KOLAR Document ID: 1429388

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:

- [x] Oil Lease: No. of Oil Wells 5 **
- [ ] 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: NEODESHA FIELD

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

Effective Date of Transfer: 12/21/2018

KS Dept of Revenue Lease No.: 100930

Lease Name: ROGERS (UNIT 1)

__ - __ - NW - NW Sec. 29 Twp. 30 R. 16 [x] E [ ] W

Legal Description of Lease:

NW NW S29-T30S-R16E

County: Wilson

Production Zone(s): NEODESHA SAND

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. 35122

Past Operator's Name & Address: Lakeshore Operating, LLC

23 1/2 E. MADISON AVE SUITE A IOLA,KS 66749-3329

Title: PRESIDENT

Contact Person: WESLEY KETCHAM

Phone: (844)557-4673

Date: 12/19/2018

Signature: Jennifer Smith-Beal

New Operator's License No. 35639

New Operator's Name & Address: Daylight Petroleum, LLC

4265 SAN FELIPE ST, STE 1100 HOUSTON,TX 77027-2952

Title: PRESIDENT

Contact Person: DONNAN STEELE

Phone: (800)223-5609

Oil / Gas Purchaser: COFFEYVILLE RESOURCES

Date: 12/20/2018

Signature: Jennifer Peters

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 01/15/2019 PRODUCTION _____ UIC _____

Side Two

Must Be Filed For All Wells

KDOR Lease No.: 100930

* Lease Name: ROGERS (UNIT 1) * Location: 29-30S-16E

Well No.	API No. (YR DRLD/PRE '67)	Footage from Section Line (i.e. FSL = Feet from South Line)		Type of Well (Oil/Gas/INJ/WSW)	Well Status (PROD/TA'D/Abandoned)
ROG#1E	15-205-28130-00-00	480 FNL *Circle* FSL/FNL	3960 FEL *Circle* FEL/FWL	OIL	PR
ROG#1D	15-205-28185-00-00	400 FNL FSL/FNL	4290 FEL FEL/FWL	OIL	PR
ROG#1C	15-205-28204-00-00	180 FNL FSL/FNL	4540 FEL FEL/FWL	OIL	PR
ROG#2C	15-205-28215-00-00	485 FNL FSL/FNL	4560 FEL FEL/FWL	OIL	PR
ROG#2D	15-205-28248-00-00	528 FNL FSL/FNL	4340 FEL FEL/FWL	OIL	PR
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		

A separate sheet may be attached if necessary

* When transferring a unit which consists of more than one lease please file a separate side two for each lease. If a lease covers more than one section please indicate which section each well is located.

KOLAR Document ID: 1429388

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form KSONA-1
July 2014
Form Must Be Typed
Form must be Signed
All blanks must be Filled

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 # 35122
Name: Lakeshore Operating, LLC
Address 1: 23 1/2 E. MADISON AVE SUITE A
Address 2:
City: IOLA State: KS Zip: 66749 + 3329
Contact Person: WESLEY KETCHAM
Phone: (844) 557-4673 Fax: ( )
Email Address: WESLEY@LAKESHORERESOURCESLLC.COM

Well Location:
__ - __ - NW - NW Sec. 29 Twp. 30 S. R. 16 ☒ East ☐ West
County: Wilson
Lease Name: ROGERS (UNIT 1) Well #: See T1 Side Two

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

NW NW S29-T30S-R16E

Surface Owner Information:
Name: AX&P REALTY LLC
Address 1: PO BOX 1176
Address 2:
City: INDEPENDENCE State: KS Zip: 67301 + 67301

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: 12/19/2018 Signature of Operator or Agent: WESLEY KETCHAM Title: PRESIDENT

ROGERS

LESSOR:	William A. Rogers, et ux
LESSEE:	Fred E. Wood
DATE:	January 19, 1961
RECORDED:	Book 82, Page 27
PROPERTY:	Beginning at a point 952 feet East of the NW/c of Section 29, Township 30, Range 16 East, thence South 705 feet, thence Easterly making an angle of 8° to the left, a distance of 374 feet, thence Easterly making an angle of 11°05' to the South line of St. Louis and San Francisco Railroad right of way, thence Northwesterly along the South line of said right of way to the North line of said Section, thence West 108 feet to place of beginning, Wilson County, Kansas

KCC WICHITA
SEP 25 2015
RECEIVED

Wilson County Register of Deeds
Book: 380 Page: 413
Receipt #: 26763 Total Fees: $72.00
Pages Recorded: 17 MTF: $17.00
Clerk Tech: $8.50
Rod Tech: $34.00
Treas Tech: $8.50
Date Recorded: 9/4/2015 1:50:36 PM
Connie O'Neill

ASSIGNMENT OF OIL AND GAS LEASES AND BILL OF SALE

(With Reservation of Volumetrically Limited Overriding Royalty Interest)

KNOW ALL MEN BY THESE PRESENTS, that AX&P, INC., a Kansas corporation at 20147 CR 200, Neodesha, KS 66757 and AX&P, REALTY, L.L.C., a Kansas limited liability company hereinafter collectively called "Assignor" (or referred to separately by name), for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does grant, bargain, sell, convey, transfer, assign and deliver all of Assignor's right, title, working interest and overriding royalty interest unto KSMS OIL, LLC, with an address of 41 Madison Ave., 25th Floor, New York, NY 10010, hereinafter called "Assignee", its successors and assigns, in and to the following oil and gas leases and personal property:

(A) The Oil and Gas Leases described on Exhibit A and the leasehold estate and right, privileges and interests created by said leases subject to all the terms and conditions of said oil and gas leases and extensions thereof (collectively, the "Leases"); AND

(B) All equipment, wells, structures and personal property, to include fixtures and improvements, currently located on the Leases described above in paragraph (A), and used or useable in connection with oil and gas exploration, production, treatment, storage and marketing activities together with all rights incident thereto and all easements, permits, rights of way, surface fees, surface leases, servitudes and agreements related thereto, all tenements, hereditaments and appurtenances to the Leases, and all files and records pertaining to the same, including but not limited to drilling data, electric logs, lease files, land files, well files, division order files, geophysical data, studies, evaluations, projections, reports, appraisals, valuations, maps, regulatory files and records (collectively, the "Personal Property").

The Leases and Personal Property are collectively referred to as the "Assigned Property."

ASSIGNMENT TERMS:

1. GENERAL WARRANTY. Assignor makes this Assignment with general warranty. Assignee accepts the Assigned Property with general warranty by Assignor that nothing has encumbered the title to the same and that any encumbrances held by Assignor are hereby assigned to Assignee. The Net Revenue Interest (N.R.I.) listed on Exhibit A are for the purpose of warranting certain ownership interests, this is an assignment of all of Assignor's right title and working and overriding royalty interest in said leases notwithstanding the N.R.I. interest listed in Exhibit A. Assignor warrants that it has good merchantable title to the Assigned Property free and clear of all liens and encumbrances

2. MERGER OF OVERRIDING ROYALTY. The interest assigned herein consists partly of overriding royalty interest and partly of working interest. It is the intention of the Parties that any overriding royalty interest in and to the Leases which burdens the working interest assigned herein be merged back into the working interests and lose its status as an overriding royalty interest immediately upon the receipt of said interest by Assignee. Therefore, Assignee will be the owner of all of the working interest in and to the Leases, without any overriding royalty interest burdening said working interest. Provided however that all overriding royalty interests assigned hereto burdening any working interest which is not assigned herein shall not be merged with the working interest and shall retain its status as overriding royalty.

