of Unitized Substances from the Overlook Field, in Sheridan County, Kansas, and to protect the rights of the owners of interests therein, it is deemed necessary and desirable to unitize the Oil and Gas Rights in and to the Unitized Formations in order to conduct Unit Operations as herein provided

NOW, THEREFORE, it is provided as follows:

ARTICLE 1. DEFINITIONS

As used in this Agreement:

- 1.1. *Unit Area* is the land identified by tracts in Exhibit A and shown on Exhibit B as to which this Agreement applies.
- 1.2. *Unitized Formations* means the subsurface portion of the Unit Area described as the common source of supply of oil and gas underlying the unit area known as the Sutor-Ziegler Water Flood Unit and more specifically identified as the Lansing-Kansas City Formation and all formations above the Lansing Kansas City Formation.
- 1.3. *Unitized Substances* are all oil, gas, gaseous substances, sulphur contained in gas, condensate, distillate, and all associated and constituent substances other than Outside Substances within or produced from the Unitized Formations.
- 1.4. *Tract Participation* is the percentage shown on Exhibit A for allocating Unitized Substances to a Tract.
- 1.5. *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 by the Tract Participation of such Tract.

ARTICLE 2 CREATION AND EFFECT OF UNIT

2.1. **Oil and Gas Rights Unitized.** All Oil and Gas Rights of Royalty Owners in and to the lands identified in Exhibit A, 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 Formations, so that Unit Operations may be conducted with respect to the Unitized Formations 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.

- 2.2. **Personal Property Excepted.** All lease and well equipment, materials, and other facilities heretofore or hereafter placed by any of the 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.
- 2.3. 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.
- 2.4. 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 have the same effect under the terms of each lease or mineral or royalty interest grant as to all lands and formations covered thereby just as if there were production from or operations upon each Tract.
- 2.5. **Titles Unaffected by Unitization.** Nothing herein shall be construed to result in any transfer of title to Oil and Gas Rights.
- 2.6. **Injection Rights.** Working Interest Owners are hereby granted the right to inject into the Unitized Formations any substances in whatever amounts Working Interest Owners deem expedient for Unit Operations, together with the right to drill, use, and maintain injection wells in 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 Formation.

ARTICLE 3 UNIT OPERATIONS

3.1. **Unit Operator.** John O. Farmer, Inc. is hereby designated 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.

ARTICLE 4 TRACT PARTICIPATIONS

4.1. **Tract Participations.** The Tract Participation of each Tract is shown in Exhibit A.

ARTICLE 5 ALLOCATION OF UNITIZED SUBSTANCES

- 5.1. **Allocation to 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.
- each Tract shall be distributed among, or accounted for to, 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 the proportion to the surface acreage of their respective parts of the Tract.
- 5.3. Taking Unitized Substances in Kind. The Unitized Substances allocated to each Tract may be taken in kind by 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 expenditure incurred by Unit Operator by reason of the delivery in kind of any portion of Unitized Substances shall be borne by the owner of such portion. 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.

ARTICLE 6 PRODUCTION AS OF THE EFFECTIVE DATE

6.1. 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 Formations that are in lease 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 merchantable. Any merchantable oil or other liquid hydrocarbons that were produced from the wells prior to the effective date shall remain the property of the persons entitled thereto.

ARTICLE 7 USE OR LOSS OF UNITIZED SUBSTANCES

- 7.1. **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.
- 7.2. **Royalty Payments.** No royalty, overriding royalty, production, or other payments shall be payable on account of Unitized Substances used, lost, or consumed in Unit Operations.

ARTICLE 8 TITLES

- 8.1. 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.
- 8.2. **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 certified copy of the recorded instrument evidencing such change in ownership.

ARTICLE 9 EASEMENTS OR USE OF SURFACE

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

ARTICLE 10 RELATIONSHIPS OF PERSONS

10.1. **No Partnership.** All duties, obligations, and liabilities arising hereunder shall be several and not joint or collective. This Agreement shall not be construed to create an association or trust, or to impose a partnership or fiduciary duty, obligation, or liability. Each Person affected hereby shall be individually responsible for its own obligations.

ARTICLE 11 FORCE MAJEURE

11.1. **Force Majeure.** All obligations arising hereunder, 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, regulations, 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 Person. 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 12 EFFECTIVE DATE

12.1. **Effective Date.** This Agreement shall become effective as of the date determined by Working Interest Owners in accordance with the voting provisions of the Unit Operating Agreement. Such determination by Working Interest Owners shall be made in accordance with an order approving this unit by the Kansas Corporation

Commission; provided, however, that if this Agreement has been approved in writing by all Royalty Owners and Working Interest Owners, all provisions of this Agreement pertaining to regulatory approval shall be disregarded.

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before February 1, 2021, 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 51% have approved this Agreement and Working Interest Owners owning 51% or more of that percent have decided to extend the termination date for a period not to exceed one year. If the termination date is so extended and this unit is not made effective 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 Participation shall be as calculated on the basis of Tract Participations shown on the original Exhibit A.

12.3. **Certificate of Effectiveness.** Unit Operator shall file with the Register of Deeds and for record in the county or counties in which the land affected is located a certificate stating the Effective Date.

ARTICLE 13 TERM

- 13.1. **Term.** This Agreement shall remain in effect so long as Unitized Substances are produced in paying quantities or so long as other Unit Operations are conducted unless sooner terminated by Working Interest Owners owning a combined Unit Participation of 51% or more whenever such Working Interest Owners determine that Unit Operations are no longer economically feasible.
- 13.2. **Effect of Termination.** Upon termination of this Agreement, the further development and operation of the Unitized Formation as a unit shall cease. The relationships among owners of Oil & Gas Rights shall thereafter be governed by the term and provisions of the leases and other instruments, not including this Agreement, affecting the separate Tracts.
- 13.3. Salvaging Equipment Upon Termination. If not otherwise granted by the leases or other instruments affecting the separate Tracts, Working Interest Owners shall have a reasonable period of time after the date of termination of this Agreement within which to salvage and remove Unit Equipment.
- 13.4. **Certificate of Termination.** Upon termination of this Agreement, Unit Operator shall file with the Register of Deeds and for record in the county in which

the land affected is located a certificate that this Agreement has terminated, stating its termination date.

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ARTICLE 14

- 14.1. **Original, Counterpart, or Other Instrument.** An owner of Oil and Gas Rights 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.
- 14.2. **Commitment of Interests to Unit.** The approval of this Agreement by a Person shall bind that Person and commit all interests owned or controlled by that Person as of the date of such approval, and additional interests thereafter acquired.

ARTICLE 15 GENERAL

- 15.1. Laws and Regulations. This Agreement shall be subject to all applicable federal, state and municipal laws, rules, regulations and orders.
- 15.2. **Governing Law.** This Agreement and all matters pertaining hereto, including but not limited to matters of performance, non-performance, breach, remedies, procedures, rights, duties, and interpretation or construction, shall be governed and determined by the laws of the state of Kansas.
- 15.3. Amendments Affecting Working Interest Owners. Amendments hereto relating wholly to Working Interest Owners may be made if signed by all Working Interest Owners unless otherwise provided herein.
- 15.4. **Severability of Provisions.** The provisions of this Agreement are severable and if any section, sentence, clause or part thereof is held to be invalid for any reason, such invalidity shall not be construed to affect the validity of the remaining provisions of this Agreement.

ARTICLE 16 SUCCESSORS AND ASSIGNS

16.1. **Successors and Assigns.** This Agreement shall extend to, be binding upon, and inure to the benefit of the Royalty Owners and Working Interest Owners 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, the Persons hereto have approved this Agreement on the dates opposite their respective signatures.

JOHN O. FARMER, INC.

Date 3/10/2020

nn O. Farmer IV, President

ACKNOWLEDGMENT

STATE OF KANSAS, COUNTY OF RUSSELL:

This instrument was acknowledged before me on March 10, 2020, by John O. Farmer IV, President of John O. Farmer, Inc.

STACY WEILERT
State of Kapsas
My Appt. Exp. | 30 22

my appointment expires: _______

JOHN O. FARMER TRUST PROPERTIES, LLC

Date March 13, 2020	By Le O. False III, Managing Partner
ACK	NOWLEDGMENT
STATE OF KANSAS, COUNTY OF RUS	
This instrument was acknowledged be Farmer III, Managing Partner of John C	efore me on Mark 13, 2020, by John O. Farmer Trust Properties, LLC.
NOTARY PUBLIC - State of Kansas TRISHA K. VON LINTEL My Appl. Exp. 5/23 20 23	Notary Public (Printed Name) Trisho K. VonLinde/ My appointment expires: 5/23/20
Date 3-12-2020	JOHN O. FARMER TRUSTS' RESOURCES, LLC By July John O. Farmer IV, Managing Partner
	NOWEEDGMENT
STATE OF KANSAS, COUNTY OF RUS This instrument was acknowledged b Farmer IV, Managing Partner of John C	efore me on March 12, 2020, by John O.
STACY WEILERT State of Kansas My Appt. Exp. 1/30/22	Notary Public (Fringed Name) Stacy Wei'lert My appointment expires: 1/30/22

Date 3-12-2020	JOHN O. FARMER IV REVOCABLE TRUST
	John O. Farmer IV, Trustee
ACK	KNOWLEDGMENT
STATE OF KANSAS, COUNTY OF RUS	
•	perfore me on March 12, 2020, by John O.
	Steanthere
STACY WEILERT State of Kansas My Apot, Exp. 1/30/22	Notary Public (Printed Name) Stacy We'lert My appointment expires: 1 30/27

JOHN O. FARMER III REVOCABLE TRUST Date March 13, 2020 **ACKNOWLEDGMENT** STATE OF KANSAS, COUNTY OF RUSSELL: March 13, 2020, by John O. This instrument was acknowledged before me on Farmer III, Trustee of the John O. Farmer Revocable Trust. NOTARY PUBLIC - State of Kansas TRISHA K. VON LINTEL Notary Public (Printed Name)_ 5/23 My Appt. Exp. My appointment expires: Andrea Krug Krauss **ACKNOWLEDGMENT** STATE OF KANSAS, COUNTY OF RUSSELL: This instrument was acknowledged before me on _______ March , 2020, by Andrea Krug Krauss. STACY WEILERT State of Kar Appt. Exp. 1 My appointment expires: Date March 19, 2020

ACKNOWLEDGMENT

STATE OF KANSAS, COUNTY OF RUSSELL:

This instrument was acknowledged before me on March 19, 2020, by Kathryn J. Mitchell.

STACY WEILERT
State of Kansas
My Appt. Exp. 1 70 22

Notary Public (Printed Name) Stacey Weilert

My appointment expires: 1/30/22

Date 07/29/2020

Constance Ann Betton

CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Riverside

On 7/29/2000, 2020, before me, Irone Arechica Notar rubic
Here Insert Name and Title of the Officer

personally appeared <u>Constance Ann Betton</u> Name of Signer

who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Place Notary Seal and/or Stamp Above

Signature of Notary Public

	9/12/16
Date4/16/20	By Joyce A. Boor, Trustee
Date 4/16/20	By Douglas A. Boor, Trustee
ACK	NOWLEDGMENT
STATE OF KANSAS, COUNTY OF	240:
This instrument was acknowledged be Boor, Trustee of the Joyce A. Boor Rev	efore me on $\frac{4/i(\sqrt{2020})}{}$, 2020, by Joyce A.
A JOSIAN BLAKEY	Jane Balus
My Appl Expires 1/10/2011	Notary Public (Printed Name) Josha Blavery My appointment expires: 4/10/2021
	,
ACK	NOWLEDGMENT
STATE OF KANSAS, COUNTY OF N	eno:
This instrument was acknowledged be A. Boor, Trustee of the Joyce A. Boor F	efore me on $\frac{4/14/2020}{2020}$, 2020, by Douglas Revocable Trust Dtd 9/12/16.
JOSIAN BLAKEY	Chan Blauas
Notary Public - State of Kansas My Appl Expires 1/20/2021	Notary Public (Printed Name) Josian Blaker
	My appointment expires: 1/10/2024

Date	4/6/2020	Leo F. Dreiling III
Date	4/10/2020	Michaela Dreiling Michaela Dreiling
		NOWLEDGMENT
STATE	e of kansas, county of $\underline{-\mathcal{K} \upsilon}$	<u>182011</u> :
	nstrument was acknowledged being III and Michaela Dreiling, husb	
		Margaret a. Schulte Notary Public (Printed Name) Margaret A. Schulte My appointment expires:
		MARGARET A. 8CHULTE State of Kansas My Appl. Exp. 1-27-21

Date April 7, 2020 Mana S. Ellis

Diana S. Ellis

ACKNOWLEDGMENT

STATE OF TEXAS, COUNTY OF BUNCH

This instrument was acknowledged before me on April 7, 2020, by Diana S.

Ellis.

