

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form T-1
July 2014

Form must be Typed
Form must be Signed
All blanks must be Filled

**REQUEST FOR CHANGE OF OPERATOR
TRANSFER OF INJECTION OR SURFACE PIT PERMIT**

Form KSONA-1, Certification of Compliance with the Kansas Surface Owner Notification Act,
MUST be submitted with this form.

Check Applicable Boxes:

- Oil Lease: No. of Oil Wells _____ **
- Gas Lease: No. of Gas Wells _____ **
- Gas Gathering System: _____
- Saltwater Disposal Well - Permit No.: _____
Spot Location: _____ feet from N / S Line
_____ feet from E / W Line
- Enhanced Recovery Project Permit No.: _____
Entire Project: Yes No
Number of Injection Wells _____ **

Field Name: _____

**** Side Two Must Be Completed.**

Effective Date of Transfer: _____

KS Dept of Revenue Lease No.: _____

Lease Name: _____

_____ Sec. _____ Twp. _____ R. _____ E W

Legal Description of Lease: _____

County: _____

Production Zone(s): _____

Injection Zone(s): _____

Surface Pit Permit No.: _____
(API No. if Drill Pit, WO or Haul)

_____ feet from N / S Line of Section

_____ feet from E / W Line of Section

Type of Pit: Emergency Burn Settling Haul-Off Workover Drilling

Past Operator's License No. _____

Contact Person: _____

Past Operator's Name & Address: _____

Phone: _____

Title: _____

Signature: _____

New Operator's License No. _____

Contact Person: _____

New Operator's Name & Address: _____

Phone: _____

Oil / Gas Purchaser: _____

Date: _____

Title: _____

Signature: _____

Acknowledgment of Transfer: The above request for transfer of injection authorization, surface pit permit # _____ has been noted, approved and duly recorded in the records of the Kansas Corporation Commission. This acknowledgment of transfer pertains to Kansas Corporation Commission records only and does not convey any ownership interest in the above injection well(s) or pit permit.

_____ is acknowledged as
the new operator and may continue to inject fluids as authorized by
Permit No.: _____ . Recommended action: _____

Date: _____
Authorized Signature

_____ is acknowledged as
the new operator of the above named lease containing the surface pit
permitted by No.: _____ .

Date: _____
Authorized Signature

DISTRICT _____ EPR _____ PRODUCTION _____ UIC _____

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form KSONA-1

July 2014

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**CERTIFICATION OF COMPLIANCE WITH THE
KANSAS SURFACE OWNER NOTIFICATION ACT**

This form must be submitted with all Forms C-1 (Notice of Intent to Drill); CB-1 (Cathodic Protection Borehole Intent); T-1 (Request for Change of Operator Transfer of Injection or Surface Pit Permit); and CP-1 (Well Plugging Application). Any such form submitted without an accompanying Form KSONA-1 will be returned.

Select the corresponding form being filed: C-1 (Intent) CB-1 (Cathodic Protection Borehole Intent) T-1 (Transfer) CP-1 (Plugging Application)

OPERATOR: License # _____

Name: _____

Address 1: _____

Address 2: _____

City: _____ State: _____ Zip: _____ + _____

Contact Person: _____

Phone: (_____) _____ Fax: (_____) _____

Email Address: _____

Well Location:

____ - ____ - ____ - ____ Sec. ____ Twp. ____ S. R. ____ East West

County: _____

Lease Name: _____ Well #: _____

If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:

Surface Owner Information:

Name: _____

Address 1: _____

Address 2: _____

City: _____ State: _____ Zip: _____ + _____

When filing a Form T-1 involving multiple surface owners, attach an additional sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the county, and in the real estate property tax records of the county treasurer.

If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathodic Protection Borehole Intent), you must supply the surface owners and the KCC with a plat showing the predicted locations of lease roads, tank batteries, pipelines, and electrical lines. The locations shown on the plat are preliminary non-binding estimates. The locations may be entered on the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.

Select one of the following:

- I certify that, pursuant to the Kansas Surface Owner Notice Act (House Bill 2032), I have provided the following to the surface owner(s) of the land upon which the subject well is or will be located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form CP-1 that I am filing in connection with this form; 2) if the form being filed is a Form C-1 or Form CB-1, the plat(s) required by this form; and 3) my operator name, address, phone number, fax, and email address.
- I have not provided this information to the surface owner(s). I acknowledge that, because I have not provided this information, the KCC will be required to send this information to the surface owner(s). To mitigate the additional cost of the KCC performing this task, I acknowledge that I must provide the name and address of the surface owner by filling out the top section of this form and that I am being charged a \$30.00 handling fee, payable to the KCC, which is enclosed with this form.