3. TRANSFER OF RIGHTS. To the extent transferable, Assignee is hereby granted the right of full substitution and subrogation in and to any and all rights and warranties which Assignor has or may have with respect to the Assigned Property conveyed herein of which Assignor has or may have against any and all preceding owners, vendors or warrantors. The Assigned Property shall include all right, title and interest which Assignor may have in and to the Leases, including but not limited to leasehold interests, rights of assignment or reassignment, overriding royalties, contractual rights, regulatory authorities and permits or licenses, easements and rights-of-way.

4. VOLUMETRICALLY LIMITED OVERRIDING ROYALTY INTEREST RETAINED. The foregoing notwithstanding, there is reserved, excepted and retained unto Assignor AX&P, Inc. as of the Effective Time a Five Percent (5%) of 8/8ths (.050000 net revenue interest) overriding royalty interest in and to the Leases; provided however that said retained interest shall automatically

expire, revert to Assignee and be merged into the working interest and become a part thereof, when there is delivered or paid to AX&P, Inc. attributable to such retained interest the volumetric limitation of 6,500 barrels of crude oil or the proceeds therefrom. It is expressly understood and agreed with respect to such retained interest: (i) the retained, overriding royalty interest shall be delivered or paid from crude oil produced, saved and marketed from the Leases, and is free of all costs of exploration, development and production save applicable taxes; (ii) the volumetric limitation of 6,500 barrels of crude oil is applicable to the volume delivered, or proceeds therefrom paid, with respect to the retained interest (representing 5.0% of 130,000 barrels of crude oil produced, saved and marketed from the Leases); (iii) the retained interest applies to crude oil only, and Seller retains no interest in natural gas produced from the Leases; and (iv) the retained interest shall apply and extend to the Leases and any extensions, renewals, substitutions, replacements, consolidations, unitizations and poolings thereof. To assure the eventual and timely release and assignment of said overriding royalty interest to Assignee at the expiration of the term of such interest, a Release and Assignment has been executed by AX&P, Inc. and delivered to the law firm of Anderson & Byrd, Ottawa, Kansas, to hold in trust with authority to record and effectuate the same at such time as it is in receipt of good and sufficient evidence the volumetric limitation applicable to the retained interest has been achieved by the delivery, or payment of proceeds, of 6,500 barrels of crude oil.

5. FARMOUT AGREEMENT. The interest of the Assignor is subject to, and there is conveyed to Assignee, the rights of Assignor arising under, Farmout Agreement between AX&P, Inc. and Colt Natural Gas, LLC dated June 2001, as amended, and assignments of record pertaining thereto.

6. LAND AND ROYALTY. The foregoing notwithstanding, the property sold excludes the real property owned by AX&P Realty, LLC known as the "Puckett Farm" legally described as All that part of the Northeast Quarter (NE/4), Section Twenty Nine (29), Township Thirty (30) South, Range Sixteen (16) East of the Sixth Principal Meridian, lying West of the Verdigris River and South of the St. Louis and San Francisco Railroad right-of-way, less and except the following: Beginning at a point on the North and South centerline of said Section 29, where said line is intersected by the South line of the right-of-way of said Railroad, thence South 12 feet from said South line of said Railroad, thence Easterly parallel with and 12 feet distance from the South line of said Railroad right-of-way to a point which is 1146 feet East of the centerline of said Section 29, thence South 338 feet, thence East to the center of the River, thence North along the centerline of said River to the South line of said right-of-way, thence Westerly along the South line of said right-of-way to point of beginning, Wilson County, Kansas (which real property is nevertheless subject to the Lease known as the "Mong-Skiles" Lease) together with the lessor's royalty associated with such real property.

7. UNITIZATION AGREEMENT. The Leases are sold subject to, and there is conveyed to Assignee the rights of Assignor arising under, Unitization Agreement, Unit I, Neodesha Field, Wilson County, Kansas, dated September 1, 1961, as amended.

8. FURTHER ASSURANCES. The parties agree to execute, acknowledge and deliver such other and further instruments or documents, and to take such other and further actions as may be reasonably necessary to carry out the provisions of this Assignment.

9. EFFECTIVE TIME. This Conveyance shall be effective as of September 1, 2015, at 12:01 a.m., Central Daylight Savings Time.

TO HAVE AND TO HOLD the above described property and easement with all and singular the rights, privileges, and appurtenances thereunto or in any wise belonging to the said Assignee herein, its successors, personal representatives, administrators, executors and assigns forever.

AX&P, INC.:

By: _____
Jürgen Hanke President

AX&P, REALTY, L.L.C.

By: _____
Jürgen Hanke Managing Member

STATE OF KANSAS COUNTY OF MONTGOMERY, ss:

This instrument was acknowledged before me on the 2nd day of September, 2015, by Jürgen Hanke, as president of AX&P, INC., a Kansas corporation.

Appointment/Commission Expires: 9-21-18

Notary Public

JUDY A. BEEM
Notary Public - State of Kansas
My Appt. Expires 9-21-18

STATE OF KANSAS COUNTY OF MONTGOMERY, ss:

This instrument was acknowledged before me on the 2nd day of September, 2015, by Jürgen Hanke, as managing member of AX&P, REALTY, L.L.C., a Kansas limited liability company.

Notary Public

Appointment/Commission Expires: 9-21-18

JUDY A. BEEM
Notary Public - State of Kansas
My Appt. Expires 9-21-18

EXHIBIT "A"

Description and Schedule of Leases (and Surface Permits)

(1) Oil and Gas Leases Assigned and Associated Working Interests ("W.I.") and Net Revenue Interests ("N.R.I.", expressed as decimals, where 1.000000 = 8/8[ths]):