Notary Public (Printed Printed Printed

JUNE M. GOODMAN LIVING TRUST Date__ By_ Printed Name CFO and SVPL First National Bank - Hutchinson, Kansas Trustee **ACKNOWLEDGMENT** STATE OF KANSAS, COUNTY OF KENO This instrument was acknowledged before me on April 7th, 202

Brian Schmidter ger, (title) of Bank – Hutchinson, Kansas, Trustee of the June M. Goodman Living Trust _, 2020, by _ of First National Courtney ichiller A COURTNEY SCHUEREN

Motary Public - State of Kansas

My Appl. Expires パッソスラ、2021 Notary Public (Brinted Name) Court Way Schueren My appointment expires: Nev 25, 2021

Date 8/4/2020	By Walte Oncen
, ,	Printed Name Walter Wiemah
	Title IP Trust Officer
	Midwest Trust Company, Successor Trustee
	;
ACKN	OWLEDGMENT
STATE OF KANSAS, COUNTY OF	Norman
This instrument was acknowledged before the Esthern Trustee of the E	me me on August 4 , 2020, by 1. Manger Dinactor of Midwest Trust er F. Lockwood Family Trust.
	Notary Public (risided frame) My appointment expires:
	HERMAN ELVIN KNIGHT, JR. STATE OF KANSAS My Appt. Exp. 5/31/24

ESTHER F. LOCKWOOD FAMILY TRUST

DAN D. RICHARDSON TRUST DTD 4/7/05

PAIGE VAN PELT

Notary Public - Notary Seal
STATE OF MISSOUR!
JACKSON County
My Commission Expires; June 10, 2022
Commission # 18254461

Notary Public (Printed Name) PAIGE VAN PEUT

My appointment expires: JUNE 10, ZUZZ

SHOEMAKER FAMILY TRUST DTD 10/18/85

Date 3/18/2020

By Could Hwen MUNES

James Richard Shoemaker, Trustee

CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of ORANGE

On MARCH 18, , 2020, before me, David Tames Holway
Here Insert Name and Title of the Officer

personally appeared James Richard Shoemaker, Trustee of the Shoemaker Family Trust dtd 10/18/85,

who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Place Notary Seal and/or Stamp Above

Signature of Notary Public

DAVID JAMES

Notary Public Classroom

Orange County

Commission # 2158368

My Comm. Expires Jun 27, 2020

DAVID JAMES HOLWAY
Notary Public - California
Orange County
Commission # 2158368
My Comm. Expires Jun 27, 2020

CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

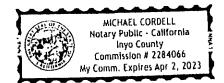
County of __

On March 25, 2020, before me, Michael Cordell Votar-Public
Here Insert Name and Title of the Officer

personally appeared Petra Sue Biehl

Name of Signer

who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.



Place Notary Seal and/or Stamp Above

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

	COBRA PETROLEUM COMPANY, LP
Date	By
CALIFORNIA ACKNOWLEDGMENT	CIVIL CODE § 1189
	ing this certificate verifies only the identity of the o which this certificate is attached, and not the document.
State of California	
County of JAN DIEGO	
On <u>20 MAR 2020</u> , 2020, befor	Here Insert Name and Title of the Officer
personally appeared	(Name), (Title) of Cobra Petroleum Company, LP,
subscribed to the within instrument and	factory evidence to be the person whose name is acknowledged to me that he executed the same in s signature on the instrument the person, or the acted, executed the instrument.
KURT HARTMAN Notary Public - California San Diego County Commission # 2271791 My Comm. Expires Dec 18, 2022	I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct. WITNESS my hand and official seal.
Place Notary Seal and/or Stamp Above	Signature of Notary Public

UNIT AGREEMENT, Page 9 of 9 pages.

Date June 15- 2020 ACKNOWLEDGMENT
STATE OF ILLINOIS, COUNTY OF COOK. : This instrument was acknowledged before me on JUNE Ben Defrancisco. 2020, by William

Official Seal
Sharon Glankos
Notary Public State of Illinois
Notary Public (Panel Name)
My appointment expires:

Date 3/19/2020 Ziele Unleern Linda Halpern
ACKNOWLEDGMENT STATE OF ILLINOIS, COUNTY OF COK: This instrument was acknowledged before me on March 19, 2020, by Linda
Notary Public (Printed Name) MARY TANE COACH My appointment expires: 435/2022
MY COMMISSION EXPIRES:09/25/22 MY COMMISSION EXPIRES:09/25/22

3-19-20 Clarence Ray Jones

CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

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State of California

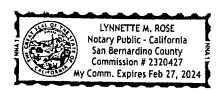
County of SAN BERNAR LIND

On 3-19-2020, before me, LYNNette MROSE, a NoTARY TUBLE
Here Insert Name and Title of the Officer

personally appeared Clarence Ray Jones

Name of Signer

who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Place Notary Seal and/or Stamp Above

Date 3-/19/20 7720ry Jo Jones Mary lo Jones

CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of SAN BERNAR dIND

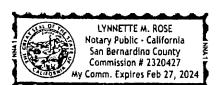
On 3-19-2020, 2020, before me, LYNNette M. Rose, a NOTHRY Publi

Here Insert Name and Title of the Officer

personally appeared Mary Jo Jones

Name of Signer

who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that the executed the same in the person authorized capacity, and that by has signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Place Notary Seal and/or Stamp Above

Signature of Notary Public

Date 11/19/20	- AMES Mybaue
	Anne E. Nusbaum
Date 0/19/2020	an ihillor
	Ali N. Nusbaum

ACKNOWLEDGMENT

UNITED STATES TERRITORY OF GUAM, CITY OF PHH:

This instrument was acknowledged before me on June 19, 2020, by Anne E. Nusbaum and Ali N. Nusbaum, as joint tenants with right of survivorship.

Notary Public (Printed Name) May a M.B. Dellomas My appointment expires: July 87, W22

MARIA M.B. DELLOMAS

NOTARY PUBLIC
In and for Guam, U.S.A.
My Commission Expires: JULY 07, 2022
PMB 884 111 Chalan Balako Machanao
Dededo, Guam 96929

	PERPER/BAIGHE REVOCABLE TRUST		
Date 3/21/2020	By S. Jr		
Date	Alan B. Perper, Trustee		
Date 3/2m/2620	By Cut & Cu		
Date	Janet G. Raiche, Trustee		
CALIFORNIA ACKNOWLEDGMENT	CIVIL CODE § 1189		
A notary public or other officer comple individual who signed the document truthfulness, accuracy, or validity of tha	eting this certificate verifies only the identity of the to which this certificate is attached, and not the t document.		
State of California County of 50nom4			
On $\frac{3 21 20}{}$, 2020, before	ore me, Laven Dolann Whitchead Notary Here Insert Name and Title of the Officer		
personally appeared Alan B. Perper, Tr	ustee of the Perper/Raiche Revocable Trust		
subscribed to the within instrument and	isfactory evidence to be the person whose name is d acknowledged to me that he executed the same in his signature on the instrument the person, or the acted, executed the instrument.		
LAUREN DOLANN WHITEHEAD Notary Public - California Sonoma County Commission # 2225636 My Comm. Expires Dec 17, 2021	I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct. WITNESS my hand and official seal.		
	Lauca Polam Watetur		
Place Notary Seal and/or Stamp Above	Signature of Notary Public		
CALIFORNIA ACKNOWLEDGMENT	CIVIL CODE § 1189		
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.			
State of California County of Shomb			
On $\frac{3/21/20}{}$, 2020, before	ore me, Lavien Polann Whitcheast Watang Here Insert Name and Title of the Officer		
personally appeared Janet G. Raiche, T	rustee of the Perper/Raiche Revocable Trust		
subscribed to the within instrument and	isfactory evidence to be the person whose name is d acknowledged to me that he executed the same in his signature on the instrument the person, or the acted, executed the instrument.		
LAUREN DOLANN WHITEHEAD Notary Public – California Sonoma County Commission # 2225636 My Comm. Expires Dec 17, 2021	I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct. WITNESS my hand and official seal.		
ATTAN BILL CHARLES THE PARTY OF			

Place Notary Seal and/or Stamp Above

Date 69/30 Jane II. Barton

ACKNOWLEDGMENT

STATE OF KANSAS, COUNTY OF Sedgwick: To note

This instrument was acknowledged before me on June 20th

JACQUELINE BAUTISTA
Notary Public - State of Kansas
My Appt. Expires July 11, 2020

Barton.

Motary Public (Printed Name) Jacqueline, Bautista
My appointment expires: July 11, 2020

____, 2020, by Jane H.

Date 3 17 2020	Mice Bello L Alice Beckish
STATE OF SOUTH CAROLINA, COUNTY of this instrument was acknowledged before	
Beckish.	Notary Public (Printed Name) TORE 7 WI SON My appointment expires: 114 2090

Date 3/14/2020	By Rownio F. OUNGER Title CFO
ACKN	OWLEDGMENT
STATE OF KANSAS, COUNTY OF $\frac{4}{100}$	hison:
This instrument was acknowledged Ronald J. Olinger, (title) CF	before me on March 10 Th , 2020, by of Benedictine College, Inc.
J	
	amanda Jan Gibson
	Notary Public (Printed Name) Amanda Jean Gibson
AMANDA JEAN GIBSON NOTARY PUBLIC STATE OF KANSAS STATE OF KANSAS My Appt. Exp. 3 15 2273	My appointment expires: 3/05/2023

BENEDICTINE COLLEGE, INC.



CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California	
County of San Diego	
On 7/2/2020, 2020, befo	Here Insert Name and Title of the Officer
personally appeared Fuan Name of Sig	A. Charles mer
subscribed to the within instrument and	sfactory evidence to be the person whose name is acknowledged to me that he executed the same in is signature on the instrument the person, or the acted, executed the instrument.
TYLER WILLSON Notary Public – California San Diego County Commission # 2219768 My Comm. Expires Nov. 5, 2021	I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct. WITNESS my hand and official seal.
Place Notary Seal and/or Stamp Above	Signature of Notary Public

ACKNOWLEDGMENT

STATE OF NEW MEXICO, COUNTY OF SANGUED:

_, 2020, by Cynthia

> Notary Public (Printed Name) My appointment expires: _

Date March 14, 2020	Mary Engelmann	
ACKNOWLEDGMENT		
STATE OF KANSAS, COUNTY OF <u>Bu</u>	Her:	
This instrument was acknowledged be Engelmann.	fore me on March 16, 2020, by Mary	
JENNIFER LECLAIR Notary Public - State of Kansas My Appt. Expires 1/30/2024	Notary Public (Printed Name) Jennifer LeClair My appointment expires: 130/2024	

ACKNOWLEDGMENT

pril 27/4, 2020, by Kim R. This instrument was acknowledged before me on Frangenberg.

Notary Public (Printed Name) Talle L. M. My appointment expires: 4/34/22

JOYE L. MOCK Notary Public - State of Kars My Appt. Expires 4/26/22

Date 3-19-2020	Mary E. Show
	Mary E. Gilyson

ACKNOWLEDGMENT
STATE OF KANSAS, COUNTY OF SOLUTION.

This instrument was acknowledged before me on March 19, 2020, by Mary E.

Gibson.

Notary Public (Printed Name) Chery / L. Inkelaar
My appointment expires: /- 4-2024

CHERYL L. INKELAAR
NOTARY PUBLIC
STATE OF KANSAS
My Appl. Exp. /- Y-2022

Date 6-1-20 Sathleen Gideon Kathleen Gideon
ACKNOWLEDGMENT
STATE OF KANSAS, COUNTY OF $Butlep$:
This instrument was acknowledged before me on <u>Tune 4</u> , 2020, by Kathleen Gideon.
Grada Sabeck
A LINDA SCHECK Notary Public (Printed Name) Linda Scheck
Notary Public - State of Kansas My appointment expires: 9/21/2020 My Appt. Expires 9/21/2020
My Appt. Expires 9/21/2020)

Date	Lincolla	Helloword
	Lynetta Gillmore	

ACKNOWLEDGMENT

STATE OF COLORADO, COUNTY OF <u>Custer</u>

This instrument was acknowledged before me on June 5,2020, 2020, by Lynetta Gillmore.

Notary Public (Printed Name) Brenda T. Claude My appointment expires: 1-23-23

BRENDA T. GAIDE NOTARY PUBLIC STATE OF COLORADO NOTARY ID 20144037634 MY COMMISSION EXPIRES JANUARY 23, 2023

Date May 28 2020	Leah Grössnickle
ACKN	OWLEDGMENT
STATE OF ILLINOIS, COUNTY OF <u>SAME</u>	GOMON:
This instrument was acknowledged be Grossnickle.	fore me on
	MilyGonale
	Notary Public (Printed Name)
	My appointment expires:
	,

"OFFICIAL SEAL"
MICHAEL C FERNANDES
Notary Public, State of Illinois
My Commission Expires 12/29/2020

Date 6/26/2020

Rex V. Hervey

ACKNOWLEDGMENT

STATE OF ALABAMA, COUNTY OF Madison:
This instrument was acknowledged before me on Thank, 2020, by Rex V. Hervey.

Notary Public (trinted Name) Notary Suppose Maries Maries Maries (Maries) Maries (Maries) Maries (Maries) (Mari

MELISSA SUZANNE WESTPHAL-FÄRLEY Notary Public Alabama State at Large

Date 5-16-20	Tindu Hell	
	Linda Hill	
ACKN	<u>OWLEDGMENT</u>	
STATE OF KANSAS, COUNTY OF	wick:	
This instrument was acknowledged before me on		
	Notary Public (Printed Name) Au cia Niel Sen	
ALICIA NIELSEN	My appointment expires: 4'19.2021	
Notary Public - State of Kansas My Appt. Expires 4:19:2021		
11 11 11 11 11 11 11 11 11 11 11 11 11	·	

Date March 25 2020 Auch G. Holland
Ruth A. Holland
ACKNOWLEDGMENT
STATE OF KANSAS, COUNTY OF Sumper:
This instrument was acknowledged before me on March 27, 2020, by Ruth A. Holland.
Chiss Isaber
Notary Public (Printed Name) Chriss Isenbart
My appointment expires: 8-11-21
CHRISS ISENBART Notary Public – State of Kansas My Appointment Expires <u>8ールール</u> 2)

Date 03 (16 (2020	ruly Morley
	s Morley
	1
ACKNOWLED	GMENT
STATE OF KANSAS, COUNTY OF Secondal	
This instrument was acknowledged before me Morley.	on March 16, 2020, by Charles
	CKZ
	Public (Printed Name) COSC K VEW DESCO
Му ард	pointment expires: 1/12/22
	自 CASEY K. THOMPSON My Appt Expires はした

ACKNOWLEDGMENT

STATE OF WASHINGTON, COUNTY OF Spokare:
This instrument was acknowledged before me on March 16, 2020, by Gene Morley.