If choosing the second option, submit payment of the \$30.00 handling fee with this form. If the fee is not received with this form, the KSONA-1 form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-1 will be returned.

I hereby certify that the statements made herein are true and correct to the best of my knowledge and belief.

Date: _____ Signature of Operator or Agent: _____ Title: _____

ASSIGNMENT OF OIL AND GAS LEASE

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, TexKan Exploration LLC ("Assignor"), for and in consideration of One Dollar and other good and valuable consideration, the receipt whereof is hereby acknowledged, and the mutual promises set forth herein, does hereby sell, assign, transfer and set over unto ENR Kansas Acquisition, LLC, whose address is 1600 Norris Rd, Bakersfield CA 93308 ("Assignee"), all of Assignor's right, title, and interest in and to the working interest, in the following Oil and Gas Leases, to-wit:

1. **Oil and Gas Lease** dated October 15, 2010 and recorded in book 247, page 449-451, from Allen Pfeifer and Alfreda Pfeifer, his wife, Lessors, to J. Fred Hambright, Inc., Lessee,
Said lease covering:

The Northwest Quarter (NW/4) of Section 33, Township 9, Range 25,
Graham County, Kansas.

2. **Oil and Gas Lease** dated November 3, 2011 and recorded in book 253, page 402-404, from Allen C. Pfeifer and Alfreda Pfeifer, Trustees of the Pfeifer Living Trust, dated August 11, 2011, Lessors, to J. Fred Hambright, Inc., Lessee,
Said lease covering:

The Northeast Quarter (NE/4) of Section 33, Township 9, Range 25,
Graham County, Kansas.

3. **Oil and Gas Lease** dated October 14, 2010 and recorded in book 247, page 157-158, from David L. Rohleder and Susan L. Rohleder, his wife, Lessors, to J. Fred Hambright, Inc., Lessee,
Said lease covering:

Tract 2: The Southwest Quarter (SW/4) of Section 28, Township 9, Range 25, Graham
County, Kansas.

4. **Oil and Gas Lease** dated October 15, 2010 and recorded in book 247, page 805-806, from Eugene Sauer and Sylvia Sauer, his wife, Lessors, to J. Fred Hambright, Inc., Lessee,
Said lease covering:

The Northeast Quarter (NE/4) of Section 28, Township 9, Range 25,
Graham County, Kansas.

- 5. Oil and Gas Lease** dated April 20, 1988 and recorded in book 158, page 607, extending said Lease for a period of 60 days from October 20, 1988, filed in book 156, page 929, from Eugene Sauer and Sylvia Sauer, his wife; and Laverne Sauer and Leona Sauer, his wife, Lessors, to Douglas C. Frickey d/b/a DCF Exploration, Lessee,
Said lease covering:

The Southeast Quarter (SE/4), less the Southwest Quarter of the Southwest Quarter of the Southeast Quarter (SW/4 SW/4 SE/4) of Section 28, Township 9, Range 25, Graham County, Kansas.

- 6. Oil and Gas Lease** dated October 25, 2010 and recorded in book 247, page 466-467, from Darlene L. Rome, a widow, Lessor, to J. Fred Hambright, Inc., Lessee,
Said lease covering:

The Southwest Quarter (SW/4) of Section 27, Township 9, Range 25, Graham County, Kansas.

This assignment shall be subject to all overriding royalty interests and other matters as appear of record. This assignment shall be effective as of August 1, 2018, at 7:00 a.m., and shall apply to any oil runs after said date.

Together with Assignor's right, title and interest in and to: any rights, incident thereto and the personal property located thereon, appurtenant thereto, or used or obtained in connection with the development and operation thereof, any contracts and agreements, relating to said oil and gas leases, lands and wells, including but not limited to operating agreements, gas purchase contracts and all rights and claims thereunder, crude oil sale agreements, farm-out agreements, easements, right of ways, saltwater disposal agreements, and any and all other agreements pertaining to any of the aforesaid.

This assignment is made by Assignor without representation or warranty of any kind (express, statutory or implied) as to description, title, condition, quality, fitness for purpose, merchantability, or otherwise. Assignee acknowledges and agrees that neither Assignor nor any other person makes any representation or warranty whatsoever as to the physical condition of such property or any statements or representation concerning the present or future value of the anticipated income, costs, or profits, if any, to be derived from such property or any other matter whatsoever. ASSIGNEE ACKNOWLEDGES AND AGREES THAT THE PROPERTY CONVEYED HEREBY IS CONVEYED ON AN "AS IS, WHERE IS" BASIS, IN ITS

CURRENT CONDITION, "WITH ALL FAULTS," AND WITHOUT REPRESENTATION OR WARRANTY OF ANY KIND.