Lease No.	Lease Name	Rights Assigned by Product Per Farmout Agreement[a]							
		Oil Rights		"Neodesha Sand" Gas		Other Gas		Liquid Hydrocarbons Assoc. with Other Gas	
		W.I.	N.R.I.	W.I.	N.R.I.	W.I.	N.R.I.	W.I.	N.R.I.
KW101	Ellis[b]	100%	.875000	100%	.875000	0%	.050000	0%	.109375
KW101-A	Newby								
KW102	Mong-Kimball	100%	.875000	100%	.875000	0%	.050000	0%	.109375
KW103	Mong-Skiles[b]	100%	.875000	100%	.875000	0%	.050000	0%	.109375
KW104	City of Neodesha[b]	100%	.875000	100%	.875000	0%	.050000	0%	.109375
KW107	Hutchins[b]	100%	.875000	100%	.875000	0%	.050000	0%	.109375
KW108	Cramer[b]	100%	.875000	100%	.875000	0%	.050000	0%	.109375
KW109	Long[b]	100%	.875000	100%	.875000	0%	.050000	0%	.109375
KW110	Sutherland[b]	100%	.875000	100%	.875000	0%	.050000	0%	.109375
KW111	Jones	100%	.875000	100%	.875000	0%	.050000	0%	.109375
KW112	Johnson	100%	.875000	100%	.875000	0%	.050000	0%	.109375
KW113	Wolfe West[b]	100%	.875000	100%	.875000	0%	.050000	0%	.109375
KW114	Skiles-Rankin	100%	.875000	100%	.875000	0%	.050000	0%	.109375
KW115	Bailey Fee #2[c]	100%	.875000	100%	.875000	0%	.050000	0%	.109375
KW116	Greer	100%	.875000	100%	.875000	0%	.050000	0%	.109375
KW117	Bourceaux	100%	.875000	100%	.875000	0%	.050000	0%	.109375
KW118	Key Heirs	100%	.875000	100%	.875000	0%	.050000	0%	.109375
KW119	Wolfe East[b]	100%	.875000	100%	.875000	0%	.050000	0%	.109375
KW120	Skiles-Sweeney[b]	100%	.875000	100%	.875000	0%	.050000	0%	.109375
KW121	Belle Keys	100%	.875000	100%	.875000	0%	.050000	0%	.109375
KW122	Wilson	100%	.875000	100%	.875000	0%	.050000	0%	.109375
KW123	Bailey-Kimball[b]	100%	.875000	100%	.875000	0%	.050000	0%	.109375
KW124	Rogers[b]	100%	.875000	100%	.875000	0%	.050000	0%	.109375
KW125	Mann	100%	.875000	100%	.875000	0%	.050000	0%	.109375
KW126	Holmberg[b]	100%	.875000	100%	.875000	0%	.050000	0%	.109375
KW127	Clegg[c]	100%	.875000	100%	.875000	0%	.050000	0%	.109375
KW128	Holland[b]	100%	.875000	100%	.875000	0%	.050000	0%	.109375
KW129	Scott[b]	100%	.875000	100%	.875000	0%	.050000	0%	.109375
KW130	Small[b]	100%	.875000	100%	.875000	0%	.050000	0%	.109375
KW131	Katzer	100%	.875000	100%	.875000	0%	.050000	0%	.109375
KW151	Casebeer	100%	.875000	100%	.875000	0%	.050000	0%	.109375
KW152	Grabner	100%	.875000	100%	.875000	100%	.875000	100%	.875000
KW153	Grabner (New)[d]	100%	.855000	0%	.025000	0%	.025000	0%	-

[a]W.I. and N.R.I. recited above based upon the terms of Farmout Agreement between AX&P, Inc. and Colt Natural Gas, LLC dated June 2001 as amended, and assignments pertaining thereto, but the rights hereby assigned also include the rights of reversion on re-entry reserved to AX&P, Inc. pursuant to the said Farmout Agreement.

[b]Unit I – currently unitized production.

[c]KW115 (Bailey Fee #2) and KW127 (Clegg) are subject to Consolidation Agreement of record.

[d]KW153 (Grabner (New)) not covered by Farmout Agreement, Gas rights conveyed by separate assignment.

(2) Schedule of Leases (and Surface Permits) Attached

Schedule of Leases

KW101: ELLIS

LESSOR:	C.M. Condon
LESSEE:	Guffey & Galey
DATE:	March 26, 1894
RECORDED:	Book 1, Page 307
PROPERTY:	SE/4 North of Fall River, in Section 29, Township 30 South, Range 16 East, Wilson County, Kansas

KW101-A: NEWBY SURFACE LEASE

LESSOR:	O. R. Newby, et ux.
LESSEE:	Fred E. Wood
DATE:	March 1, 1962
RECORDED:	Book 96, Page 520
PROPERTY:	**Tract I**: Beginning at a point located 23 feet South and 28 feet East of the South end of the East concrete abutment on the county road near the center of Section 29, Township 30 South, Range 16 East, then 233 feet South, 300 feet East, 233 feet North, and 300 feet West to the point of beginning, Wilson County, Kansas, containing 1.605 acres; **Tract II**: 1 acre in the form of a square, the boundaries of which run North and South and East and West to the Ellis Well No. 4 in the center thereof, Wilson County, Kansas

KW102: MONG-KIMBALL

(1)

LESSOR:	H.H. Kimball, et ux
LESSEE:	S.H. Hale
DATE:	August 24, 1902
RECORDED:	Book 6, Page 309
PROPERTY:	Beginning at the center of Section 29, Township 30 South, Range 16 East, thence West 1,053 feet, thence North 2,125 ½ feet to the South line of the St. Louis and San Francisco Railroad right-of-way, thence along the South line of said right-of-way in a Southeasterly direction to a point where the said right-of-way crosses the half section line of said Section 29, thence South along said half section line to the place of beginning, Wilson County, Kansas

(2)

LESSOR:	C.R. Mong, et ux.
LESSEE:	Albian W. Bailey
DATE:	September 3, 1946
RECORDED:	Book 63, Misc., Page 394

PROPERTY: Beginning at the center of Section 29, Township 30 South, Range 16 East, thence West 1,053 feet, thence North 2,125 ½ feet to the South line of the St. Louis and San Francisco Railroad right-of-way, thence along the South line of said right-of-way in a Southeasterly direction to a point where the said right-of-way crosses the half section line of said Section 29, thence South along said half section line to the place of beginning, Wilson County, Kansas

KW103: MONG-SKILES

LESSOR: C.R. Mong, et ux
LESSEE: Albian W. Bailey
DATE: September 3, 1946
RECORDED: Book 63, Page 394
PROPERTY: All that part of the NE/4 of Section 29, Township 30 South, Range 16, which lies West of the Verdigris River and the South of the St. Louis San Francisco Railroad Company right-of-way, less the following tract: Beginning at a point on North and South center line of said Section 29, Township 30, Range 16 East, where said line is intersected by the South line of the right-of-way of said Railroad Company; thence running South 12 feet distance from said South line of said Railroad, thence Easterly parallel with and 12 feet distant from the South line of said railroad right-of-way to a point which is 1146 feet East of said center line of Section 29, thence South 338 feet, thence East to the center of the River, thence North along the center of said river to the South line of said right-of-way, thence westerly along the South line of said right-of-way to place of beginning and containing 78 acres, m/l; and Commencing at the center of Section 29, Township 30, Range 16 East, thence West 1053 feet, thence North 2125 feet and 6 links to the South line of the St. Louis San Francisco Railroad right-of-way, thence along the South line of said right-of-way in a Southeasterly direction to a point where the said St. Louis San Francisco right-of-way crosses the half section line of Section 29, thence South along said half section line to the place of beginning; all in Wilson County, Kansas

KW104: CITY OF NEODESHA

LESSOR: City of Neodesha
LESSEE: Albian W. Bailey
DATE: October 1, 1962
RECORDED: Book 84, Page 381