> Notary Public State of Washington JANICE K HODENLAND COMMISSION EXPIRES July 09, 2020

Notary Public (Printed Name) Vanie K. Hudne land
My appointment expires: 7-9-2020

Date March 27,2020 Breann K. Ochs

ACKNOWLEDGMENT

STATE OF KANSAS, COUNTY OF <u>Sedguick</u>

This instrument was acknowledged before me on March 27, 2020, by Breann K. Ochs.

Notary Public (Printed Name) McKenze Troller

My appointment expires: CX/CZ/24

MCKENZIE TROTTER

NOTARY PUBLIC

STATE OF KANSAS

My Appl Exp. CY/O2/34

<u>ACKNOWLEDGMENT</u>

STATE OF KANSAS, COUNTY OF Secawick:

This instrument was acknowledged before me on april 27

___, 2020, by Austen J.

Roach.

TAMARA S. PAGE TAMARA S. PAGE

Notary Public - State of Kansas

My Appt. Expires 10.09.2023

Notary Public (Printed Name) Jambra 5 124
My appointment expires: 10.09.2023

Date 06/17/2020 Camden J. Roach

ACKNOWLEDGMENT

STATE OF KANSAS, COUNTY OF Sedgwick:

This instrument was acknowledged before me on $\frac{10/17/3020}{10/17/3020}$, 2020, by Camden J. Roach.

Victoria Wedel
Notary Public State of Kansas
My Appt Expires 12/13/2033

Notary Public (Printed Name) VICTORIA Wede |
My appointment expires: 12/12/2023

Date <u>APRIL 8, 2020</u>

Charles W. Roach

ACKNOWLEDGMENT

STATE OF KANSAS, COUNTY OF BOWLEDGE :

This instrument was acknowledged before me on 482020, 2020, by Charles W. Roach.

JAMIE M. SALERNO
NOTARY PUBLIC
STATE OF ALABAMA
COMM. EXP. 07-11-2023

Notary Public (Printed Pame) Talle M Sakrno
My appointment expires: 7/11/2023

Date 5-31-2020	Church K. Roach
ACKN STATE OF KANSAS, COUNTY OF Dec This instrument was acknowledged before Roach.	
	KIM BERRY Notary Public - State of Kansas My Appt. Expires 0 5 3 6 20

Date 4 June 2020	Jessey J. Roach
ACKNO	DWLEDGMENT
STATE OF OKLAHOMA, COUNTY OF $\underline{}$	OGAN:
This instrument was acknowledged before Roach.	re me on <u>6 · 4 ·</u> , 2020, by Jeffrey J.
	Notary Public (Printed Name) Sandra O'Lena My appointment expires: 09-13-202)
	SANDRA O'LENA Logan County Notary Public in and for State of Oklahoma Comm. # 050/8568 Evo (0437000)

Date3-14-20	Bachaca Johnif
	Barbara Schmitz
ACKN STATE OF KANSAS, COUNTY OF Seda This instrument was acknowledged bef Schmitz.	

自 BRANDON K. PRATT

Notary Public - State of Kansas

My Appl Expires 和401700

BRIAN G. SELENSKY TRUST

Date 06-08-2020	Printed Name Brian G. Selensky Trustee
STATE OF KANSAS, COUNTY OF This instrument was acknowledged before	
MEGAN KRUMSICK Notary Public, State of Kansas My Appointment Expires	Notary Public (Printed Name) MEBAN YWWIY- My appointment expires: 01 1% 7000

Date 6/10/2020	Nancy Shoemaker
STATE OF KANSAS, COUNTY OF Sedger This instrument was acknowledged bef Shoemaker.	
NOTARY PUBLIC State of Kansas SEAN TURNER My Appl. Exp	Sem Jun- Notary Public (Printed Name) Sean Turner My appointment expires: February 15th, 2023

Date 2 - 29 - 2020	Crail Ree
	Anthony P. Slack
	<u>ACKNOWLEDGMENT</u>
STATE OF IOWA, COUNTY OF _	pour:
This instrument was acknowledge P. Slack.	ged before me on <u>3-24-2020</u> , 2020, by Anthony
	Elcula Holle
	Notary Public (Printed Name) HVedina Ibruhimour
	My appointment expires: May 3,2022
	ELVEDINA IBRAHIMOVIC
	2 Commission No. 778308

Date 4-4-2020
David D. Vonfeldt

ACKNOWLEDGMENT

STATE OF KANSAS, COUNTY OF Shawnee:

This instrument was acknowledged before me on 4-4-2020, 2020, by David D. Vonfeldt.

Susan L. Naylor
Notary Public
State of Kansas
My Appt. Expires 7-18-21

Notary Public (Printed Name) Susan L Naylon

My appointment expires: 7-18-21

Example 1. Vonfeldt

ACKNOWLEDGMENT

STATE OF KANSAS, COUNTY OF SCIQUICK:

This instrument was acknowledged before me on June 5, 2020, by Kenneth A. Vonfeldt.

My appointment expires: 4-28-2021

SARA D. PENNINGTON
Notary Public - State of Kansas
My Appl Expires 1. 28-2021

Date Warch 28, 2020 Alice Ann Weed Ziegler Ziegler

ACKNOWLEDGMENT

STATE OF COLORADO, COUNTY OF Boulow 1:

This instrument was acknowledged before me on March 20th, 2020, by Alice Ann Weed Ziegler.

TUONG-ANH CAI NOTARY PUBLIC BTATE OF COLORADO NOTARY ID 20184032151 MY COMMISSION EXPIRES AUGUST 13, 2022

Notary Public (Printed Name) TUONG - Anh Cal My appointment expires: 100/13/2022 Date MARCH 31, 2020 Anthony Ziegler **ACKNOWLEDGMENT** STATE OF MISSOURI, COUNTY OF Plate

This instrument was acknowledged before me on MARCH 31, 2020, by Anthony

Ziegler.

Kartu cain Ziegler Notary Futino Notary Seal yieg of Platte 104-07/20/2020

Notary Public (Printed Name)
My appointment expires:

Karun Arin Zieglor Notary Public Notary Seal State of Missouri County of Platta My Commission Expires 07/30/2020 Commission # 1117/1448

BLAZE ZIEGLER ESTATE

Date June 18, 2020	By arrowny Comun Spec
	Carrol Lynn McCormick, Executor
	<u>DWLEDGMENT</u>
STATE OF TEXAS, COUNTY OF Hunt	
This instrument was acknowledged befugn McCormick, Executor of the Blaze 2	
LORI OLACH Notary Public STATE OF TEXAS My Comm. Exp. 07-16-23 Notary ID # 88764-1	Notary Public (Printed Name) Loci Olach My appointment expires: 01-16-2023

Date 3-26-2020 POA for Diane Zirger
Diane M. Ziegler
ACKNOWLEDGMENT STATE OF MISSOURI, COUNTY OF $Maries$: This instrument was acknowledged before me on $Marih$, 2020, by Diane M. Ziegler.
Notary Public (Printed Name) Tonia Mendenhali My appointment expires: 5-1-2022

Tonia Mendenhall
Notary Public Notary Seal
State of Missouri County of Maries
My Commission Expires 05/01/2022
Commission # 14763004

Date	3	-20	-20	020)
Date	3	-20	-20	02	Ž

Dwayne L. Zimmerman

ACKNOWLEDGMENT

STATE OF KANSAS, COUNTY OF <u>Sedewick</u>:
This instrument was acknowledged before me on <u>March</u> 20, 2020, by Dwayne

L. Zimmerman.

AMANUA CLAIN、 E Notary Public - State of Kansas My Appt. Expires / 2 - 2 / - 22 AMANDA CLARK

My appointment expires: 12 · 21 · 22

EXHIBIT A TO UNIT AGREEMENT

Sutor-Ziegler Unit

Sheridan County, Kansas

TRACTS AND TRACT PARTICIPATIONS

Tract participation is based upon a unitization formula which contains the following, equally weighted factors:

- 1/3 <u>Current Production:</u> Oil production from December 1, 2018 November 30, 2019.
- 1/3 <u>Remaining Reserves:</u> Estimated remaining primary reserves.
- 1/3 <u>Cumulative Production:</u> Total cumulative production to November 30, 2019.

Tract	Tract	Tract Name	Description	Tract
Number	Operator			Participation
1	John O. Farmer, Inc.	Sutor	See below	56.28%
2	John O. Farmer, Inc.	Ziegler	See below	43.72%
Total				100.00%

Tract 1

The West Half (W/2) and the Southeast Quarter of the Northeast Quarter (SE/4 NE/4) and the Northeast Quarter of the Southeast Quarter (NE/4 SE/4) and the South Half of the Southeast Quarter (S/2 SE/4) of Section Thirty (30), Township Eight (8) South, Range Twenty-six (26) West of the 6th P.M.

Tract 2:

The North Half of the Northeast Quarter (N/2 NE/4) and the Southwest Quarter of the Northeast Quarter (SW/4 NE/4) and the Northwest Quarter of the Southeast Quarter (NW/4 SE/4) of Section Thirty (30), Township Eight (8) South, Range Twenty-six (26) West of the 6th P.M.

SUTOR-ZIEGLER UNIT EXTENSION OF UNIT AGREEMENT TERMINATION DATE

KNOW ALL PERSONS BY THESE PRESENTS:

THAT WHEREAS, the undersigned are parties to that certain Unit Agreement dated January 27, 2020, governing the Sutor-Ziegler Waterflood Unit in Sheridan County, Kansas;

AND WHEREAS, Article 14, Section 14.2, provides for an ipso facto termination date of February 1, 2021, unless not less than 51% of the working interest owners have approved the Unit Agreement and 51% or more of those working interest owners decide to extend the termination date for a period not to exceed one (1) year;

AND WHEREAS, 100% of the working interest owners have approved the Unit Agreement and the undersigned constitute 51% or more of those working interest owners.

NOW THEREFORE, for and in consideration of these presents the undersigned hereby extend the ipso facto termination date of the Sutor-Ziegler Waterflood Unit Unit Agreement to February 1, 2022.

Date 1-28-2021 (JOHN O. FARMER, INC. By Jun Jewer L. John O. Farmer IV, President
ACTORIO	DW/IED CMENT
STATE OF KANSAS, COUNTY OF RUSSEI	ore me on $\overline{Jan 98}$, 2021, by John O.
STACY WEILERT State of Kausas My Appt. Exp. 30 22	Notary Public (Profeed Name) Stacy Weilert My appointment expires: 1/36/22
Date_ 1-28-Zu 24	JOHN O. FARMER III TRUST By Ar CO. Falmer ##
	hn O. Farmer III, Trustee

ACKNOWLEDGMENT

STATE OF KANSAS, COUNTY OF RUSSELL:
This instrument was acknowledged before me on Farmer III, Trustee of the John O. Farmer III Trust.

STACY WEILERT
State of Kausas
My Appt. Exp. 1 30 22

Notary Public (Printed Name) Stacy Wei levt

My appointment expires: 1/30/22

Date	JOHN O. FARMER IV TRUST By John O. Farmer IV, Trustee
ACKN	OWLEDGMENT
STATE OF KANSAS, COUNTY OF RUSSE	
This instrument was acknowledged befo Farmer IV, Trustee of the John O. Farmer	re me on $\frac{\sqrt{30}}{\sqrt{30}}$, 2021, by John O.
State of Karusas My Appt. Exp. 1 30 22	Notary Public (Printed Name) Stacy Weiler+ My appointment expires: 1/30/22
,	***
	JOHN O. FARMER TRUST PROPERTIES, LLC
Date 1-28-7021	By CO Farmer III, Manager
ACKN	OWLEDGMENT
STATE OF KANSAS, COUNTY OF RUSSE	-, 11\2
This instrument was acknowledged before Farmer III, Manager of John O. Farmer T	bre me on <u>Jan Jo</u> , 2021, by John O. rust Properties, LLC.
STACY WEILERT State of Kaysas My Appt. Exp. 1 30 22	Notary Public (Printed Name) Stacy Wei'lert My appointment expires: 1/30/22
Date 1-28-2021	JOHN O FARMER TRUSTS' RESOURCES, LLC By John O. Farmer IV, Manager
ACKN	OWLEDGMENT
STATE OF KANSAS, COUNTY OF RUSSI This instrument was acknowledged before Farmer IV, Manager of John O. Farmer T	ore me on $\frac{\sqrt{a}N}{\sqrt{a}}$, 2021, by John O.
STACY WEILERT State of Kansas My Appt. Exp. 1/30/23	Notary Public (Prince Stary We'lev + My appointment expires: 1/30/22

Date 01-28-21	Audius Andrea Krug Krauss
ACKN	OWLEDGMENT
STATE OF KANSAS, COUNTY OF RUSS	
This instrument was acknowledged before Krug Krauss.	ore me on Jan 28, 2021, by Andrea
STACY WEILERT	Jack Well Do
State of Karjsas	Notary Public (Primed Jame) Stacy Weilert My appointment expires: 64 1/30/22

UNIT OPERATING AGREEMENT

Sutor-Ziegler Water Flood Sheridan County, Kansas

THIS AGREEMENT entered into as of the 1 st day of October 2020.