Assignee hereby assumes and agrees to pay and perform when due all obligations, liabilities and duties with respect to the ownership and operation of the property conveyed hereby (including, but not limited to, all obligations, liabilities and duties with respect to the environmental condition of such property, attributable to environmental events or impacts, damage to property, injury or death of persons or other things, natural resource damages, CERCLA, environmental remediation and restoration, and cost, fines or penalties), and Assignee hereby agrees to indemnify, defend and hold harmless Assignor from and against any and all such obligations, liabilities and duties, in each case, regardless of whether such obligations, liabilities and/or duties arise from or are attributable to periods before, on or after the effective date hereof, and regardless of whether such obligations, liabilities and/or duties arise from or are attributable to any acts or omissions of Assignor or any of its parent, subsidiary or affiliated entities of any tier, or any of its or their respective officers, directors, owners, members, managers, partners, employees or agents (collectively, the "Assignor Group") **(INCLUDING THOSE ARISING FROM THE SOLE, JOINT, CONCURRENT OR COMPARATIVE NEGLIGENCE, OMISSION, STRICT LIABILITY OR OTHER FAULT OF ANY MEMBER OF THE ASSIGNOR GROUP).**

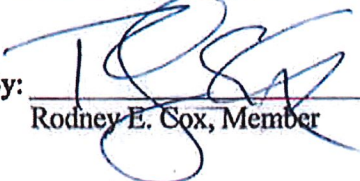
Tax Deferred Exchange. Buyer and Seller agree to cooperate with each other to treat the purchase and sale contemplated herein as part of a tax deferred exchange under Internal Revenue Code Section 1031, as amended, if Buyer elects to do so; provided, however that any such election by one party shall be at no additional cost to the other party.

In the event of any inconsistency between the provisions of this assignment and the provisions of any other agreement to which Assignee and Assignor are a party that is related to the subject matter hereof, the provisions of this assignment shall control.

[SIGNATURE PAGE FOLLOWS]

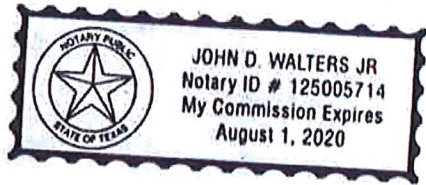
IN WITNESS WHEREOF, this instrument is executed as of the ____ day of May, 2018.

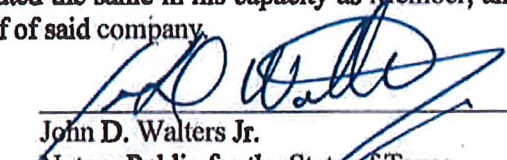
TexKan Exploration, LLC

By: 
Rodney E. Cox, Member

STATE OF TEXAS)
) SS.:
COUNTY OF DALLAS)

On the ____ day of May, in the year 2018, before me, the undersigned, personally appeared Rodney E. Cox, personally known to me to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity as Member, and that by his signature executed this instrument on behalf of said company.




John D. Walters Jr.
Notary Public for the State of Texas
Commission expires: 8/1/20

ASSIGNEE:

ENR Kansas Acquisition, LLC

By: *Gary Richardson*

Name/Title: Gary Richardson
Manager

California All-Purpose Acknowledgement

~~State of California
County of _____
On _____ before me, _____
Name & Title of Officer
personally appeared _____
_____~~

~~who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), & that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.~~

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

~~WITNESS my hand & official seal~~

~~_____
Signature of Notary Public~~

~~Notary Seal~~

~~Optional Information~~

~~Description of Attached Document:
Title or Type of Document: _____

_____~~

~~Document Date: _____ Number of Pages: _____~~

~~Other information: _____~~

(*) SEE ATTACHED CERTIFICATE

CALIFORNIA ALL-PURPOSE 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 FERN)

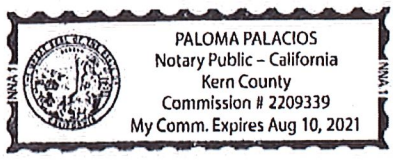
On AUGUST 14, 2018 before me, GARY RICHARDSON, MANAGER,
Date Here Insert Name and Title of the Officer

personally appeared GARY RICHARDSON
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) 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.



Signature PP
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: ASSIGNMENT OF OIL AND GAS LEASE
Document Date: _____ Number of Pages: 6
Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

LIMITED LIABILITY COMPANY OPERATING AGREEMENT

OF

ENR KANSAS ACQUISITION, LLC

This LIMITED LIABILITY COMPANY OPERATING AGREEMENT (this "Agreement") of ENR Kansas Acquisition, LLC (the "Company") is made and entered into as of this August 10, 2018, by and between ExStra LLC, a Delaware limited liability company ("ExStra"), Gary Richardson ("Mr. Richardson") and E&B Natural Resources Management Corporation (the "Exchangor").