PROPERTY: Commencing at a point on the North and South center line of Section 29, Township 30 South, Range 16 East, where said line is intersected by the South line of the right-of-way of the San Francisco Railway, thence running South a distance of 12 feet from the South line of said railway, thence Easterly parallel with and 12 feet distant from the South line of said railroad to a point which is 1,146 feet East of said center line of Section 29, thence South 338 feet, thence East to the center of Verdigris River, thence up the river along the center of said river to the South line of the Railroad right-of-way, thence Westerly along the South line of said right-of-way to place of beginning, Wilson County, Kansas

KW107: HUTCHINS

LESSOR: Amelia C. Hutchins
LESSEE: J.W. Griffiths
DATE: March 20, 1917
RECORDED: Book 28, Page 77
PROPERTY: All of the NE/4 of Section 32, Township 30 South, Range 16 East, Wilson County, Kansas, lying South of Fall River, and also that part of the SE/4 of Section 29; Township 30 South, Range 16 East, lying South of the center of Fall River, Wilson County, Kansas

KW108: CRAMER

LESSOR: Catherine E. Cramer
LESSEE: Forest Oil Company
DATE: June 2, 1896
RECORDED: Book 3, Page 3
PROPERTY: All of the NE/4 of Section 32, Township 30 South, Range 16 East, North of Fall River, and all of the NW/4 of Section 33, Township 30 South, Range 16 East, North of Fall River, Wilson County, Kansas

KW109: LONG

LESSOR: G.W. Long
LESSEE: Guffey & Galey
DATE: October 11, 1893
RECORDED: Book 17, Page 214
PROPERTY: SE/4 of Section 32, Township 30 South, Range 16 East; All of the NW/4 West of Verdigris River in Section 33, Township 30 South, Range 16 East; All of the SW/4 West of Verdigris River in Section 33, Township 30 South, Range 16 East; All that part of the SW/4 lying Southeast and West of Fall River in Section 28, Township 30, Range 16; all in Wilson County, Kansas

KW110: SUTHERLAND

LESSOR: J.W. Sutherland, et ux.
LESSEE: Guffey & Galey
DATE: October 21, 1895
RECORDED: Book 2, Page 116
PROPERTY: All of the SW/4 lying between Verdigris and Fall Rivers, Section 28, Township 30 South, Range 16 East, Wilson County, Kansas

KW111: JONES

LESSOR: Richard M. Jones
LESSEE: Forest Oil Company
DATE: August 7, 1900
RECORDED: Book 4, Page 23
PROPERTY: NE/4 SW/4 North of the River, in Section 28, Township 30 South, Range 16 East, Wilson County, Kansas

KW112: JOHNSON

LESSOR: Theodore Johnson, et ux.
LESSEE: Forest Oil Company
DATE: October 13, 1900
RECORDED: Book 4, Page 2
PROPERTY: NW/4 SE/4 North of Washington Creek, in Section 28, Township 30 South, Range 16 East, Wilson County, Kansas

KW113: WOLFE WEST

(1)
LESSOR: Gus Wolfe, et ux.
LESSEE: Fred E. Wood
DATE: July 20, 1960
RECORDED: Book 81, Page 319
PROPERTY: Part of the NW/4 of Section 29, Township 30 South, Range 16 East, described as follows: Beginning at a point 95 feet East of the Northwest corner of said Section 29 (which point is the intersection of the East right-of-way line of the Missouri Pacific Railway Company and the North line of said Section 29), thence East a distance of 320 feet; thence South 255.2 feet; thence Southeasterly making an angle of 31°50' to the left of the last described line a distance of 229.8 feet, thence Southeasterly, making an angle of 15°42' to the left of the last described line a distance of 198 feet, thence Southeasterly, making an angle of 18°30' to the left of the last described line a distance of 300 feet; thence Easterly, making an angle of 8° to the left of the last described line a distance of 360 feet, thence Easterly, making an angle of 11°__' to the left of the last described line a distance of 291.7 feet; thence South

a distance of 546.5 feet, thence West a distance of 1511 feet to the East right-of-way line of the Missouri Pacific Railway Company; thence North to the point of beginning, containing 29.11 acres, more or less; Also commencing at a point 95 feet East and 1380.5 feet South of the Northwest corner of said Section 29; thence East 1511 feet; thence South 1267 feet to a sandstone; thence West 1,511 feet to a point 95 feet East of the West line of said Section 29; thence North 1267 feet to the point of beginning, containing 44 acres, more or less; except that part thereof lying South and West of the center of Fall River, and also, all that part of the SW/4 of Section 29, Township 30 South, Range 16 East, lying North and East of the center channel of Fall River; and also, all that part of the NW/4 of Section 32, Township 30 South, Range 16 East, lying South of the Section line of Section 29, Township 30 South, Range 16 East, and North of the center of the channel of Fall River; all in Wilson County, Kansas.

(2)

LESSOR: Gus Wolfe, et ux.
LESSEE: Fred E. Wood
DATE: July 20, 1960
RECORDED: Book 81, Page 321
PROPERTY: Beginning at a point 415 feet East of the NW/c of Section 29, Township 30 South, Range 16 East of the 6th P.M., thence South 255.2 feet, thence Southeasterly making an angle of 31°50' to the left of the last described line 229.8 feet, thence Southeasterly making an angle of 15°42' to the left of the last described line 198 feet, thence Southeasterly making an angle of 18°30' to the left of the last described line 286 feet, thence North 705 feet to the North line of said Section, thence West to the point of beginning which is 537½ feet more or less, all containing 7 ½ acres more or less and situated in the NW/4 of Section 29, Township 30 South, Range 16 East, Wilson County, Kansas.

KW114: SKILES-RANKIN

LESSOR: C. M. Condon
LESSEE: Guffey & Galey
DATE: March 26, 1894
RECORDED: Book 1, Page 307
PROPERTY: Commencing at the SE/C W/2 NW/4 of Section 28, thence North to the center of the Verdigris River; thence in a Northwesterly direction down to said River to the North line of said Section 28, thence West 12 chains more or less to the corner of Bourcaux's land, thence South to the center of the Verdigris River; thence in a Southeasterly direction down the center of said river to the North line of the SE/4 of said Section 29, thence East to the NE/C SE/4 of said Section 29, thence South to the center of the Verdigris River,

thence down the center of said river in a Southeasterly direction to the East line of the W/2 SW/4 of said Section 28, thence North to the place of beginning, less the right-of-way of the St. Louis-San Francisco Railway, all in Township 30 South, Range 16 East, Wilson County, Kansas, and containing 112.65 acres, more or less

KW115: BAILEY FEE #2 (Consolidated with KW127, CLEGG-See Below)

(1)
LESSOR: H. H. Arthur, et ux.
LESSEE: Forest Oil Company
DATE: July 17, 1900
RECORDED: Book 3, Page 627
PROPERTY: ½ acre in Section 21, Township 30 South, Range 16 East, Wilson County, Kansas

(2)
LESSOR: H. H. Arthur, et ux.
LESSEE: Prairie Oil & Gas Co.
DATE: January 14, 1901
RECORDED: Book 4, Page 66
PROPERTY: ½ acre in Section 28, Township 30 South, Range 16 East, Wilson County, Kansas