WITNESSETH:

WHEREAS, an agreement entitled "Unit Agreement, Sutor Ziegler Water Flood, Sheridan County, Kansas," 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. <u>Confirmation of Unit Agreement</u>. 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. <u>Exhibits</u>. The following exhibits are incorporated herein by reference or attachment:
 - 2.1.1. Exhibits A and B of the Unit Agreement.
 - 2.1.2. Exhibit C, attached hereto, is the Accounting Procedure applicable to Unit Operations. If there is any conflict between this Agreement and Exhibit C, this Agreement shall govern.
 - 2.1.3. Exhibit D, attached hereto, contains insurance provisions applicable to Unit Operations.
- 2.2. <u>Reference to Exhibits</u>. When reference is made herein to an exhibit, it is to the original exhibit or, if revised, to the last revision.

ARTICLE 3 ADDITIONAL DRILLING AND DEVELOPMENT

3.1. <u>Proposed Operations</u>. If Operator determines to drill any well in the Unit Area or to Rework, Sidetrack, Deepen, Recomplete or Plug Back a dry hole or a producing well, Operator shall give written notice of the proposed operation to the Working Interest Owners specifying the work to be performed, the location, proposed depth, objective Zone and the estimated cost of the operation. The Working Interest

Owners shall have thirty (30) days after receipt of the notice within which to notify the Operator whether they elect to participate in the cost of the proposed operation. If a drilling rig is on location, notice of a proposal to Rework, Sidetrack, Recomplete, Plug Back or Deepen may be given by telephone and the response period shall be limited to twenty-four (24) hours. Failure of a Working Interest Owner to whom such notice is delivered to reply within the period above fixed shall constitute an election by that Working Interest Owner to participate in the cost of the proposed operation. If all Working Interest Owners elect to participate in such proposed operation, they shall be contractually committed to participate therein.

3.2. Operation by Less Than All Parties. If any Working Interest Owner elects not to participate in the proposed operation, then, in order to be entitled to the benefits of this Article, the Operator and such Working Interest Owners as shall elect to participate in the operation shall actually commence the proposed operation and complete it with due diligence. Operator shall perform all work for the account of the Consenting Working Interest Owners. If less than all Working Interest Owners approve any proposed operation, Operator, after the expiration of the applicable notice period, shall advise all Working Interest Owners of the total interest of those approving such operation and its recommendation as to whether the Consenting Working Interest Owners should proceed with the operation as proposed. Each Consenting Working Interest Owner, within fortyeight (48) hours (exclusive of Saturday, Sunday and legal holidays) after delivery of such notice shall advise the Operator of its desire to (a) limit participation to such Consenting Working Interest Owner's interest, or (b) carry only its proportionate part (determined by dividing such Working Interest Owner's interest by the interests of all Consenting Working Interest Owners) of Non-Consenting Working Interest Owners' interests, or (c) carry its proportionate part (determined as provided in (b)) of the Non-Consenting Working Interest Owners' interests together with all or a portion of its proportionate part of any Non-Consenting Working Interest Owners' interests that any Consenting Working Interest Owner did not elect to take. Any interest of Non-Consenting Working Interest Owners that is not carried by a Consenting Working Interest Owner shall be deemed to be carried by Operator if Operator does not withdraw its proposal. Failure to advise the Operator within the time required shall be deemed an election under (a). In the event a drilling rig is on location, notice may be given by telephone, and the time permitted for such a response shall not exceed a total of twenty-four (24) hours. Operator, at Operator's election, may withdraw such proposal if there is less than 100% participation and shall notify all Working Interest Owners of such decision. If 100% subscription to the proposed operation is obtained, Operator shall promptly notify the Working Interest Owners of their proportionate interests in the operation and Operator shall commence such operation within a reasonable time.

3.3. Relinquishment of Interest by Non-Participation. The entire cost and risk of conducting such operations shall be borne by the Consenting Working Interest Owners in the proportions they have elected to bear same under the terms of the preceding paragraph. If such an operation results in a dry hole, then the Consenting Working Interest Owners shall plug and abandon the well and restore the surface location at their sole cost, risk and expense; provided, however, that those Non-Consenting Working Interest Owners that participated in the drilling, Deepening or Sidetracking of the well shall remain liable for, and shall pay, their proportionate shares of the cost of plugging and abandoning the well and restoring the surface location insofar only as those costs were not increased by the subsequent operations of the Consenting Working Interest Owners. If any well drilled, Reworked, Sidetracked, Deepened, Recompleted or Plugged Back under the provisions of this Article results in a well capable of producing oil and/or gas in paying quantities, the Consenting Working Interest Owners shall complete and equip the well to produce at their sole cost and risk, and the well shall be operated by Operator at the expense and for the account of the Consenting Working Interest Owners. Upon commencement of operations for the drilling, Reworking, Sidetracking, Recompleting, Deepening or Plugging Back of any such well by Consenting Working Interest Owners in accordance with the provisions of this Article, each Non-Consenting Working Interest Owner shall be deemed to have relinquished to the Consenting Working Interest Owners, and the Consenting Working Interest Owners shall own and be entitled to receive, in proportion to their respective interests, all of such Non-Consenting Working Interest Owner's interest in the well and share of production therefrom or, in the case of a Reworking, Sidetracking, Deepening, Recompleting or Plugging Back all of such Non-Consenting Working Interest Owner's interest in the production obtained from the operation in which the Non-Consenting Working Interest Owner did not elect to participate. Such relinquishment shall be effective until the proceeds of the sale of such share, calculated at the well, or market value thereof if such share is not sold (after deducting applicable ad valorem, production, severance and excise taxes, royalty, overriding royalty and other interests payable out of or measured by the production from such well accruing with respect to such interest until it reverts), shall equal the total of the following:

- (a) 100% of each such Non-Consenting Working Interest's share of the cost of any newly acquired surface equipment beyond the wellhead connections (including but not limited to stock tanks, separators, treaters, pumping equipment and piping) plus 100% of each such Non-Consenting Working Interest Owner's share of the cost of operation of the well commencing with first production and continuing until each such Non-Consenting Working Interest Owner's relinquished interest shall revert to it under other provisions of this Article, it being agreed that each Non-Consenting Working Interest Owner's share of such costs and equipment will be that interest which would have been chargeable to such Non-Consenting Working Interest Owner had it participated in the well from the beginning of the operations; and
- (b) 300% of that portion of the costs and expenses of drilling, Reworking, Sidetracking, Deepening, Plugging Back, testing, Completing, and Recompleting and of that portion of the cost of newly acquired equipment in the well (to and including the wellhead connections), which would have been chargeable to such Non-Consenting Working Interest Owner if it had participated therein.
- Reworking, Recompleting or Plugging Back. An election not to 3.4. participate in the drilling, Sidetracking or Deepening of a well shall be deemed an election not to participate in any Reworking or Plugging Back operation proposed in such a well, or portion thereof, to which the initial non-consent election applied that is conducted at any time prior to full recovery by the Consenting Working Interest Owners of the Non-Consenting Working Interest Owners' recoupment amount. Similarly, an election not to participate in the Completing or Recompleting of a well shall be deemed an election not to participate in any Reworking operation proposed in such a well, or portion thereof, to which the initial non-consent election applied that is conducted at any time prior to full recovery by the Consenting Working Interest Owners of the Non-Consenting Working Interest Owners' recoupment amount. Any such Reworking, Recompleting or Plugging Back operation conducted during the recoupment period shall be deemed part of the cost of operation of said well and there shall be added to the sums to be recouped by the Consenting Working Interest Owners 300% of that portion of the costs of the Reworking, Recompleting or Plugging Back operation which would have been chargeable to such Non-Consenting Working Interest Owner had it participated therein. If such a Reworking, Recompleting or Plugging Back operation is proposed during the recoupment period, the

provisions of this Article shall be applicable as between said Consenting Working Interest Owners in said well.

3.5. Recoupment Matters. During the period of time Consenting Working Interest Owner's are entitled to receive Non-Consenting Working Interest Owner's share of production, or the proceeds therefrom, Consenting Working Interest Owners shall be responsible for the payment of all ad valorem, production, severance, excise and other taxes, and all royalty, overriding royalty and other burdens applicable to Non-Consenting Working Interest Owner's share of production.

In the case of any Reworking, Sidetracking, Plugging Back, Recompleting or Deepening operation, the Consenting Working Interest Owners shall be permitted to use, free of cost, all casing, tubing and other equipment in the well, but the ownership of all such equipment shall remain unchanged; and upon abandonment of a well after such Reworking, Sidetracking, Plugging Back, Recompleting or Deepening, the Consenting Working Interest Owners shall account for all such equipment to the owners thereof, with each Working Interest Owner receiving its proportionate part in kind or in value, less cost of salvage. Any amount realized from the sale or other disposition of equipment newly acquired in connection with any such operation which would have been owned by a Non-Consenting Working Interest Owner had it participated therein shall be credited against the total unreturned costs of the work done and of the equipment purchased in determining when the interest of such Non-Consenting Working Interest Owner shall revert to it as above provided; and if there is a credit balance, it shall be paid to such Non-Consenting Working Interest Owner.

If and when the Consenting Working Interest Owners recover from a Non-Consenting Working Interest Owner's relinquished interest the amounts provided for above, the relinquished interests of such Non-Consenting Working Interest Owner shall automatically revert to it as of 7:00 a.m. on the first day of the month following the day on which such recoupment occurs, and from and after such reversion, such Non-Consenting Working Interest Owner shall own the same interest in such well, the material and equipment in or pertaining thereto, and the production therefrom as such Non-Consenting Working Interest Owner would have been entitled to had it participated in the drilling, Sidetracking, Reworking, Deepening, Recompleting or Plugging Back of said well. Thereafter, such Non-Consenting Working Interest Owner shall be charged with and shall pay its proportionate part of the further costs of the operation of said well in accordance with the terms of this Agreement and Exhibit "C" attached hereto.

ARTICLE 4. INDIVIDUAL RIGHTS OF WORKING INTEREST OWNERS

- 4.1. <u>Reservation of Rights</u>. Working Interest Owners retain all their rights, except as otherwise provided in this Agreement or the Unit Agreement.
- 4.2. <u>Specific Rights</u>. Each Working Interest Owner shall have, among others, the following specific rights:
 - 4.2.1. 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.
 - 4.2.2. 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.
 - 4.2.3. <u>Audits</u>. The right to audit the accounts of Unit Operator pertaining to Unit Operations according the provisions of Exhibit C.

ARTICLE 5. UNIT OPERATOR

- 5.1. <u>Unit Operator</u>. John O. Farmer, Inc. is designated as the initial Unit Operator.
- 5.2. 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 Fifty-One Percent (51%) 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.
- 5.3. <u>Selection of Successor</u>. Upon the resignation or removal of Unit Operator, a successor Unit Operator shall be selected by 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 Fifty-One Percent (51%) or more of the voting interest remaining after excluding the voting interest of the removed Unit Operator.

ARTICLE 6. Voting By Working Interest Owners

- 6.3. <u>Voting Procedure.</u> In all matters where the vote of Working Interest Owners is required or allowed by this Unit Operating Agreement, Working Interest Owners shall vote in accordance with the following procedure:
 - 6.3.1. <u>Voting Interest</u>. Each Working Interest Owner shall have a voting interest equal to its Unit Participation.
 - 6.3.2. <u>Poll Votes</u>. Working Interest Owners may vote by letter submitted in writing by U.S. Mail, facsimile transmission, or email to all Working Interest Owners. Unit Operator shall give prompt notice of the results of such voting to each Working Interest Owner.

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. <u>Workmanlike Conduct</u>. Unit Operator shall conduct Unit Operations in a good and 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 that Unit Operator, in the exercise of its best judgment, considers important. Unit Operator shall not be liable to Working Interest Owners for damages unless such damages result from its gross negligence or willful misconduct.
- 7.3. <u>Liens and Encumbrances</u>. 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. <u>Employees</u>. 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 Governmental Authorities. Unit Operator shall make all reports to governmental authorities that it has the duty to make as Unit Operator.

- 7.7. Engineering and Geological Information. Unit Operator shall furnish to a Working Interest Owner, upon written request, a copy of all logs and other engineering and geological data pertaining to wells drilled for Unit Operations.
- 7.8. Expenditures. Unit Operator is authorized to make single expenditures not more than Fifty Thousand Dollars (\$50,000.00) 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.
- 7.9. Wells Drilled By Unit Operator. All wells drilled by Unit Operator shall be at the rates prevailing in the area.

ARTICLE 8. TAXES

- 8.1. <u>Property Taxes</u>. 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 on the working interest shall be paid by Unit Operator and charged to the joint account.
- 8.2. Other Taxes. Each Working Interest Owner shall pay or cause to be paid all production, severance, conservation, 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 the 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. <u>Insurance</u>. 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 state, and
 - (c) provide insurance or other protection as set forth in Exhibit D.

ARTICLE 10. NO ADJUSTMENT OF INVESTMENTS

- 10.1. <u>Property Taken Over</u>. Upon the Effective Date, Working Interest Owners shall deliver to Unit Operator the following:
 - 10.1.1. <u>Wells</u>. All wells completed in the Unitized Formation, as shown on Exhibit B.
 - 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.
 - 10.1.3. <u>Records</u>. A copy of all production and well records for such wells.
- 10.2. <u>Investment Adjustment</u>. The relative interests among the Working Interest Owners in the well equipment, materials, and other facilities heretofore placed on the unitized lease premises shall be retained by the Working Interest Owners and therefore no investment adjustment is necessary.