WHEREAS, the Company was formed by the filing of the Certificate of Formation of the Company (the "Certificate") with the Division of Corporations of the State of Delaware on August 8, 2018; and

WHEREAS, the Members desire to enter into a written agreement pursuant to the Act governing the affairs of the Company and the organization and conduct of its business;

NOW, THEREFORE, in consideration of the agreements and obligations set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Members hereby agree as follows:

Defined Terms.

(a) "Act" means the Limited Liability Company Act, codified in the State of Delaware, as amended from time to time.

(b) "Affiliate" means, any entity (other than the Company) (i) which owns beneficially, directly or indirectly, more than 50% of the outstanding shares of the common stock of the Company or which is otherwise in control of the Company, (ii) of which more than 50% of the outstanding voting securities are owned beneficially, directly or indirectly, by any entity described in clause (i) above, or (iii) which is controlled by any entity described in clause (i) above; provided that for the purposes of this definition the terms "control" and "controlled by" shall have the meanings assigned to them in Rule 405 under the Securities Act of 1933, as amended.

(c) "Accommodator Membership Interests" shall mean the Membership Interests in the Company held by ExStra as of the date of this Agreement and as set forth on Annex A.

(d) "Code" means the Internal Revenue Code of 1986, as amended.

(e) "Exchangor Membership Interests" shall mean the Membership Interests in the Company as may be held by the Exchangor subsequent to the QEAA Termination Date as set forth on Annex B.

(f) "Lender" is used herein as defined in the QEA Agreement.

(g) "Loan" is used herein as defined in the QEA Agreement.

(h) "Manager" means any Person serving at the time as a manager of the Company as provided in this Agreement. The initial Manager is Mr. Richardson.

(i) "Member" means any Person who at the time is a member of the Company. "Members" means two or more of such Persons when acting in their capacities as members of the Company.

(j) "Membership Interests" means the ownership interests in the Company held by the Members.

(k) "Operative Documents" is used herein as defined in the QEA Agreement.

(l) "Percentage Interest" means the respective Membership Interests of the Members expressed in the form of a percentage interest as set forth on Annex A and Annex B to this Agreement.

(m) "Person" shall mean an individual, corporation, partnership, joint venture, association, joint-stock company, busy limited liability company, non-incorporated organization or government or any agency or political subdivision thereof.

(n) "Profits" and "Losses" means, for each taxable year or other period, an amount equal to the Company's taxable income or loss for that year or period, determined in accordance with Code Section 703(a), with the following adjustments: (1) any income of the Company that is exempt from Federal income tax and not otherwise taken into account in computing Profits and Losses pursuant to the foregoing shall be added to such taxable income or loss; (2) any expenditures of the Company described, or treated as described, in Code Section 705(a)(2)(B) and not otherwise taken into account in computing Profits and Losses pursuant to the foregoing shall be subtracted from such taxable income or loss; and (3) any gain or loss from the disposition of an asset shall be taken into account after adjusting the value of an asset as required under the Code and Treasury Regulations.

(o) "QEA Agreement" means that certain "Qualified Exchange Accommodation Agreement" having an effective date on or about the date hereof and to which the Company, ExStra and the Exchangor are parties.

(p) "QEAA Termination Date" is used herein as defined in the QEA Agreement.

Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the QEA Agreement and Operative Documents.

2. Name and Organization. The name of the limited liability company formed hereby is ENR Kansas Acquisition, LLC. The Member have authorized the organization of the Company as a limited liability company under and pursuant to the provisions of the Act and agree that the rights, duties and liabilities of the Members shall be as provided in the Act, except as otherwise provided in this Agreement.

3. Principal Business Office. The principal business office of the Company shall be located at 1600 Norris Road, Bakersfield, CA 93308, or such other location as may hereafter be determined by the Manager.

4. Registered Agent. The name and address of the registered agent of the

Company for service of process on the Company in the State of Delaware is Harvard Business Systems, 16192 Coastal Highway, Lewes, DE 19958.

5. Members.

(a) The mailing addresses of the ExStra and the Exchangor are as set forth on Annex A to this Agreement.

(b) The Members may act by written consent.