(3)
LESSOR: H. H. Arthur, et ux.
LESSEE: Prairie Oil & Gas Co.
DATE: April 22, 1901
RECORDED: Book 4, Page 167
PROPERTY: ½ acre in Section 21, Township 30 South, Range 16 East, Wilson County, Kansas

(4)
LESSOR: Albian W. Bailey, et ux.
LESSEE: AX&P, Inc.
DATE: June 16, 1988
RECORDED: Book 137, Page 607
PROPERTY: Beginning at a point 25 feet East of the East end of the North line of Main Street in the City of Neodesha, thence running South to a point 25 feet East of the East end North line of Wisconsin Street in said City, thence West 25 feet, thence South along the city limits to a point at the East end of the North line of Ohio Street in said City, thence Easterly to the center of a small creek which empties into the Verdigris River, thence down the center of said creek to said Verdigris River, thence across said River to the NW/C of Section 28, Township 30, Range 16, thence East to the center of said Verdigris River, thence up the center of said River to a point where the North and South center line of the NW/4 of said Section 28 crosses said river, thence North to said Verdigris River, thence Westerly up said river to the East line of Section 20 in said township and range, thence South to the top of the high bank of said River, thence Westerly to the point of beginning, all in

Wilson County, Kansas, containing 85 acres, except that part of said lands covered by oil and gas leases recorded at Book 4, Misc., Page 167, and Book 4, Misc., Page 436

KW116: GREER

LESSOR:	B. F. Greer
LESSEE:	Forest Oil Company
DATE:	March 4, 1896
RECORDED:	Book 2, Page 353
PROPERTY:	All that part of the SE/4 SE/4 lying East and West of the Verdigris River, in Section 20, Township 30 South, Range 16 East, Wilson County, Kansas

KW117: BOURCEAUX

LESSOR:	Louis Bourceaux
LESSEE:	R. T. Parkin
DATE:	January 18, 1919
RECORDED:	Book 29, Page 122
PROPERTY:	Commencing at the NE/C E/2 W/2 E/2 NE/4 of Section 29, Township 30 South, Range 16 East, thence West 20 rods, thence South 88 rods to center of Verdigris River, thence Southeast following the middle of the river to the intersection with the East side of the E/2 W/2 E/2 NE/4 of said Section 29, thence North 108 rods to the point of beginning, containing 12 and quarter acres, more or less, subject to the Railroad right-of-way, Wilson County, Kansas

KW118: KEYS HEIRS

LESSOR:	Belle Keys
LESSEE:	R. S. Litchfield
DATE:	August 1, 1907
RECORDED:	Book 14, Page 313
PROPERTY:	All that portion of the NE/4 and SE/4 NW/4 lying South of Railroad, Section 28, Township 30 South, Range 16 East, except a tract out of said area beginning in the SE/C NE/4, running thence West 1,225 feet, thence North 696.4 feet to the South line of the Frisco right-of-way, thence Southeasterly with said right-of-way to the East section line, thence South 372 feet to point of beginning, Wilson County, Kansas

KW119: WOLFE EAST

LESSOR:	Gus Wolfe, et ux.
LESSEE:	Fred E. Wood
DATE:	July 20, 1960
RECORDED:	Book 81, Page 323
PROPERTY:	Beginning at the NE/c NW/4 of Section 33,

running thence South 131 rods and 2 links to Verdigris River, thence Northwest meandering up the Verdigris River to the junction of Fall River, thence up Fall River to the North line of said Section 33, thence East to place of beginning, containing 43 acres, m/l, in Township 33, Range 16; AND the W/2 NE/4 of Section 33, and the South 10 acres of the SW/4 SE/4 of Section 28, all in Township 30, Range 16 East, containing 90 acres, m/l; AND Commencing at the NW/c of the SW/4 SE/4 of Section 28, Township 30, Range 16, thence East 80 rods, thence South 60 rods, thence West 80 rods, thence North 60 rods to beginning, containing 30 acres, m/l; AND the S/2 NW/4 SE/4 of Section 28, Township 30, Range 16, containing 20 acres, more or less, AND Commencing 40 rods North of the SE/c NW/4 SE/4 of Section 28, Township 30, Range 16, thence North 23 rods to the center of the channel of Washington Creek, thence in a Southwesterly direction following the channel of said creek to the West line of said quarter section, thence South on said line 6 rods, thence East 80 rods to place of beginning, containing 6-3/4 acres, m/l; AND Commencing in the center of the channel of Washington Creek on the East line of the NW/4 SE/4 of Section 28, at a point 17 rods South of the NE/c NW/4 SE/4, thence North 17 rods to the NE/c of said quarter, thence West 80 rods, thence South 34 rods to the center of the channel of said creek, thence in a Northeasterly direction up the channel of said creek to the place of beginning, containing 13-3/4 acres, all in Township 30, Range 16 East; all in Wilson County, Kansas; AND LESS 20 acres more or less covered by a lease executed on the 13th day of October, 1900, by Theodore Johnson and Ruth Johnson, husband and wife, to the Forest Oil Company, and recorded at Book 4, Misc., Page 27, Wilson County, Kansas

KW120: SKILES-SWEENEY

LESSOR:	C. M. Condon
LESSEE:	Guffey & Galey
DATE:	March 26, 1894
RECORDED:	Book 1, Page 307
PROPERTY:	Beginning at a point which is 333 feet South of the NE/C W/2 W/2 NE/4 of Section 29, Township 30 South, Range 16 East, same being in the SW/C of Johnson Revised Addition to the City Neodesha, thence running East to the Verdigris River, thence down the river to the north line of right-of-way of the St. Louis and San Francisco Railway, thence West along said right-of-way to a point due South of beginning, thence North to point of beginning, Wilson County, Kansas

KW121: BELLE KEYS

LESSOR:	Belle Keys
LESSEE:	Frank Seeley
DATE:	May 28, 1917
RECORDED:	Book 28, Page 206
PROPERTY:	Beginning 20 rods East of the NW/C NE/4 of Section 29, Township 30, Range 16, and running East 20 rods, thence South to the right-of-way of the Frisco railroad, thence West 20 rods, thence North to the place of beginning, Wilson County, Kansas

KW122: WILSON

LESSOR:	Louis E. Irvine, et al.
LESSEE:	F. E. Slicker
DATE:	April 19, 1937
RECORDED:	Book 57, Page 577
PROPERTY:	Commencing at a point 98 ½ rods North of the SE/C W/2 NW/4 of Section 21, Township 30, Range 16, which is on the North side of land deeded to Martha A. Wilson, and running thence North to the center of the Verdigris River, thence down the center of said river to a point 98 ½ rods North of the South line of the E/2 NE/4 of Section 20, thence East to place of beginning; and commencing at the SE/C W/2 NW/4 of Section 21, Township 30, Range 16 East, thence running North 30 rods, thence West 160 rods, thence South 30 rods, thence East to place of beginning, less a tract described as follows: commencing at the SE/C of the W/2 NW/4 of Section 21, Township 30, Range 16 East, running thence North 16 rods, thence West 20 rods, thence South 16 rods, thence East 20 rods; also commencing 30 rods North of the SE/C of the W/2 NW/4 of Section 21, thence North 68 ½ rods, thence West 160 rods, thence South 68 ½ rods, thence East 160 rods to place of beginning, all in Township 30, Range 16 East, Wilson County, Kansas