ARTICLE 11. UNIT EXPENSE

- 11.1. <u>Basis of Charge to Working Interest Owners</u>. Unit Operator initially shall pay all Unit Expense. Each Working Interest Owner shall reimburse Unit Operator for its share of Unit Expense. Each Working Interest Owner's share shall be the same as its Unit Participation. All charges, credits, and accounting for Unit Expense shall be in accordance with Exhibit C.
- 11.2. <u>Advance Billings</u>. Unit Operator shall have the right to require Working Interest Owners to advance their respective shares of estimated Unit Expense as provided by Exhibit C.
- 11.3. <u>Commingling of Funds</u>. 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.
- 11.4. <u>Unpaid Unit Expense</u>. 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 Section 11.6 of this Agreement.
- provided for by the laws of this State 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 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 C 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, Unit Operator shall have the right to collect from the purchaser the proceeds from the sale of such Working Interest Owner's share of United Substances until the amount owed, plus interest at the rate herein provided, has been paid. Each purchaser shall be entitled to rely on Unit Operator's statement concerning the amount owed and the interest payable thereon.
- 11.6. <u>Carved-out Interests</u>. Any overriding royalty, production payment, net proceeds interest, carried interest or any other interest carved out of a Working Interest

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 Section 11.5 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 Section 11.5.

ARTICLE 12. NONUNITIZED 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. <u>Individual Liability</u>. 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 or 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 Fifty Thousand Dollars (\$50,000.00) 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 C. 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 Unit Operator, and the claim or suit shall be treated as any other claim or suit involving Unit Operations.

13.3. <u>Notice of Loss</u>. 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. <u>Nondiscrimination</u>. During the performance of work under this Agreement, Unit Operator agrees to comply with all the provisions of subsections (1) to (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. <u>Notices</u>. All notices required hereunder shall be in writing and shall be deemed to have been properly served when sent by mail, facsimile transmission, or email to the address of the representative of each Working Interest Owner as furnished to Unit Operator.

ARTICLE 16. EFFECTIVE DATE AND TERM

- 16.1. <u>Effective Date</u>. This Agreement shall become effective when the Unit Agreement becomes effective.
- 16.2. 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 17; (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 17. ABANDONMENT OF OPERATIONS

17.1. <u>Termination</u>. Upon termination of the Unit Agreement, the following will occur:

- 17.1.1. 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.
- 17.1.2. 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.
- 17.1.3 <u>Cost of Abandonment</u>. The cost of abandonment of Unit Operations shall be Unit Expense.
- 17.1.4. <u>Distribution of Assets</u>. Working Interest Owners shall share in the distribution of Unit Equipment, or the proceeds thereof, in proportion to their Unit Participations.

ARTICLE 18. <u>APPROVAL</u>

18.1. 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 assigned the same instrument.

ARTICLE 19. SUCCESSORS AND ASSIGNS

19.1. <u>Successors and Assigns</u>. 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 thereby.

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

Date: OCTOBER 31, 2020

10/2 10 to

IOHN O. FARMER, INC.

John O. Farmel IV, President
UNIT OPERATOR

ACKNOWLEDGMENT STATE OF KANSAS, COUNTY OF RUSSELL: This instrument was acknowledged before me on October 31, 2020, by John O. Farmer IV, President of John O. Farmer, Inc. Notary Public (yrinted Name) My appointment expires: _ STACY WEILERT State of Kar pt. Exp. JOHN O. FARMER, INC. John O. Farmer IV , President WORKING INTEREST OWNER **ACKNOWLEDGMENT** STATE OF KANSAS, COUNTY OF RUSSELL: This instrument was acknowledged before me on NOVENBER 12,2020, by John O. Farmer IV, President of John O. Farmer, Inc. Notary Public (Printed Name) My appointment expires: STACY WEILERT State of Kailsas Appt. Exp. *** JOHN O. FARMER TRUST PROPERTIES, LLC nn O. Farmer III, Managing Partner WORKING INTEREST OWNER **ACKNOWLEDGMENT** STATE OF KANSAS, COUNTY OF RUSSELL: This instrument was acknowledged before me on November 12, 2020, by John O. Farmer III, Managing Partner of John O. Farmer Trust Properties, LLC Notary Public (45) STACY WEILERT My appointment expires: JOHN O. FARMER TRUSTS' RESOURCES, PLC John O. Farmer IV, Managing Partner WORKING INTEREST OWNER <u>ACKNOWLEDGMENT</u> STATE OF KANSAS, COUNTY OF RUSSELL: This instrument was acknowledged before me on November 12, 2020, by John O.

Farmer IV, Managing Partner of John O. Farmer Trusts' Resources, LLC.

STACY WEILERT State of Kallsas Appt. Exp. 1/30

Weilert Notary Public (Printed Name) My appointment expires:

JOHN O. EARMER IV REVOCABLE TRUST h O. Farmer IV Trustee WORKING INTEREST OWNER **ACKNOWLEDGMENT** STATE OF KANSAS, COUNTY OF RUSSELL: This instrument was acknowledged before me on November 12, 2020, by John O. Farmer IV, Trustee of the John O. Farmer IV Revocable Trust Notary Public (Printed Name) STACY WEILERT My appointment expires: _ State of Kansas Appt. Exp. 130 JOHN O. FARMER III REVOCABLE TRUST WORKING INTEREST OWNER **ACKNOWLEDGMENT** STATE OF KANSAS, COUNTY OF RUSSELL: This instrument was acknowledged before me on November 12, 2020, by John O. Farmer III, Trustee of the John O. Farmer III Revocable Trust. Notary Public (Printed Name) My appointment expires: STACY WEILERT Andrea Krug Krauss WORKING INTEREST OWNER **ACKNOWLEDGMENT** STATE OF KANSAS, COUNTY OF RUSSELL: Krauss.

This instrument was acknowledged before me on NOVEMBER 1, 2020, by Andrea Krug

STACY WEILERT State of Kansas

Constance Ann Betton
WORKING INTEREST OWNER

CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Riversido
On 11173) 2020, before me, Irone Prechiga Notery Public Here Insert Name and Title of the Officer
personally appeared <u>Constance Ann Betton</u> Name of Signer

who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Place Notary Seal and/or Stamp Above

Signature of Notary Public

JOYCE A. BOOR REVOCABLE TRUST DTD 9-12-16

By Joyce A Boor, Trustee

Douglas A. Boor, Trustee

WORKING INTEREST OWNER

ACKNOWLEDGMENT

STATE OF KANSAS, COUNTY OF RENO:

This instrument was acknowledged before me on October 23^{rd} , 2020, by Joyce A. Boor, Trustee of the Joyce A. Boor Revocable Trust Dtd 9-12-16.

JOSIAN BLAKEY

Notary Public - State of Kansas

My Appt Expires | / 10)2021

Notary Public (Printed Name) (1819 Blakey
My appointment expires: 1/10/2021

ACKNOWLEDGMENT

STATE OF KANSAS, COUNTY OF RENO:

This instrument was acknowledged before me on October 23rd, 2020, by Douglas A. Boor, Trustee of the Joyce A. Boor Revocable Trust Dtd 9-12-16.

JOSIAN BLAKEY

Notary Public - State of Kansas

My Appt. Expires: 110/2221

Notary Public (Printed Name) Josign Blakely
My appointment expires: 1/10/2021

Leo F. Dreiling III

Michaela Oreiling

WORKING INTEREST OWNERS

ACKNOWLEDGMENT

STATE OF KANSAS, COUNTY OF ELLIS:

November

This instrument was acknowledged before me on October 10th, 2020, by Leo F. Dreiling III and Michaela Dreiling, husband and wife.

NOTARY PUBLIC - State of Kansas
TRISHA K. VON LINTEL
My Appt. Exp. 5 23 20 23

Notary Public (Printed Name) Trisha K. Voc Linter My appointment expires: 5/23/23

Diana S. Ellis

WORKING INTEREST OWNER

ACKNOWLEDGMENT

STATE OF TEXAS, COUNTY OF LIAND

This instrument was acknowledged before me on October 1174, 2020, by Diana S. Ellis.

BRENDA LUKE
Notary ID #124601804
My Commission Expires
June 24, 2023

Notary Public (Printed Name) BRENIA LUKE
My appointment expires: 6.24.2023

JUNE M. GOODMAN LIVING TRUST

First National Bank, Hutchinson, Kansas, Trustee

Printed Name Brand Schmultbaya
Title SV

WORKING INTEREST OWNER

ACKNOWLEDGMENT

STATE OF KANSAS, COUNTY OF RENC): //a
This instrument was acknowledged before Schmidt berger, (title) Sr. Vice Pr. Kansas, Trustee of the June M. Goodman	ore me on October <u>19</u> , 2020, by <u>Brian</u> resident of First National Bank, Hutchinson In Living Trust.
A COURTNEY SCHUEREN E Notary Public . State of Kansas My Appt. Expires 11-25-2021	Courtney Schweren Notary Public (Printed Name) <u>Courtney Schweren</u> My appointment expires: 11-25-2021

ESTHER F. LOCKWOOD FAMILY TRUST

Midwest Trust Company, Successor Trustee

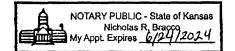
By Nasan Wileum
Printed Name Walter Wiewan
Title Up Trust Officer

WORKING INTEREST OWNER

ACKNOWLEDGMENT

STATE OF KANSAS, COUNTY OF JOHNSON:	December		
This instrument was acknowledged before me o	in October 21	2020 by W	la Her Willman
This instrument was acknowledged before me of title) Trust of trev	of Mi	idwest Trust	Company.
Successor Trustee of the Esther F. Lockwood Fa			, ,

Notary Public (Printed Name) Nicho las R. Bacco
My appointment expires: 6/24/2024



WORKING INTEREST OWNER

ACKNOWLEDGMENT

STATE OF KANSAS, COUNTY OF ELLIS:

This instrument was acknowledged before me on October 2020, by Kathryn J.

Mitchell.

STACY WEILERT
State of Kansas
Appt. Exp. 1/30/02

My appointment expires:

DAN D. RICHARDSON TRUST DTD 4/7/05

By Clou (7) Printed Name AAND RICHARDS

Trustee

WORKING INTEREST OWNER

ACKNOWLEDGMENT

STATE OF MISSOURI, COUNTY OF ______:

This instrument was acknowledged before me on October 23, 2020, by <u>DAN</u> <u>RUCHARUSON</u>, Trustee of the Dan D. Richardson Trust Dtd 4/7/05.

PAIGE VAN PELT
Notary Public - Notary Seal
STATE OF MISSOURI
JACKSON County
My Commission Expires: June 10, 2022
Commission # 18254461

tay Van Rell Notary Public (Printed Name) PAIGE VAN PEW
My appointment expires: June 10, 2022 JOSEPH T. RICHARDSON TRUST DTD 2/10/04

By Justin Dichards
Printed Name Joseph T. Richards
Trustee

WORKING INTEREST OWNER

ACKNOWLEDGMENT

STATE OF MISSOURI, COUNTY OF JACKSON

This instrument was acknowledged before me on October 21, 2020, by 355EP# MCHARDSON, Trustee of the Joseph T. Richardson Trust Dtd 2/10/04.

PAIGE VAN PELT
Notary Public - Notary Seal
STATE OF MISSOURI
JACKSON County
My Commission Expires: June 10, 2022
Commission # 18254461

Notary Public (Printed Name) PAIGE VAN PETT

My appointment expires: Jun 10, 2022

SHOEMAKER FAMILY TRUST DTD 10/18/85

By Mes Richard Shoemaker, Trustee
WORKING INTEREST OWNER

CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of ORBNGE

on October 28, 2020, before me, DAUID JAN

Here Insert Name and Title of the Office

personally appeared <u>JAMES RICHALD</u> <u>SHOEWAKER</u>, <u>TRUSTEE</u>

Name of Signer

who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

DAVID JAMES HOLWAY
Notary Public - California
Orange County
Commission # 2158368
My Comm. Expires Jun 27, 2020

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

Place Notary Seal and/or Stamp Above

EXHIBIT A TO UNIT AGREEMENT

Sutor-Ziegler Unit

Sheridan County, Kansas

TRACTS AND TRACT PARTICIPATIONS

Tract participation is based upon a unitization formula which contains the following, equally weighted factors:

- 1/3 <u>Current Production:</u> Oil production from December 1, 2018 November 30, 2019.
- 1/3 <u>Remaining Reserves:</u> Estimated remaining primary reserves.
- 1/3 Cumulative Production: Total cumulative production to November 30, 2019.

Tract	Tract	Tract Name	Description	Tract
Number	Operator		_	Participation
1	John O. Farmer, Inc.	Sutor	See below	56.28%
2	John O. Farmer, Inc.	Ziegler	See below	43.72%
Total				100.00%

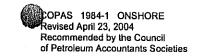
Tract 1:

The West Half (W/2) and the Southeast Quarter of the Northeast Quarter (SE/4 NE/4) and the Northeast Quarter of the Southeast Quarter (NE/4 SE/4) and the South Half of the Southeast Quarter (S/2 SE/4) of Section Thirty (30), Township Eight (8) South, Range Twenty-six (26) West of the 6^{th} P.M.

Tract 2:

The North Half of the Northeast Quarter (N/2 NE/4) and the Southwest Quarter of the Northeast Quarter (SW/4 NE/4) and the Northwest Quarter of the Southeast Quarter (NW/4 SE/4) of Section Thirty (30), Township Eight (8) South, Range Twenty-six (26) West of the 6th P.M.





-COPAS

EXHIBIT "-C-"

Attached to and made a part of ______that certain Unit Operating Agreement dated October 1, 2020 entered into by and between John O. Farmer, Inc., as Operator, and the signatory parties, as Non-Operators.

ACCOUNTING PROCEDURE JOINT OPERATIONS

I. GENERAL PROVISIONS

ı.

Definitions

"Joint Property" shall mean the real and personal property subject to the agreement to which this Accounting Procedure is attached.

"Joint Operations" shall mean all operations necessary or proper for the development, operation, protection and maintenance of the Joint Property.

"Joint Account" shall mean the account showing the charges paid and credits received in the conduct of the Joint Operations and which are to be shared by the Parties.

"Operator" shall mean the party designated to conduct the Joint Operations.