6. Purpose. The initial purpose of the Company shall be to act as an "exchange accommodation titleholder" for the benefit of the Exchangor in connection with a like-kind exchange of real property pursuant to §1031 of the Code and IRS Revenue Procedure 2000-37, as amended, and as further described in the Operative Documents and to acquire and hold fee title to certain energy assets as described in the QEA Agreement (the "Parked Property"). The Loan is hereby authorized and approved and the Company may execute and deliver any such other documents as may be required by Lender to evidence the Loan and secure the assets of the Company. The Company, the Exchangor and ExStra will each also enter into each of the Operative Documents to which it is a party pursuant to which the Company, the Exchangor and ExStra will act with the intention of completing the exchange and the Manager will operate the Parked Property on behalf of the Company. Subsequent to the QEAA Termination Date, the Company will cease acting as an "exchange accommodation titleholder" and the purpose of the Company will be the ownership and management of the Parked Property by the Company and any other purpose approved by the Member or as otherwise permitted by applicable laws.

7. QEAA Termination Date Conversion. On the QEAA Termination Date and without any action on behalf of the Member or the Company, the Accommodator Membership Interests shall be converted to the Exchangor Membership Interests, shall be transferred to the Exchangor and shall be the sole Membership Interests in the Company as set forth on Annex B of this Agreement.

8. Management. Subject to Section 8(d), the business and affairs of the Company shall be managed by or under the direction of the Manager. The Manager shall be appointed by the Member and shall hold office until a successor is selected and qualified or until such Manager's earlier death, resignation, expulsion or removal. The Manager shall execute and deliver a counterpart signature to this Agreement. The Manager need not be a Member.

(a) Powers. Subject to Section 8(d), the Manager shall have the power to do any and all acts necessary, convenient or incidental to or for the furtherance of the purposes described herein, including all powers, statutory or otherwise. Subject to Section 8(d), the Manager has the authority to bind the Company.

(b) The Member shall have the authority to fix the compensation of the Manager. The Manager may be paid his, her or its expenses, if any, and/or a stated salary as the Manager. No such payment shall preclude the Manager from serving the Company in any other capacity and receiving compensation therefore.

(c) Removal of Manager. Unless otherwise restricted by law, the Manager may be removed or expelled, with or without cause, at any time by the Member, and any vacancy caused by any such removal or expulsion may be filled by action of the Member.

(d) Limitations on the Company's Activities. Prior to the QEAA Termination Date, the Company shall remain a Single Purpose Entity. A "Single Purpose Entity" means a limited liability company which, at all times since its formation and thereafter, shall not:

(i) engage in any business or activity other than the ownership, operation and maintenance of the Parked Property, and activities incidental thereto;

(ii) acquire or own any assets other than (A) the Parked Property, and (B) such incidental personal property as may be necessary for the ownership, leasing, maintenance and operation of the Parked Property;

(iii) merge into or consolidate with any Person, or dissolve, terminate, liquidate in whole or in part, transfer or otherwise dispose of all or substantially all of its assets or change its legal structure;

(iv) fail to observe all organizational formalities, or fail to preserve its existence as an entity duly organized, validly existing and in good standing (if applicable) under the Applicable Law of the jurisdiction of its organization or formation, or amend, modify, terminate or fail to comply with the provisions of its organizational documents;

(v) own any subsidiary, or make any investment in, any Person;

(vi) commingle its assets with the assets of any other Person;

(vii) incur any indebtedness, secured or unsecured, direct or contingent (including guaranteeing any obligation), other than the Loan and trade and operational indebtedness incurred in conjunction (and accordance) with the Operative Documents; fail to maintain all of its books, records, financial statements and bank accounts separate from those of its affiliates and any constituent party.

(viii) enter into any contract or agreement with any general partner, member, shareholder, principal or affiliate, except upon terms and conditions that are intrinsically fair and substantially similar to those that would be available on an arm's-length basis with unaffiliated third parties and only to the extent within the purpose of the Company as set forth in Section 6 of this Agreement;

(ix) maintain its assets in such a manner that it will be costly or difficult to segregate, ascertain or identify its individual assets from those of any other Person;

(x) assume or guaranty the debts of any other Person, hold itself out to be responsible for the debts of any other Person, or otherwise pledge its assets for the benefit of any other Person or hold out its credit as being available to satisfy the obligations of any other Person;

(xi) make any loans or advances to any Person;

(xii) fail either to hold itself out to the public as a legal entity separate and distinct from any other Person or to conduct its business solely in its own name or fail to correct any known misunderstanding regarding its separate identity;

(xiii) fail to maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations (to the extent there exists sufficient cash flow from the Property to do so

after the payment of all operating, capital and other expenses and Debt Service and nothing contained in the Loan Documents shall require any equity owner to make additional capital contributions to Borrower);

(xiv) without the written consent of ExStra, (a) file or consent to the filing of any petition, either voluntary by Company or involuntary against Company, to take advantage of any Creditors Rights Laws, (b) seek or consent to the appointment of a receiver, liquidator or any similar official for Company or its assets, (c) voluntarily take any action that could reasonably be expected to cause such entity to become insolvent, or (d) make a voluntary assignment for the benefit of creditors;

(xv) acquire obligations or securities of its partners, members, shareholders or other affiliates, as applicable.