KW123: BAILEY-KIMBALL

LESSOR:	Henry Kimball, et al.
LESSEE:	S. H. Hale
DATE:	August 24, 1902
RECORDED:	Book 6, Page 309
PROPERTY:	A tract of land in the NE/4 NW/4 of Section 29, Township 30 South, Range 16 East, bounded on the North and East by the city limits of the City of Neodesha, Kansas, on the South by the North line of the Frisco right-of-way, and on the West by a line running due North and South from the SW/C of Lot 11 of H. H. Kimball's Third Addition, said line being the East line of

the land deeded by A. H. Vanderhoff to Kenneth S. Cook and his wife, Zeolia G. Cook, in Wilson County, Kansas

KW124: ROGERS

LESSOR: William A. Rogers, et ux
LESSEE: Fred E. Wood
DATE: January 19, 1961
RECORDED: Book 82, Page 27
PROPERTY: Beginning at a point 952 feet East of the NW/c of Section 29, Township 30, Range 16 East, thence South 705 feet, thence Easterly making an angle of 8° to the left, a distance of 374 feet, thence Easterly making an angle of 11°05' to the South line of St. Louis and San Francisco Railroad right of way, thence Northwesterly along the South line of said right of way to the North line of said Section, thence West 108 feet to place of beginning, Wilson County, Kansas

KW125: MANN

LESSOR: J. C. Mann, et ux.
LESSEE: Guffey & Galey
DATE: October 16, 1893
RECORDED: Book 1, Page 544
PROPERTY: All that part of the N/2 SE/4 lying West of the Verdigris River, in Section 20, Township 30 South, Range 16 East, Wilson County, Kansas, excepting therefrom the following described tract of land: Commencing at a point 39 feet West of the East line of the W/2 SE/4 of said Section 20, and 40 feet North of the South line of the NW/4 SE/4 of said Section 20, said point being the SE/C of Lot 4, Block 40 of the original townsite of the City of Neodesha, Kansas, running thence North 110 feet, thence East 38 feet, thence North 45 feet, thence East 137 feet, thence South 155 feet, thence West 175 feet to the place of beginning

KW126: HOLMBERG

LESSOR: Raymond D. Holmberg, et ux.
LESSEE: Albian W. Bailey
DATE: May, 1961
RECORDED: Book 82, Page 333
PROPERTY: All that part of the SE/4 of Section 20, Township 30, Range 16 East, described as follows: Beginning on the line of the Neodesha city limits at a point directly North of the middle of Block 39, City of Neodesha, thence in a Northwesterly direction along the North line of the City of Neodesha, to the East line of Third Street, thence North to the East and West half section line through said Section 20, thence East on said line to a point directly North of the middle of Block 39, City of

Neodesha, thence South to the place of beginning, Wilson County, Kansas

KW127: CLEGG

LESSOR: Lota Clegg
LESSEE: Walter Lacey, et al
DATE: November 11, 1957
RECORDED: Book 78, Page 691
PROPERTY: All that part of the E/2 SW/4 of Section 21, Township 30 South, Range 16 East, lying West and South of Center of the Verdigris River, Wilson County, Kansas
CONSOLIDATION: Consolidated with the KW115, Bailey Fee #2 pursuant to Lease Consolidation Agreement dated April 1, 2014, recorded in Book 371, Page 433.

KW128: HOLLAND

LESSOR: Grayce E. Holland
LESSEE: Albian W. Bailey
DATE: June 29, 1961
RECORDED: Book 83, Page 65
PROPERTY: S/2 SE/4 of Section 33, Township 30, Range 16; W/2 SW/4 of Section 34, Township 30, Range 16; and, Beginning at the SE/c SW/4 NW/4 of Section 34, Township 30, Range 16, thence North 15 rods to North bank of creek, thence Westerly along the North bank of creek to East bank of Dry Creek, thence South along East bank of Dry Creek, to South line of NW/4 of said Section 34, thence East to beginning, containing 2 acres, more or less; and a tract of land described as follows: Commencing at the SE/c SW/4 of Section 33, Township 30, Range 16 East, running thence North 22 rods and 18 links, thence West 73 rods and 7 links to East bank of Verdigris River, thence down East bank of Verdigris River to the section line on the South side of said section; thence East on said section line 74 rods and 12 links to place of beginning, containing 10 ½ acres, more or less, subject to right of way 20 feet wide to be used as a wagon road across the east end of the above described tract of land; all in Wilson County, Kansas

KW129: SCOTT

LESSOR: A.M. Wescott, et ux
LESSEE: B.E. Ladow
DATE: February 27, 1904
RECORDED: Book 9, Page 572
PROPERTY: N/2 SE/4 of Section 33, Township 30 South, Range 16 East, Wilson County, Kansas

KW130: SMALL

LESSOR:	Hazel M. Small, et vir
LESSEE:	Fred E. Wood
DATE:	November 5, 1961
RECORDED:	Book 82, Page 691
PROPERTY:	NE/4 NE/4 of Section 33, Township 30 South, Range 16 East; and W/2 SE/4 SE/4 of Section 28, Township 30 South, Range 16 East, Wilson County, Kansas

KW131: KATZER

LESSOR:	Lawrence J. Katzer
LESSEE:	Fred E. Wood
DATE:	January 19, 1961
RECORDED:	Book 81, Page 569
PROPERTY:	NE/4 SE/4 and E/2 SE/4 SE/4 of Section 28, Township 30 South, Range 16 East, Wilson County, Kansas

KW151: CASEBEER

LESSOR:	Adelene Casebeer, et vir
LESSEE:	Fred E. Wood
DATE:	December 8, 1965
RECORDED:	Book 91, Page 31
PROPERTY:	SE/4 NE/4 of Section 33; and the SW/4 NE/4 of Section 34; and the SE/4 NW/4 of Section 34, less beginning at the SW/c SE/4 NW/4, thence North 20 rods, thence Southeasterly to center of the section, thence West 80 rods to beginning; all in Township 30, Range 16 East; Also the SW/4 NW/4 of Section 34, less beginning at the SE/c SW/4 NW/4 of said section, thence North 15 rods to the North bank of the creek, thence Westerly along the North bank of the Creek to the East bank of the Dry Creek, thence South to South line of NW/4, thence East to place of beginning; all in Township 30, Range 16 East, Wilson County, Kansas

KW152: GRABNER

LESSOR:	Janet S. Sprinkle, et vir.
LESSEE:	AX&P, Inc.
DATE:	August 13, 2012
RECORDED:	Book 357, Page 14
PROPERTY:	SW/4 SW/4, Section 27, and NW/4 NW/4 of Section 34, all in Township 30S, Range 16E, Wilson County, Kansas
SPECIAL:	$400 minimum annual rental and royalty holds lease indefinitely, due August 13th of each year