"Non-Operators" shall mean the Parties to this agreement other than the Operator.

"Parties" shall mean Operator and Non-Operators.

"First Level Supervisors" shall mean those employees whose primary function in Joint Operations is the direct supervision of other employees and/or contract labor directly employed on the Joint Property in a field operating capacity.

"Technical Employees" shall mean those employees having special and specific engineering, geological or other professional skills, and whose primary function in Joint Operations is the handling of specific operating conditions and problems for the benefit of the Joint Property.

"Personal Expenses" shall mean travel and other reasonable reimbursable expenses of Operator's employees.

"Material" shall mean personal property, equipment or supplies acquired or held for use on the Joint Property.

"Controllable Material" shall mean Material which at the time is so classified in the Material Classification Manual as most recently recommended by the Council of Petroleum Accountants Societies.

2. Statement and Billings

Operator shall bill Non-Operators on or before the last day of each month for their proportionate share of the Joint Account for the All statements and billings shall be sent via email.

preceding month. / Such bills will be accompanied by statements which identify the authority for expenditure, lease or facility, and all charges and credits summarized by appropriate classifications of investment and expense except that items of Controllable Material and unusual charges and credits shall be separately identified and fully described in detail. Payment in full is due within fifteen (15) days of the date the billing is issued

3. Advances and Payments by Non-Operators

- A. Unless otherwise provided for in the agreement, the Operator may require the Non-Operators to advance their share of estimated cash outlay for the succeeding month's operation within fifteen (15) days after receipt of the billing or by the first day of the month for which the advance is required, whichever is later. Operator shall adjust each monthly billing to reflect advances received from the Non-Operators.
- B. Each Non-Operator shall pay its proportion of all bills within fifteen (15) days after receipt. If payment is not made within such time, the unpaid balance shall bear interest monthly at the prime rate in effect-u+as published in the Wall Street Journal on the first day of the month in which delinquency occurs plus 1% or the maximum contract rate permitted by the applicable usury laws in the state in which the Joint Property is located, whichever is the lesser, plus attorney's fees, court costs, and other costs in connection with the collection of unpaid amounts.

4. Adjustments

Payment of any such bills shall not prejudice the right of any Non-Operator to protest or question the correctness thereof; provided, however, all bills and statements rendered to Non-Operators by Operator during any calendar year shall conclusively be presumed to be true and correct after twenty-four (24) months following the end of any such calendar year, unless within the said twenty-four (24) month period a Non-Operator takes written exception thereto and makes claim on Operator for adjustment. No adjustment favorable to Operator shall be made unless it is made within the same prescribed period. The provisions of this paragraph shall not prevent adjustments resulting from a physical inventory of Controllable Material as provided for in Section V.

COPAS-

- A. A Non-Operator, upon notice in writing to Operator and all other Non-Operators, shall have the right to audit Operator's accounts and records relating to the Joint Account for any calendar year within the twenty-four (24) month period following the end of such calendar year; provided, however, the making of an audit shall not extend the time for the taking of written exception to and the adjustments of accounts as provided for in Paragraph 4 of this Section I. Where there are two or more Non-Operators, the Non-Operators shall make every reasonable effort to conduct a joint audit in a manner which will result in a minimum of inconvenience to the Operator. 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 Operator, except upon the resignation or removal of the Operator, and shall be made at the expense of those Non-Operators approving such audit.
- B. The Operator shall reply in writing to an audit report within 180 days after receipt of such report.

6. Approval By Non-Operators

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, 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.

II. DIRECT CHARGES

Operator shall charge the Joint Account with the following items:

I. Ecological and Environmental

Costs incurred for the benefit of the Joint Property as a result of governmental or regulatory requirements to satisfy environmental considerations applicable to the Joint Operations. Such costs may include surveys of an ecological or archaeological nature and pollution control procedures as required by applicable laws and regulations.

2. Rentals and Royalties

Lease rentals and royalties paid by Operator for the Joint Operations.

3. Labor

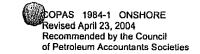
- A. (1) Salaries and wages of Operator's field employees directly employed on the Joint Property in the conduct of Joint Operations.
 - (2) Salaries of First level Supervisors in the field.
 - (3) Salaries and wages of Technical Employees directly employed on the Joint Property if such charges are excluded from the overhead rates.
 - (4) Salaries and wages of Technical Employees either temporarily or permanently assigned to and directly employed in the operation or the Joint Property if such charges are excluded from the overhead rates.
- 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 Paragraph 3A of this Section II. Such costs under this Paragraph 3B 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 Paragraph 3A of this Section II. 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 which are applicable to Operator's costs chargeable to the Joint Account under Paragraphs 3A and 3B of this Section II.
- D. Personal Expenses of those employees whose salaries and wages are chargeable to the Joint Account under Paragraphs 3A of this Section II.

4. Employee Benefits

Operator's current costs of established plans for employees' group life insurance, hospitalization, pension, retirement, stock purchase, thrift, bonus, and other benefit plans of a like nature, applicable to Operator's labor cost chargeable to the Joint Account under Paragraphs 3A and 3B of this Section II shall be Operator's actual cost. not to exceed the percent-most-recently recommended by the Council of Petroleum Accountants Societies.

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-COPAS-

5. Material 2 3 Material purchased or furnished by Operator for use on the Joint Property as provided under Section IV. Only such Material shall 4 be purchased for or transferred to the Joint Property as may be required for immediate use and is reasonably practical and consistent 5 with efficient and economical operations. The accumulation of surplus stocks shall be avoided. 6 7 6. Transportation 8 Actual cost of / Transportation of employees and Material necessary for the Joint Operations but subject to the following limitations: 9 10 11 -If-Material is moved to the Joint-Property from the Operator's warehouse or other properties, no charge shall be made to the 12 Joint Account for a distunce greater than the distance from the nearest reliable supply store where like material is normally available 13 or railway receiving point nearest the Joint Property unless agreed to by the Parties. 14 15 If surplus Material is moved to Operator's warehouse or other storage point, no charge shall be made to the Joint Account for a 16 distance greater than the distance to the nearest reliable supply store where like material is normally available, or railway 17 receiving point-nearest the Joint-Property unless agreed to by the Parties. No charge shall be made to the Joint Account for 18 moving Material to other properties belonging to Operator, unless agreed to by the Parties. 19 20 In the application of subparagraphs A and B above, the option to equalize or charge actual trucking cost is available when the 21 actual charge is \$400 or less excluding accessorial charges. The \$400 will be adjusted to the amount most recently recommended by 22 the Council of Petroleum Accountants Societies. 23 24 25 26 The cost of contract services, equipment and utilities provided by outside sources, except services excluded by Paragraph 10 of Section II 27 and Paragraph i, ii, and iii, of Section III. The cost of professional consultant services and contract services of technical personnel 28 directly engaged on the Joint Property if such charges are excluded from the overhead rates. The cost of professional consultant services 29 or contract services of technical personnel not directly engaged on the Joint Property shall not be charged to the Joint Account 30 unless previously agreed to by the Parties. 31 32 Equipment and Facilities Furnished By Operator 33 34 Operator shall charge the Joint Account for use of Operator owned equipment and facilities at rates commensurate with costs 35 of ownership and operation. Such rates shall include costs of maintenance, repairs, other operating expense, insurance, taxes, 36 depreciation, and interest on gross investment less accumulated depreciation not to exceed _ twelve _ percent (<u>12</u>%) 37 per annum. Such rates shall not exceed average commercial rates currently prevailing in the immediate area of the Joint Property. 38 In lieu of charges in Paragraph 8A above, Operator may elect to use average commercial rates prevailing in the immediate area of the Joint Property—less—20%. For automotive equipment, Operator may elect to use / rates published by the-/ Petroleum-Motor Transport-Association./ 39 40 41 42 43 **Damages and Losses to Joint Property** 44 45 All costs or expenses necessary for the repair or replacement of Joint Property made necessary because of damages or losses incurred by 46 fire, flood, storm, theft, accident, or other cause, except those resulting from Operator's gross negligence or willful misconduct. 47 Operator shall furnish Non-Operator written notice of damages or losses incurred as soon as practicable after a report thereof has 48 been received by Operator. 49 50 10. Legal Expense 51 52 Expense of handling, investigating and settling litigation or claims, discharging of liens, payment of judgments and amounts paid 53 for settlement of claims incurred in or resulting from operations under the agreement or necessary to protect or recover the Joint 54 Property, except that no charge for services of Operator's legal staff or fees or expense of outside attorneys shall be made unless 55 previously agreed to by the Parties. All other legal expense is considered to be covered by the overhead provisions of Section III 56 unless otherwise agreed to by the Parties, except as provided in Section 1. Paragraph 3. 57 58 11. Taxes 59 60 All taxes of every kind and nature assessed or levied upon or in connection with the Joint Property, the operation thereof, or the 61 production therefrom, and which taxes have been paid by the Operator for the benefit of the Parties. If the ad valorem taxes are based 62 in whole or in part upon separate valuations of each party's working interest, then notwithstanding anything to the contrary herein, charges to the Joint Account shall be made and paid by the Parties hereto in accordance with the tax value generated by each party's 63 64 working interest. 65 66



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1	12.	Insurance
2		· ·
3		Net premiums paid for insurance required to be carried for the Joint Operations for the protection of the Parties. In the event Joint
4		Operations are conducted in a state in which Operator may act as self-insurer for Worker's Compensation and/or Employers Liability
5		under the respective state's laws, Operator may, at its election, include the risk under its self- insurance program and in that event,
6		Operator shall include a charge at Operator's cost not to exceed manual rates.
7		
8	13.	Abandonment and Reclamation
9		
10		Costs incurred for abandonment of the Joint Property, including costs required by governmental or other regulatory authority.
11		
12	14.	Communications
13		
14		Cost of acquiring, leasing, installing, operating, repairing and maintaining communication systems, including radio and microwave
15		facilities directly serving the Joint Property. In the event communication facilities/systems serving the Joint Property are Operator
16		owned, charges to the Joint Account shall be made as provided in Paragraph 8 of this Section II.
17	1.5	Out on the
18	15.	Other Expenditures
19		
20		Any other expenditure not covered or dealt with in the foregoing provisions of this Section II, or in Section III and which is of direct
21		benefit to the Joint Property and is incurred by the Operator in the necessary and proper conduct of the Joint Operations.
22		
23		
24		III. OVERHEAD
25		
26	I.	Overhead - Drilling and Producing Operations
27		
28		i. As compensation for administrative, supervision, office services and warehousing costs, Operator shall charge drilling and
29		producing operations on either:
30		·
31		(X) Fixed Rate Basis, Paragraph IA, or
32		() Percentage Basis, Paragraph 1B
33		
34		Unless otherwise agreed to by the Parties, such charge shall be in lieu of costs and expenses of all offices and salaries or wages
35		plus applicable burdens and expenses of all personnel, except those directly chargeable under Paragraph 3A, Section II. The cost
36		and expense of services from outside sources in connection with matters of taxation, traffic, accounting or matters before or
37		involving governmental agencies shall be considered as included in the overhead rates provided for in the above selected Paragraph
38		of this Section III unless such cost and expense are agreed to by the Parties as a direct charge to the Joint Account.
39		of this section in tailors such cost and expense are agreed to by the rathes as a direct charge to the Joint Account.
40		ii. The salaries, wages and Personal Expenses of Technical Employees and/or the cost of professional and the
41		Employees and the cost of professional consultant services and
42		contract services of technical personnel directly employed on the Joint Property:
43		/ Ashall has second to store 1 and 1
44		() shall be covered by the overhead rates, or
45		(X) shall not be covered by the overhead rates.
46		iii. The salaries, wages and Personal Expenses of Technical Employees and/or accts of applications.
47		and records Employees and Costs of professional consultant services and
		contract services of technical personnel either temporarily or permanently assigned to and directly employed in the operation of
48		the Joint Property:
49		
50		() shall be covered by the overhead rates, or
51		(X) shall not be covered by the overhead rates.
52		
53		A. Overhead - Fixed Rate Basis
54		
55		(1) Operator shall charge the Joint Account at the following rates per well per month:
56		
57		Drilling Well Rate \$
58		(Prorated for less than a full month)
59		
60		Producing Well Rate \$ 275.00/well/month
61		
62		(2) Application of Overhead - Fixed Rate Basis shall be as follows:
63		
64		(a) Drilling Well Rate
65		-
66		A one time charge he made (1) Charges-/ for drilling wells shall begin-/ on the date the well is spudded, and terminate-on-the-date-the-drilling
67		ria complation ria or when write and in some the date the well is spudded, and terminate on the date the drilling
68		rig, completion rig, or other units used in completion of the well is released, whichever is luter, except that no
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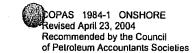
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charge shall be made during suspension of drilling or completion operations for lifteen (15) or more consecutive calendar days. (2) Charges for wells undergoing any type of workover or recompletion for a period of five (5) consecutive work days or more shall be made at the drilling well rate. Such charges shall be applied for the period from date workover operations, with rig or other units used in workover, commence through date of rig or other unit 6 7 release, except that no charge shall be made during suspension of operations for fifteen (15) or more 8 consecutive calendar days. 9 (b) Producing Well Rates 10 11 12 (1) An active well either produced or injected into for any portion of the month shall be considered as a one-well charge for the entire month. 13 (2) Each active completion in a multi-completed well in which production is not commingled down hole shall 15 16 be considered as a one-well charge providing each completion is considered a separate well by the 17 governing regulatory authority. 18 19 (3) An inactive gas well shut in because of overproduction or failure of purchaser to take the production shall be considered as a one-well charge providing the gas well is directly connected to a permanent sales outlet. 20 21 (4) A one-well charge shall be made for the month in which plugging and abandonment operations are completed on 22 any well. This one-well charge shall be made whether or not the well has produced except when drilling well 23 24 rate applies. 25 26 (5) All other inactive wells (including but not limited to inactive wells covered by unit allowable, lease allowable, transferred allowable, etc.) shall not qualify for an overhead charge, 27 28 may from time to time.