Failure of the Company, or the Manager on behalf of the Company, to comply with any of the foregoing covenants or any other covenants contained in this Agreement shall not affect the status of the Company as a separate legal entity or the limited liability of the Sole Member.

(e) Notwithstanding anything set forth herein or in Section 8(d) to the contrary, no provision contained in the above Section 8(d) shall be deemed to create an obligation on the part of the Company or any member, officer, director, employee or Affiliate of the Company to make loans, equity infusions or capital contributions to the Company.

9. Actions Requiring Unanimous Consent. Notwithstanding any other provision of this Agreement and any provision of law that otherwise so empowers the Company, none of the Company nor the Manager or other Person on behalf of the Company, shall, without the prior consent of the Exchangor, do any of the following:

(a) notwithstanding anything in Section 15 to the contrary, to the fullest extent permitted by law, dissolve or liquidate, in whole or in part; consolidate or merge with or into any other entity or convey or transfer substantially all of its properties and assets substantially as an entirety to any entity;

(b) (i) institute proceedings to be adjudicated bankrupt or insolvent, (ii) consent to the institution of bankruptcy or insolvency proceedings against it, (iii) file a petition seeking, or consent to, reorganization or relief under any applicable federal or state law relating to bankruptcy, (iv) consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Company or a substantial part of its property, (v) make any assignment for the benefit of creditors, (vi) admit in writing its inability to pay its debts generally as they become due or (vii) take any limited liability company action in furtherance of any such action; or

(c) amend or modify this Agreement or take action in furtherance of any such action to amend or modify this Agreement.

10. Fiduciary Duty of the Exchangor. The Exchangor shall not, with regard to any act, or failure to act, in connection with any matter requiring the affirmative vote of the Exchangor, owe a fiduciary duty or other obligation to ExStra (except as may specifically be required by the law of any applicable jurisdiction); instead, the Exchangor's fiduciary duty or other obligations with regard to such act, or failure to act, shall be owed to the Company and the creditors of the Company. Each Member shall be deemed to have consented to the

foregoing by virtue of such Member's purchase of membership interests of the Company, no further act or deed of any Member being required to evidence such consent.

11. Fiduciary Duty of Manager. The Manager shall not, with regard to any act, or failure to act, in connection with any matter requiring the action of the Manager, owe a fiduciary duty or other obligation to the ExStra (except as may specifically be required by the law of any applicable jurisdiction); instead, the Manager's fiduciary duty or other obligations with regard to such act, or failure to act, shall be owed to the Company and the creditors of the Company. Each Member shall be deemed to have consented to the foregoing by virtue of such Member's purchase of membership interests of the Company, no further act or deed of any Member being required to evidence such consent.

12. Limited Liability. To the fullest extent permitted by the Act, (a) the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be the debts, obligations and liabilities solely of the Company, and (b) neither the Member, any Affiliate thereof, nor any Manager shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a member, such Affiliate, or acting as Manager of the Company.

13. Initial Capital Contributions.

(a) Simultaneously with the execution hereof, ExStra shall contribute to the Company \$100 in cash in exchange for a 100% Percentage Interest of the limited liability company interests in the Company. Upon receipt of payment by the Company, the limited liability company interests shall be validly issued and, subject to the terms of this Agreement, fully paid and nonassessable.

14. Additional Contributions. Except for the capital contributions set forth in Section 14 above, no Member is required to make any additional capital contribution to the Company. However, a Member may make additional capital contributions to the Company at any time. The provisions of this Agreement, including this Section 15, are intended solely to benefit the Members and, to the fullest extent permitted by law, shall not be construed as conferring any benefit upon any creditor of the Company or any creditor of any Member (and no such creditor of the Company or any Member shall be a third-party beneficiary of this Agreement) and no Member shall have any duty or obligation to any creditor of the Company or such Member to make any contribution to the Company or to issue any call for capital pursuant to this Agreement.

15. Dissolution.

(a) The Company shall dissolve, and its affairs shall be wound up, upon the first to occur of the following: (a) subject to Section 9(a), the unanimous written consent of the Members; or (b) December 31, 2099.

(b) Upon dissolution, the Company shall cease carrying on any and all activities other than the winding up of its business, but the Company is not terminated and shall continue until the winding up of the affairs of the Company is completed and a certificate of cancellation has been filed pursuant to the Act. Upon the winding up of the Company, the assets of the Company shall be distributed: (i) first to creditors (including each Member that is a creditor) in satisfaction of the liabilities of the Company, whether by payment or the making of reasonable provision for payment thereof; and (ii) then to the Members according to the

Percentage Interests held by such Member. Such distributions shall be in cash or property or partly in both, as determined by the Manager.