KW : GRABNER (NEW)

LESSOR:	Richard Grabner
LESSEE:	Criteria Petroleum Corporation
DATE:	June 20, 2001
RECORDED:	Book 161, Page 593
PROPERTY:	S/2 SW/4 and W/2 SE/4, Section 35, and S/2 SE/4 of Section 34, all in Township 30S, Range 16E, Wilson County, Kansas

KW111-A (Grabner Surface Permit)

GRANTOR:	Richard Grabner
GRANTEE:	AX&P, Inc.
DATE:	May 15, 2005
RECORDED:	N/A
PROPERTY:	½ - 1 acre near NW/c of NW/4 NE/4 SW/4 of Section 28, Township 30S, Range 16E, Wilson County, Kansas
ANNUAL RENTAL:	$150.00 due January 1st of each year
DESCRIPTION:	Verbal permit confirmed by letter dated 5/15/05 for use of ½ - 1 acre to operate tank battery for Grabner (Jones) and Unit I participants

MANAGEMENT SERVICES AGREEMENT

THIS MANAGEMENT SERVICES AGREEMENT (this "Agreement"), dated December 19, 2018, is by and among Daylight Petroleum LLC, a Delaware limited liability company (the "**Manager**"), and each legal entity that executes this Agreement on the signature page hereto as a "Company" (each such entity individually, the "**Company**"). The Manager and the Company are hereinafter referred to as a "Party" or the "Parties" as applicable.

Recitals

A. The Company is engaged in the business of leasing, acquiring, exploring, owning, operating, producing, developing, gathering, transporting, storing or marketing hydrocarbons in the continental United States of America, whether as owner, operator, joint venturer, transporter, gatherer or in any other capacity or role (the "**Business**");

B. In compliance with its applicable bylaws, certificate of formation, limited liability company agreement or other similar governing agreements (the "**Governing Documents**"), the Company and its duly constituted board of directors, board of managers, managing member or other governing body or persons (the "**Company Managers**") have determined that effective operation of the Business of the Company requires the expertise and resources of the Manager;

C. The Company desires to engage the Manager, and the Manager is willing to provide or cause to be provided certain services to the Company, as described below and in accordance with the terms set forth in this Agreement.

Agreement

NOW THEREFORE, in consideration of the mutual promises set forth herein and benefits to be derived from them, the Parties agree as follows:

1. Appointment.

(a) Manager. The Company hereby appoints the Manager, and the Manager hereby accepts such appointment, to provide the Services (as defined below) by and on behalf of, and for the account of, the Company, pursuant to and as set forth in this Agreement and in accordance with the Company's Governing Documents.

(b) Independent Contractor. The Services rendered by the Manager shall be as an independent contractor. Nothing in this Agreement, and no past or future conduct of the Parties shall be construed to create a joint venture, partnership, or any other similar arrangement between the Company and the Manager, nor to authorize either Party to act as agent for the other Party, except as expressly set forth in this Agreement. Without limiting the foregoing, (a) neither Manager nor any affiliate, officer, employee or agent thereof shall be deemed to be an employee of the Company by virtue of this Agreement; and (b) nothing herein shall be deemed or construed to cause any party hereto to be responsible in any way for the debts and obligations of the other party hereto.

(c) Company Property. All rights and assets of the Company, to the extent acquired using Company funds, shall be taken and held in the name of the Company and neither the Manager nor its affiliates shall take title to any assets owned of record or beneficially by the Company during the term of this Agreement, except for nominee arrangements directed by the Company and provided that assets acquired using Company funds and the funds of other persons, the ownership and title thereto shall be allocated in accordance with the amount of each entity's contribution to the aggregate funds. All memoranda, files, notes, lists, records, databases, geological and geophysical data, engineering data, maps, interpretations and other technical information, and other documents or papers (and all copies thereof) to the extent relating to the Company and its subsidiaries, whether written or stored on electronic media, made or compiled by or on behalf of Manager in the course of Manager's performance of Services pursuant to this Agreement, or made available to Manager in the course of its performance of services pursuant to this Agreement, relating to the Company or its subsidiaries, or to any entity that may hereafter become a controlled affiliate thereof shall be the property of the Company ("**Company Property**"); provided, however, that Manager's general administrative records pertaining to its corporate form or governance, employment records, and governing instruments and records pertaining to general organization or administration of the Manager, including rolodexes and similar items, shall be the property of Manager. Any Company Property shall, except as otherwise agreed by the Company in writing, be delivered to the Company promptly upon the termination of this Agreement for any reason.

(d) No Joint Employment. The Parties agree that they are not joint employers of any of the employees of the Manager with respect to the Services, and, except as provided herein with respect to the reimbursement, payment or advancement of Qualified Costs, and with respect to indemnification by the Company, the Company shall have no liability for the actions of the Manager with respect to its employees. The employees of the Manager shall work directly under the Manager's supervision, direction and control, provided the Manager shall cause its employees to act consistently with any directions or requests specifically communicated to the Manager by the Company or the Company Managers from time to time that relate to the performance of the Services. Without limiting the foregoing, the Manager shall make all appropriate payroll deductions and payroll tax payments with respect to its employees.

(e) Property and Expense Allocation. It is acknowledged by each Company that, at the discretion of Manager, additional Companies may execute this Agreement after the date hereof. In the event Manager acquires property used in Services for more than one Company, the ownership thereof and title thereto shall be proportionately allocated pursuant to Section 1(c) above. Similarly, Qualified Costs incurred for Services performed for more than one Company, including General and Administrative Expenses (as hereinafter defined) attributable to employees of Manager (including payroll and benefits) that perform Services for more than one Company shall be allocated by Manager to the respective Companies in a reasonable manner, to be materially consistent with the time, effort and resources spent on such Companies.

2. Services.

(a) Services. Subject to the general directions of the Company and the Company Managers as may be issued from time to time, the Manager hereby agrees to perform the following services (collectively, the "**Services**"): (i) conduct the day-to-day operations of the

Company, including with respect to accounting administration, general administration and the ownership, maintenance and development of the Company's Business Assets (as hereinafter defined) and its Business; (ii) advise and consult with the Company regarding the Company's development and operations; (iii) provide management expertise and consulting services for the development and implementation of all operational and financial plans of the Company and for strategic decisions of the Company; (iv) provide the support necessary to assist the Company with any acquisitions or dispositions of assets, and financings related thereto, however structured, and in connections with any sale of the Company or its assets or equity; and (v) provide such management, support and administrative services with respect to the Business and such other services as shall be reasonably requested from time to time by the Company.

(b) Operatorship. Unless the Company and Manager otherwise agree, Manager shall be designated as the operator of record with all applicable governmental bodies with respect to the oil, gas and/or mineral leases and other interests of the Company arising from or pertaining to an oil, gas and/or mineral estate, and any interest of the Company in any applicable midstream equipment, pipelines, facilities or infrastructure used in the Business (collectively, the "**Business Assets**"), and Manager shall provide assistance to the officers of the Company in complying with all associated regulatory filings and compliance activities. The Company shall use reasonable efforts to name the Manager as the operator under all operating agreements binding on the Business Assets, provided that where the Company does not have the authority or required consent of third parties, the Company and Manager or an affiliate of Manager shall not be precluded from entering into a mutually acceptable form of operating agreement naming Manager (or one of its affiliates) as the contract operator of any Business Asset.