(3) The well rates shall-/ be adjusted-/ as of the first day of April each year following the effective date of the agreement to which 29 this Accounting Procedure is attached by the percent increase or decrease published by COPAS. 30 31 32 Overhead Percentage Basis 33 34 (1) Operator shall charge the Joint Account at the following rates: 35 36 (a) Development 37 Percent (%) of the cost of development of the Joint Property exclusive of costs 38 39 provided under Paragraph 10 of Section II and all salvage credits. 40 41 (b) Operating 42 43 Percent (-%) of the cost of operating the Joint Property exclusive of costs provided 44 under Paragraphs 2 and 10 of Section II, all salvage credits, the value of injected substances purchased for 45 secondary recovery and all-taxes and assessments which are levied, assessed and paid upon the mineral-interest in 46 and to the Joint Property. 47 (2) Application of Overhead - Percentage Basis shall be as follows: 48 49 50 For the purpose of determining charges on a percentage basis under Paragraph 1B of this Section III, development shall 51 include all costs in connection with drilling, redrilling, deepening, or any remedial operations on any or all wells involving 52 the use of drilling rig and crew capable of drilling to the producing interval on the Joint Property: also, preliminary 53 expenditures necessary in preparation for drilling and expenditures incurred in abandoning when the well is not completed 54 as a producer, and original cost of construction or installation of fixed assets, the expansion of fixed assets and any other 55 project clearly discernible as a fixed asset, except Major Construction as defined in Paragraph 2 of this Section III. All 56 other costs shall be considered as operating. 57 58 2. Overhead - Major Construction 59 To compensate Operator for overhead costs incurred in the construction and installation of fixed assets, the expansion of fixed assets, and 60 any other project clearly discernible as a fixed asset required for the development and operation of the Joint Property, Operator shall 61 62 either negotiate a rate prior to the beginning of construction, or shall charge the Joint Account for overhead based on the following rates 63 for any Major Construction project in excess of \$_ 50,000.00 : 64 5 % of first \$100,000 or total cost if less, plus 66 67 3 % of costs in excess of \$100,000 but less than \$1,000,000, plus 68 69 2 % of costs in excess of \$1,000,000. 70





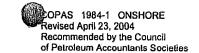


2 not be treated separately and the cost of drilling and workover wells and artificial lift equipment shall be excluded. 3 3. 5 6 To compensate Operator for overhead costs incurred in the event of expenditures resulting from a single occurrence due to oil spill, 7 blowout, explosion, fire, storm, hurricane, or other catastrophes as agreed to by the Parties, which are necessary to restore the Joint Property to the equivalent condition that existed prior to the event causing the expenditures, Operator shall either negotiate a rate 8 9 prior to charging the Joint Account or shall charge the Joint Account for overhead based on the following rates: 10 5 % of total costs through \$100,000; plus 11 12 _3 ___ % of total costs in excess of \$100,000 but less than \$1,000,000; plus 13 14 15 _ % of total costs in excess of \$1,000,000. 16 17 Expenditures subject to the overheads above will not be reduced by insurance recoveries, and no other overhead provisions of this 18 Section III shall apply. 19 20 Amendment of Rates 21 22 The overhead rates provided for in this Section III may be amended from time to time only by mutual agreement between the Parties hereto 23 if, in practice, the rates are found to be insufficient or excessive. 24 25 IV. PRICING OF JOINT ACCOUNT MATERIAL PURCHASES, TRANSFERS AND DISPOSITIONS 26 27 28 Operator is responsible for Joint Account Material and shall make proper and timely charges and credits for all Material movements affecting the 29 Joint Property. Operator shall provide all Material for use on the Joint Property; however, at Operator's option, such Material may be supplied 30 by the Non-Operator. Operator shall make timely disposition of idle and/or surplus Material, such disposal being made either through sale to Operator or Non-Operator, division in kind, or sale to outsiders. Operator may purchase, but shall be under no obligation to purchase, interest determined by the Operator of Non-Operators in surplus condition A or B Material. The disposal of surplus Controllable Material not purchased by the Operator shall be-/ ugreed 31 32 33 to by the Parties. 34 35 ı. **Purchases** 36 37 Material purchased shall be charged at the price paid by Operator after deduction of all discounts received. In case of Material found 38 to be defective or returned to vendor for any other reasons, credit shall be passed to the Joint Account when adjustment has been received 39 by the Operator. 40 41 2. Transfers and Dispositions 42 43 Material furnished to the Joint Property and Material transferred from the Joint Property or disposed of by the Operator, unless 44 otherwise agreed to by the Parties, shall be priced on the following basis exclusive of eash discounts: 45 46 A. New Material (Condition A) 47 48 (1) Tubular Goods Other than Line Pipe shall be priced at the current new price plus transportation costs, if applicable. 49 50 Tubular goods, sized 2 3/8 inches OD and larger, except line pipe, shall be priced at Eastern mill published carload 51 base prices-effective as of date of movement plus transportation cost using the 80,000 pound carload weight basis 52 to the railway receiving point nearest the Joint Property for which published rail rates for tubular goods exist. If the 53 80,000 pound rail rate is not offered, the 70,000 pound or 90,000 pound rail rate may be used. Freight charges 54 for tubing will be calculated from Lorain. Ohio and easing from Youngstown, Ohio: 55 56 For grades which are special to one mill only, prices shall be computed at the mill base of that mill plus transportation 57 cost-from that mill to the railway receiving point nearest the Joint Property as provided above in Paragraph 2.A.(1)(a). 58 For transportation cost from points other than Eastern-mills, the 30,000 pound-Oil-Field-Hauters Association-interstate 59 60 61 Special and finish tubular goods shall be priced at the lowest published out-of-stock price, f.o.b. Houston, Texas, 62 plus transportation cost, using Oil Field Haulers Association interstate 30,000 pound-truck rate, to the railway receiving 63 point-nearest-the-Joint-Property. 64 65 (d) Macaroni tubing (size less than 2-3/8 inch OD) shall be priced at the lowest published out of stock prices f.o.b. the 66 supplier plus transportation costs, using the Oil Field Haulers Association interstate track rate per weight of 67 tubing transferred, to the railway receiving point nearest the Joint Property. 68 69

Total cost shall mean the gross cost of any one project. For the purpose of this paragraph, the component parts of a single project shall

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- (2) Line Pipe shall be priced at the current new price plus transportation costs, if applicable,
 - (a) Line pipe movements (except size 24 inch OD and larger with walls !s inch and over) 30,000 pounds or more shall be priced under provisions of tubular goods pricing in Paragraph A.(I)(a) as provided above. Freight charges shall be calculated from Lorain, Ohio.
 - (b) Line Pipe-movements (except size 24 inch OD and larger with walls & inch and over) less than 30,000 pounds shall be priced at Eastern mill published earload base prices effective as of date of shipment, plus the percent-most recently recommended by COPAS, plus transportation costs based on freight rates as set forth under provisions of tubular goods pricing in Paragraph A.(1)(a) as provided above. Freight charges shall be calculated from Lorain, Ohio.
 - (e) Line pipe 24 inch-OD and over and % inch wall and larger shall be priced f.o.b. the point of manufacture at current new published prices plus transportation cost to the railway receiving point nearest the Joint Property.
 - (d) Line pipe, including tubricated line pipe, drive pipe and conduit not listed on published price lists shall be priced at quoted prices plus freight to the milway receiving point nearest the Joint Property or at prices agreed to by the Parties.
- (3) Other Material shall be priced at the current new price, in effect at date of movement, as listed by a reliable supply store nearest the Joint Property, or point of manufacture, plus transportation costs, if applicable, to the railway receiving point nearest the Joint Property.
- (4) Unused new Material, except tubular-goods, moved from the Joint Property shall be priced at the current new price, in effect on date of movement, as listed by a reliable supply store nearest the Joint Property, or point of manufacture, plus transportation costs, if applicable, to the railway receiving point nearest the Joint Property. Unused new tubulars will be priced as provided above in Paragraph 2.A.(1) and (2).
- B. Good Used Material (Condition B)

Material in sound and serviceable condition and suitable for reuse without reconditioning:

(1) Material moved to the Joint Property

At seventy-five percent (75%) of current new price, as determined by Paragraph A.

- (2) Material used on and moved from the Joint Property
 - (a) At seventy-five percent (75%) of current new price, as determined by Paragraph A, if Material was originally charged to the Joint Account as new Material or
 - (b) At sixty-five percent (65%) of current new price, as determined by Paragraph A, if Material was originally charged to the Joint Account as used Material
- (3) Material not used on and moved from the Joint Property

At seventy-five percent (75%) of current new price as determined by Paragraph A.

The cost of reconditioning, if any, shall be absorbed by the transferring property.

C. Other Used Material

(1) Condition C

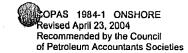
Material which is not in sound and serviceable condition and not suitable for its original function until after reconditioning shall be priced at fifty percent (50%) of current new price as determined by Paragraph A. The cost of reconditioning shall be charged to the receiving property, provided Condition C value plus cost of reconditioning does not exceed Condition B value.

(2) Condition D

Material, excluding junk, no longer suitable for its original purpose, but usable for some other purpose shall be priced on a basis commensurate with its use. Operator may dispose of Condition D Material under procedures normally used by Operator without prior approval of Non-Operators.

- (a) Casing, tubing, or drill-pipe used as line pipe shall be priced as Grade A and B seamless line pipe of comparable size and weight. Used easing, tubing or drill-pipe utilized as line pipe shall be priced at used line pipe prices.
- (b) Casing, tubing or drill pipe used as higher pressure service lines than standard line pipe, e.g. power oil lines, shall be priced under normal pricing procedures for easing, tubing, or drill pipe. Upset tubular goods shall be priced on a non-upset basis.







(3) Condition E 2 Junk shall be priced at prevailing prices. Operator may dispose of Condition E Material under procedures normally 4 utilized by Operator without prior approval of Non-Operators. 5 6 D. Obsolete Material 7 Material which is serviceable and usable for its original function but condition and/or value of such Material is not 8 Q equivalent to that which would justify a price as provided above may be specially priced as agreed to by the Parties. Such price should result in the Joint Account being charged with the value of the service rendered by such Material. 10 11 12 E. Pricing Conditions 13 (1) Loading or unloading costs may be charged to the Joint Account-at-the-rate-of-twenty-live-cents (25¢) per-hundred 14 15 weight on all tubular goods movements, in lieu of actual loading or unloading costs sustained at the stocking point. 16 rate shall be adjusted as of the first day of April each year following January 1, 1985 by the same 17 nercentage increase or decrease used to adjust overhead rates in Section III. Paragraph 1.A.(3). Each year, the 18 rate-calculated shall be rounded to the nearest cent and shall be the rate in effect until the first day of April next year. 19 Such rate shall be published each year by the Council of Petroleum Accountants Societies. 20 21 (2) Material involving erection costs shall be charged at applicable percentage of the current knocked-down price of 22 new Material. 23 24 Premium Prices 25 26 Whenever Material is not readily obtainable at published or listed prices because of national emergencies, strikes or other unusual 27 causes over which the Operator has no control, the Operator may charge the Joint Account for the required Material at the Operator's 28 actual cost incurred in providing such Material, in making it suitable for use, and in moving it to the Joint Property; provided 29 notice in writing is furnished to Non-Operators of the proposed charge prior to billing Non-Operators for such Material. Each 30 Non-Operator-shall-have the right, by so electing and notifying Operator-within-ten days after receiving notice-from-Operator, to furnish 31 in kind all or part of his share of such Material suitable for use and neceptable to Operator, 32 33 Warranty of Material Furnished By Operator 34 35 Operator does not warrant the Material furnished. In case of defective Material, credit shall not be passed to the Joint Account 36 until adjustment has been received by Operator from the manufacturers or their agents. 37 38 V. INVENTORIES 39 40 41 The Operator shall maintain detailed records of Controllable Material. 42 43 Periodic Inventories, Notice and Representation 44 45 At reasonable intervals, inventories shall be taken by Operator of the Joint Account Controllable Material. Written notice of intention to 46 take inventory shall be given by Operator at least thirty (30) days before any inventory is to begin so that Non-Operators may be 47 represented when any inventory is taken. Failure of Non-Operators to be represented at an inventory shall bind Non-Operators to accept 48 the inventory taken by Operator. 49 50 Reconciliation and Adjustment of Inventories 2. 51 Adjustments to the Joint Account resulting from the reconciliation of a physical inventory shall be made within six months following 52 the taking of the inventory. Inventory adjustments shall be made by Operator to the Joint Account for overages and shortages, but, 53 54 Operator shall be held accountable only for shortages due to lack of reasonable diligence. 55 56 **Special Inventories** 57 Special inventories may be taken whenever there is any sale, change of interest, or change of Operator in the Joint Property. It shall be 58 the duty of the party selling to notify all other Parties as quickly as possible after the transfer of interest takes place. In such cases, both 59 60 the seller and the purchaser shall be governed by such inventory. In cases involving a change of Operator, all Parties shall be governed 61 by such inventory. 62 **Expense of Conducting Inventories** 63 64 65 The expense of conducting periodic inventories shall not be charged to the Joint Account unless agreed to by the Parties. 66 The expense of conducting special inventories shall be charged to the Parties requesting such inventories, except inventories 67 68 required due to change of Operator shall be charged to the Joint Account. 69

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EXHIBIT "D"

Attached to and made a part of that certain Operating Agreement dated	October 1, 2020	entered	into	bу	and
between John O. Farmer, Inc. as Operator and the signatory parties, as N	lon-Operators.				