16. Allocation of Profits and Losses. Through the QEAA Termination Date, the Company's Profits and Losses shall be allocated 100% to ExStra. After the QEAA Termination Date, the Company's Profits and Losses shall be allocated 100% to the Exchangor. For federal, and where applicable, state and local, income tax purposes, the Company will be a single member limited liability company disregarded as an entity separate from its owner under U.S. Treasury Regulations Section 301.7701-3 so long as one Member owns 100% of the Company's Percentage Interests.

17. Distributions. Notwithstanding any provision to the contrary contained in this Agreement, the Company shall not be required to make a distribution to a Member on account of its interest in the Company if such distribution would violate the Act or any other applicable law.

18. Other Business. The Member and any of its Affiliates may engage in or possess an interest in other business ventures (unconnected with the Company) of every kind and description, independent or with others. The Company shall not have any rights in or to such independent ventures or the income or profits therefrom by virtue of this Agreement.

19. Exculpation and Indemnification.

(a) To the fullest extent permitted by the Act, neither the Manager nor any officer or designee of the Manager (collectively, the "Covered Persons") shall be liable to the Company or any Member or any other Person who has an interest in or claim against the Company or any Member for any loss, damage or claim, including, without limitation, any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company and in a manner such Covered Person reasonably believed to be within the scope of the authority conferred on such Covered Person by this Agreement, except that such limitation shall not limit the liability, if any, of a Covered Person to the Company or any Member for any such loss, damage or claim to the extent incurred by reason of such Covered Person's own gross negligence or willful misconduct.

(b) To the fullest extent permitted by applicable law, the Company hereby indemnifies such Covered Person for any loss, damage or claim incurred by such Covered Person by reason of being or acting as or on behalf of the Manager or by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company and in a manner such Covered Person reasonably believed to be within the scope of the authority conferred on such Covered Person by this Agreement, except that no Covered Person shall be indemnified in respect of any loss, damage or claim incurred by such Covered Person by reason of such Covered Person's own gross negligence or willful misconduct with respect to such acts or omissions, provided, however, that any indemnity under this Section shall be provided out of and to the extent of Company's assets only, and no Member shall have personal liability on account thereof.

(c) To the fullest extent permitted by applicable law, expenses (including legal fees) incurred by a Covered Person defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of an undertaking by or on behalf of the Covered Person to repay such amount if it shall be

determined by a final, unappealable decision of a court that the Covered Person is not entitled to be indemnified as authorized in this Section.

(d) A Covered Person shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company or such Covered Person by any Person as to matters the Covered Person reasonably believes are within such other Person's professional or expert competence and who, if selected by the Covered Person, has been selected with reasonable care.

(e) To the extent that, at law or in equity, a Covered Person has duties (including fiduciary duties) and liabilities relating thereto to the Company or to the Members, a Covered Person acting under this Agreement shall not be liable to the Company or to any Member for its good faith reliance on the provisions of this Agreement or any approval or authorization granted in accordance with this Agreement or any approval or authorization granted by the Company or the Members. To the extent that the provisions of this Agreement restrict the duties and liabilities of a Covered Person otherwise existing at law or in equity, such provisions are agreed by each other Covered Person, the Company and the Members to replace such other duties and liabilities of such Covered Person.

(f) The Company shall have power to purchase and maintain insurance on behalf of any Person who is or was an officer of the Manager, employee or agent of the Company, or is or was serving at the request of the Company in such capacity against any expense, liability or loss incurred by such Person in any such capacity or arising out of his or her status as such, whether or not the Company would have the power to indemnify him or her against such liability under Delaware law.

(g) The rights and authority conferred in this Section 19 shall not be exclusive of any other right which any Person may otherwise have or hereafter acquire.

(h) Neither the amendment nor repeal of this Section 19, nor the adoption of any amendment hereto, nor, to the fullest extent permitted by Delaware law, any modification of law, shall eliminate or reduce the effect of this Section 19 in respect of any acts or omissions occurring prior to such amendment, repeal, adoption or modification.

(i) The foregoing provisions of this Section 19 shall survive any termination of this Agreement and shall survive the death, resignation or removal of any Covered Person.

20. **Notices.** Any notices required to be delivered hereunder shall be in writing and personally delivered, mailed or sent by email or other similar form of rapid electronic transmission, and shall be deemed to have been duly given upon receipt (a) in the case of the Company, to the Company at its address in Section 3, (b) in the case of the ExStra, Exchangor or the initial Manager, to the addresses set forth in Annex A and Annex B, as applicable, and (c) in the case of any of the foregoing, at such other address as may be designated by written notice to the other party.