INSURANCE

Operator, during the term of this Operating Agreement, shall carry insurance in amounts not less than the following:

A. Workers' Compensations

Statutory

B. Employer's Liability

\$500,000 per accident

C. Automobile Liability: Bodily Injury and/or Property Damage

\$1,000,000 combined single limit

D. Liability other than Automobile: Bodily Injury and/or Property Damage \$1,000,000 combined single limit

E. Umbrella Excess Liability Coverage

\$10,000,000

A proportionate part of the premiums on such insurance, determined on some equitable basis consistent with Operator's accounting practice, shall be charged to the Joint Account.

All losses not covered by standard form policies of insurance for the above coverage shall be joint losses and shall be borne by the parties as their interests appear at the time of the occurrence.

Operator shall not be required to provide fire, explosion, windstorm or other property hazard insurance on oil in storage or on leasehold equipment and shall not be required to provide underground damage liability insurance. All losses from these causes shall be joint losses and be borne by the parties as their interests appear at the time of the occurrence.

It is understood that Operator does not warrant the financial responsibility of its insurance carrier and, except for willful negligence, Operator shall not be liable to Non-Operator for any loss resulting from insufficiency of the insurance carried or of the insurer with whom carried. It is further understood that Operator shall not be liable to Non-Operator for any loss accruing by reason of Operator's inability to obtain or maintain the above insurance, but Operator shall notify Non-Operator in writing if it is unable to obtain or maintain such insurance.

EXHIBIT III TO APPLICATION OF JOHN O. FARMER, INC. SUTOR-ZIEGLER WATERFLOOD UNIT

John O. Farmer, Inc. PO Box 352 Russell, KS 67665

John O, Farmer IV Revocable Trust PO Box 352 Russell, KS 67665

John O. Farmer Trust Properties, LLC PO Box 352 Russell, KS 67665

Kathryn J. Mitchell 3305 Lincoln Dr Hays, KS 67601

Joyce A. Boor Revocable Trust Dtd 9/12/16 Joyce A. Boor & Douglas A. Boor, Trustees 705 E 56th Ave Hutchinson, KS 67502

Diana S. Ellis PO Box 8257 Horseshoe Bay, TX 78657

Esther F. Lockwood Family Trust Midwest Trust Company, Successor Trustee 5901 College Blvd #100 Overland Park, KS 66211

Dan D. Richardson Trust DTD 4/07/05 9300 E 63 St Raytown, MO 64133

Ryan T. Miller 4030 Lila Blue Lane Raleigh, NC 27612

Dorothy E. Bacon 35 S Baybrook Drive Unit 110 Palatine, IL 60074

William Ben Defrancisco 215 N Desplaines St FL 2 Chicago, IL 60661-1140

Petra Sue Biehl 1612 Shoshone Drive Bishop, CA 93514

Betty A. Ginsburg Revocable Trust Ellen S. Abramowitz, Successor Trustee 9232 Ridgeway Ave John O. Farmer III Revocable Trust PO Box 352 Russell, KS 67665

Andrea Krug Krauss 4106 184th Street Russell, KS 67665

John O. Farmer Trusts' Resources, LLC PO Box 352 Russell, KS 67665

Constance Ann Betton 71305 Kempton Avenue Rancho Mirage, CA 92270-3614

Leo F. Dreiling & Michaela Dreiling 1965 Mount Pleasant Rd Hays, KS 67601-9330

June M. Goodman Living Trust First Natl Bank Hutchinson KS, Trustee PO Box 913 Hutchinson, KS 67504-0913

Jane H. Barton 813 N Linden Ln Derby, KS 67037

Joseph T. Richardson Trust DTD 2/10/04 5 Mescalaro Ln Lake Winnebago, MO 64034-9307

Shoemaker Family Trust dtd 10/18/85 James Richard Shoemaker, Trustee 685 Mystic Way Laguna Beach, CA 92651-1924

Phillip T. Defrancisco 205 N Lake Blvd, Unit 201 Buffalo Grove, IL 60089

Aurelia Delimata Trust Alan J. Bednarz, Successor Trustee 729 Woodridge Ln Glencoe, IL 60022

Sutor Brothers LLC 2053 Knox Road 700 E Wataga, IL 61488-9411

Linda Halpern 710 Randi Ln Hoffman Estates, IL 60169-2714

Evanston, IL 60203-1511

Mary Jo Jones or Clarence Ray Jones or Petra Sue Biehl 8855 San Vicente Dr Yucca Valley, CA 92284-4448 Cobra Petroleum Company, LP PO Box 8049 Rancho Santa Fe, CA 92067

Anne E. Nusbaum or Ali N. Nusbaum, JTWROS 147 Nimitz Dr Apt A26 Piti, GU 96915-5428

Howard Nusbaum 6702 E Monterosa St Scottsdale, AZ 85251

Perper/Raiche Revocable Trust Alan B. Perper/Janet G. Raiche, Trustees PO Box 208 Dillon Beach, CA 94929 S & C Properties PO Box 601295 Dallas, TX 75360-1295

Southwest Petroleum Company, LP d/b/a Southwest Petroleum Company PO Box 702377 Dallas, TX 75370-2377

Rita M. Aitken 4302 E Tonto St Phoenix, AZ 85044

Benedictine College Inc. 1020 N 2nd Street Atchison, KS 66002-1499 Kenneth A. Vonfeldt 726 N El Paso Dr Derby, KS 67037

David D. Vonfeldt 4609 SW Crenshaw Dr Topeka, KS 66610-1656

Alice Beckish 105 Chickasaw Run Williamston, SC 29697

Blaze Ziegler Estate Carrol Lynn McCormick, Executor 3116 Poplar Greenville, TX 75402

Cynthia Dieterich 1420 Nez Perce Loop NE Rio Rancho, NM 87144

Dwayne L. Zimmerman 3229 South Handley St Wichita, KS 67217-3358

Kim R. Frangenberg 1114 Summitlawn Wichita, KS 67212

Rex V. Hervey 7013 Pinyon Pine Ln SE Owens Cross Roads, AL 35763 Cheryl K. Roach 5733 N Saint Clair St Wichita, KS 67204

Breann K. Ochs 2510 North Fox Run Court Wichita, KS 67226

Austen J. Roach 5847 N East Parkview Park City, KS 67219

Camden J. Roach 5925 N Millsboro St Park City, KS 67219

Nancy Shoemaker 20 Douglas Parkway Wichita, KS 67206

Evan A. Charles 1567 Ocean Front St San Diego, CA 92107

Mary Engelmann 812 W Jamestown St Andover, KS 67002-8819

Mary E. Gibson 420 N Pamela Ave Wichita, KS 67212-3728 Lynetta Gillmore PO Box 8 Westcliffe, CO 81252

Leah Grossnickle 2058 N 475 E Rd

Ruth A. Holland 1222 E 110th Ave N Edinburg, IL 62531

Leah M. Charles 1600 Ann Branden Blvd Apt 733 Norman, OK 73071-1558

Kathleen Gideon 12304 E Willowgreen Wichita, KS 67207

Richard Morley 618 N Thoroughbred Ct Wichita, KS 67235-8090

Charles W. Roach 7589 Stone Creek Ct Mobile, AL 36695

Barbara Schmitz 505 N Rock Rd Apt 905 Wichita, KS 67206

Anthony P. Slack 30662 191st Dr Woodward, IA 50276-6073

Diane M. Ziegler PO Box 299 St James, MO 65559-0299

Alice Ann Weed Ziegler 3809 Howe Ct Boulder, CO 80301-6007 Belle Plaine, KS 67013-7901

Linda Hill 718 E Crestline Rd Andover, KS 67002-8432

Gene Morley 229 W Barnes Rd Spokane, WA 99218-2107

Charles Morley 11917 E Calais Ct Wichita, KS 67210-1861

Jeffrey J. Roach 1815 Chiswick Rd Edmond, OK 73034-2923

Brian G. Selensky Trust 4009 S Pattie St Wichita, KS 67216-4246

Jenny Vonfeldt 431 E 9th Ave Belle Plaine, KS 67013-9013

Anthony Ziegler 20675 Humphreys Rd Platt City, MO 64079

Western Kansas Farm Credit, FLCA 1190 S Range – PO Box 667 Colby, KS 67701-0667

EXHIBIT IV TO APPLICATION OF JOHN O. FARMER, INC. SUTOR-ZIEGLER WATERFLOOD UNIT

SE/4 24-8S-27W Michael Elliott Smith and Dana L.R. Smith, Trustees

Michael Elliott Smith and Dana L.R. Smith Family

Trust dated 6/12/1998 12663 Sunrise Dr. NE Bainbridge, WA 98110

Brenda L. Taylor, Trustee

Brenda L. Taylor Revocable Trust Indenture dated

3/18/2002

8112 W 72nd St

Overland Park, KS 66204

Keith R. Taylor and Paula J. Taylor, Trustees Taylor Family Revocable Trust dated 3/14/2005

4908 W 162nd St Stilwell, KS 66085

E/2 25-8S-27W Brant and Lula Jean Brown

6430 E Road 15 S Hoxie, KS 67740

Louise Dale and Janice Sue Brown

1042 S Road 60E Hoxie, KS 67740

N 2/3rds NE/4 36-8S-27W Brant and Lula Jean Brown

6430 E Road 15S Hoxie, KS 67740

S 1/3rd NE/4 36-8S-27W Louise Dale and Janice Sue Brown

1042 S Road 60E Hoxie, KS 67740

N/2 31-8S-26W Timothy G. Schamberger

6936 Chestnut Ct Parker, CO 80134

James J. Schamberger

1650 E Rd

Penokee, KS 67659

Michele M. Brungardt

805 N 2nd St

WaKeeney, KS 67672

Ryan L. Schamberger 14850 Estonian Ave Parker, CO 80134

<u>NW/4 32-8S-26W</u> Fred L. Pratt

PO Box 583 913 Main St #583 Hoxie, KS 67740

<u>W/2 29-8S-26W</u> Fred L. Pratt

PO Box 583 913 Main St #583 Hoxie, KS 67740 Roberta K. Nery PO Box 26 1409 Noble St Hoxie, KS 67740

Harry Joe Pratt 2232 S Highway 23 Hoxie, KS 67740

SW/4 20-8S-26W

Taylor Farms, LLC Charles B. Taylor, Manager 640 14th St Hoxie, KS 67740

THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

In the matter of the Application of John O. Farmer, Inc. for)	Docket No. 21-CONSCUNI
an order authorizing the unitization and unit operation of the)	
Sutor-Ziegler Waterflood Unit to be located in Sheridan)	CONSERVATION DIVISION
County, Kansas)	
•	ĺ	License No: 5135

NOTICE OF APPLICATION

TO: All oil and gas operators, producers and lessees, oil and gas lessors and royalty owners, mineral interest owners, landowners, overriding royalty interest owners, other owners of oil and gas interests, mortgagees of oil and gas interests and all other persons concerned:

You and each of you are hereby notified that John O. Farmer, Inc. (Farmer) has filed an application with the Kansas Corporation Commission (Commission) pursuant to K.S.A. 55-1301, et seq., seeking an order authorizing the unitization and unit operation of the Sutor-Ziegler Waterflood Unit (Unit). The area of the proposed Unit which shall be operated by Farmer includes all of Section Thirty (30), Township Eight (8) South, Range Twenty-six (26) West in Sheridan County, Kansas. Farmer proposes to unitize the oil rights to a pool within the Lansing-Kansas City Formation and all formations above the Lansing-Kansas City Formation beneath the area of the Unit. The Unitized Formation begins at the surface (0') and continues down to the Base Lansing-Kansas City Formation (3,884' TVD) as shown on the logs of the Sutor #6 well. The Sutor #6 well has been assigned API #15-179-21100 and is situated in Tract 1 of the Sutor-Ziegler Waterflood Unit at a location 3,630 feet from the South line and 2,970 feet from the East line of Section 30-8-26, Sheridan County, Kansas. Farmer intends to conduct enhanced oil recovery operations within said pool in order to increase the recovery of oil reserves and will allocate oil production from the Unit across two individual tracts on a fair, reasonable, and equitable basis. The application is pending with the Commission. Any persons who object or protest to the granting of the application shall be required to file their objections or protests in writing with the Commission within fifteen (15) days after the date of this publication. If a written protest is not timely filed, the application may be determined administratively by the Commission and may thereby be granted without hearing or further notice to any interested party. All objections and protests shall clearly state the reasons why granting the application will violate correlative rights, cause waste, or pollute water resources.

Objections or protests shall be mailed to the Kansas Corporation Commission Conservation Division, 266 North Main Street, Suite 220, Wichita, Kansas 67202, with a copy to Farmer's attorneys listed below. All parties in anyway interested or concerned shall take notice of the foregoing and gather themselves accordingly.

> Thompson, Arthur, Davidson & Katz 525 North Main Street

P.O. Box 111 Russell, Kansas 67665

Attorneys for John O. Farmer, Inc.

Dennis R. Davidson, #10619

CERTIFICATE OF SERVICE

I, Dennis R. Davidson, hereby certify that on the 11th day of February, 2021, I caused the original of the foregoing Application with its attached Exhibits I, II, III and IV and the Notice of Application to be electronically filed with the Conservation Division of the State Corporation Commission of the State of Kansas, and caused true and correct copies of the same to be delivered to, or deposited in the United States mail, first class, postage prepaid, and properly addressed to, the parties listed on Exhibits III and IV to the Application.

Thompson, Arthur, Davidson & Katz 525 North Main Street P.O. Box 111 Russell, Kansas 67665

Attorneys for John O. Farmer, Inc.

Dennis R. Davidson, #10619