21. **Rules of Construction.** Definitions in this Agreement apply equally to both the singular and plural forms of the defined terms. The words "include" and "including" shall be deemed to be followed by the phrase "without limitation." The terms "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Section, paragraph or subdivision. The Section titles appear as a matter of convenience only and shall not affect the interpretation of this Agreement. All Section,

paragraph, clause, Exhibit or Schedule references not attributed to a particular document shall be references to such parts of this Agreement.

22. Execution by Company. The parties hereto hereby acknowledge and agree that the Company will become a party to this Agreement by execution of a signature page hereto by a Manager on behalf of the Company, and in connection therewith, the Company shall have the right to enforce the terms of this Agreement against each of the parties hereto.

23. Counterparts. To facilitate execution, this Agreement may be executed in any number of counterparts as may be convenient or necessary, and it shall not be necessary that the signatures of all parties hereto be contained on any one counterpart hereof. Additionally, the parties hereto hereby covenant and agree that, for purposes of facilitating the execution of this Agreement, (a) the signature pages taken from separate individually executed counterparts of this Agreement may be combined to form multiple fully executed counterparts and (b) a facsimile or PDF signature shall be deemed to be an original signature. All executed counterparts of this Agreement shall be deemed to be originals, but all such counterparts taken together shall constitute one and the same agreement.

24. Additional Restriction. Notwithstanding any other provision of this Agreement, and to the fullest extent permitted under the Act:

(a) The bankruptcy, death, retirement, resignation, expulsion or dissolution of any Member of the Company shall not cause such Member to cease to be a Member of the Company, and shall not cause the Company to be dissolved or its affairs to be wound up, and upon the occurrence of any such event the Company shall be continued without dissolution;

(b) The interest of a Member in the Company is personal property and a Member has no interest in, and no right, power, authority or authorization to obtain or receive, and a judgment creditor or other creditor of a Member shall have no right, power, authority or authorization to attach, or otherwise obtain any interest in or rights to, the property or any interest therein or any other specific property or assets of the Company;

(c) Unless otherwise specifically provided in this Agreement, a Member of the Company has no voting rights and has no right, power, authority or authorization to approve or consent to any matter, including, without limitation, the dissolution of the Company or any other matter for which a member's consent or approval is permitted or required under the Act;

(d) A Member of the Company has no right, power, authority or authorization to resign, retire, dissolve or to otherwise cease to be a Member of the Company;

(e) No creditor of any Member of the Company may be admitted as a substitute Member of the Company and neither the existing Member nor Manager have the right, power, authority or authorization to, and shall not, consent to any such admission;

(f) The Company has no right, power, authority or authorization to issue any limited liability company interests other than the limited liability company interest issued to the Member;

(g) At all times the Company shall have not less than one (1) member.

25. Governing Law. This Agreement shall be governed by, and interpreted and enforced in accordance with, the substantive laws of the State of Delaware, without reference to the principles governing the conflict of laws applicable in that or any other jurisdiction.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK.
SIGNATURES TO APPEAR ON FOLLOWING PAGE.]

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, has duly executed this Limited Liability Company Operating Agreement as of the date first set forth above.

EXSTRA: ExStra LLC, a Delaware limited liability company

By: Exchange Strategies Corporation, a California corporation, sole Member

By: 
Name: Stan Freeman, President

EXCHANGOR: E&B Natural Resources Management Corporation, a California corporation

By: 
Name: Frank Ronkese, Chief Financial Officer

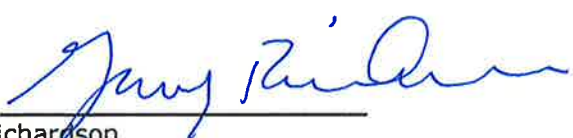
COMPANY: ENR Kansas Acquisition, LLC, a Delaware limited liability company

By: ExStra LLC, a Delaware limited liability company, sole Member

By: Exchange Strategies Corporation, a California corporation, sole Member

By: 
Name: Stan Freeman, President

MANAGER:

By: 
Name: Gary Richardson

ANNEX A

MEMBER AS OF THE DATE OF THIS AGREEMENT

<u>Name</u>	<u>Membership Interests / Percentage Interests</u>	<u>Address</u>
ExStra LLC	100.0%	900 E. Hamilton Ave., Ste. 100 Campbell, CA 95008
TOTAL	<hr/> 100.0%	

ANNEX B

MEMBER AS OF THE QEAA TERMINATION DATE

<u>Name</u>	<u>Membership Interests / Percentage Interests</u>	<u>Address</u>
E&B Natural Resources Management Corporation	100.0%	1600 Norris Road Bakersfield, C 93308
TOTAL	<hr/> 100.0%	