(c) Authority. Subject to the terms hereof, the Manager shall have the authority to, on behalf of the Company, perform the duties and obligations of the operator under all applicable operating agreements that cover and govern the operations of the Business Assets. Without limiting the foregoing, but subject to the terms hereof, the Manager shall have the authority to, on behalf of the Company (and in its name, except as expressly provided otherwise herein):

i. negotiate sales contracts with third party purchasers for any oil, condensate, natural gas liquids or natural gas produced by or for the account of the Company on such terms and conditions as the Manager reasonably deems appropriate and in the best interests of the Company;

ii. cause the Company to execute and deliver any and all sales contracts, transfer orders, division orders and other instruments that may, at any time, be required by any purchasers of production for the purposes of effectuating the payment of the proceeds from sales of production;

iii. establish and maintain the books and records, including accounting, land, production, contract and other records and files necessary and appropriate for the proper conduct by the Company of its Business;

iv. monitor the receipts, income and expenditures of the Company;

v. assist in the preparation and filing of the schedules and tax returns of the Company;

vi. engage, coordinate, supervise and/or assist with the engagement of third party engineers, attorneys, auditors and other professionals and service providers to the Company in connection with the Business, including the delivery of the financial statements, tax returns and engineering reports;

vii. supervise, manage, direct and operate all aspects of the day-to-day management and administration of the Company with respect to its Business, including assistance in the sourcing and diligence of acquisitions of Business Assets and divestitures and management of the Business Assets, and engaging in business development efforts;

viii. interface with the third party operators and monitor the status of the operations conducted by such third party operators;

ix. negotiate, execute and deliver, in the name and on behalf of the Company, as its agent, contracts and other agreements or instruments pertaining to the Business, Business Assets or any Services;

x. interface with the Company's lenders, vendors, contract counterparties, and other third parties pertaining to the Business;

xi. file or cause to be filed all necessary or appropriate filings with federal, state and local authorities, including applications for permits, authorizations or exemptions;

xii. assist in filing and recording documents and papers as is necessary and appropriate to evidence the Company's ownership of any of the Business Assets;

xiii. give or receive notices, execute drawdown certificates, furnish required reports and information and monitoring compliance, or similar activities as required or permitted by any agreement binding upon the Company; and

xiv. perform such other acts which are necessary or appropriate to carry out its obligations hereunder;

provided, however, the foregoing grant of authority shall be subject to the terms and provisions of any agreement that the Company is a party to and shall not provide any power to Manager that would conflict with or be prohibited by the terms of any such agreements, it being understood that the presence of a term in an agreement and the absence in another shall not by itself be deemed a conflict.

(d) Proceeds and Invoices. All revenues and income of the Company shall be and remain the property of the Company and no such revenues or income shall be retained by the Manager. The Manager shall receive revenues, income and proceeds otherwise payable to Company and pay (or net) costs and expenses chargeable to the Company's interest from such revenues, income and proceeds, as part of its operations of the Business Assets and such amounts

shall be administered, paid and distributed in the manner provided for in the applicable operating agreement governing operations for such Business Asset; *provided, however*, if there is not an applicable operating agreement for such Business Asset, then in a manner materially consistent with the terms of an AAPL 1989 Form Operating Agreement and the standards established by the Council of Petroleum Account Societies of North America ("**COPAS**") in the COPAS 2005 Model Form Accounting Procedure. To the extent received by the Manager and not paid by Manager from Company revenues, the Manager shall promptly provide to the Company all invoices or bills for debt service, taxes payable by the Company, royalties, overriding royalties and other burdens on production, lease acquisition costs, goods, services, amounts payable under operating agreements, and expenditures related to the business of the Company to allow the Company to timely pay such costs and expenses.

3. Compensation; Reimbursement.

(a) Reimbursement of Qualified Costs. As its sole compensation hereunder, the Company shall reimburse (or advance, as provided in Section 3(c) below)) the Manager for all costs incurred by the Manager on behalf of the Company to perform the Services, including lease operating expenses and capital expenditures allocable to the Business Assets or operation of the Business (collectively, the "**Qualified Costs**"). Without limiting the foregoing, Qualified Costs shall include general and administrative expenses of Manager to the extent allocated to the Company pursuant to Section 1, including labor costs, organizing costs, travel and entertainment and business development expenses, costs and expenses for professional services (including engineering, geological, land, geotechnical, and similar services provided by persons not employed by Manager), licensing and permitting fees and expenses, incremental capital expenses for furniture, fixtures, equipment, and vehicles that may be required for Manager to perform its services and obligations under this Agreement, occupancy costs, including telephone, rent, office equipment, insurance costs, and other similar costs and expenses generally considered general and administrative expenses incurred by Manager (collectively, "**General and Administrative Expense**"). At Manager's option, the Manager may invoice the Company on a monthly basis for the Qualified Costs incurred and paid by the Manager from its own funds, and such Qualified Costs shall be payable by the Company within thirty (30) days following receipt of such invoice.

(b) No Other Compensation. The Qualified Costs shall constitute the sole and exclusive compensation owed by the Company to Manager for performing its services pursuant to this Agreement (but without limiting the release, defense and indemnification obligations hereunder), and (ii) any other amounts due and owing Manager, as operator of any Business Assets, shall be paid to, and shall be the sole and exclusive property of, the Company (subject to the allocations of property set forth in Section 1).

(c) Advances and Manager Account. It is not the intent of this Agreement for Manager to advance any of its own funds to pay any Qualified Costs. Except where Manager, in its discretion, uses its own funds to incur and pay Qualified Costs (subject to reimbursement as provided above), all Qualified Costs shall be paid from an account of Manager established and administered in accordance with provisions and procedures set forth in Section 2(d) above, and shall be funded by net revenues received by the Company or Manager to which Company is entitled and arising from ownership or operation of its Business Assets. If there are Qualified Costs to be paid or incurred by the Manager that are in excess of the funds in any such account,

the Manager may provide a written cash call ("**Cash Call**") to the Company of the amount of such Qualified Costs, which shall be promptly funded. If the Company does not so fund a Cash Call, the Manager shall have no liability or responsibility under this Agreement for any unpaid cost or expense, or any failure to perform any Service or other obligation hereunder, that results from or is related to the failure to fund the Cash Call or the insufficiency of funds in any account.

4. Term and Termination.

(a) Term. This Agreement shall be effective as of the date hereof and shall continue for thirty-six (36) months after the date hereof (the "**Initial Term**"). Upon the end of the Initial Term, and on each anniversary thereof, the term of this Agreement shall automatically be extended for one additional year from such date, until the termination of this Agreement pursuant to Section 4(b).

(b) Termination. Notwithstanding Section 4(a), this Agreement may be terminated: (i) by the mutual written consent of the Manager and the Company; (ii) by the Manager if the Company fails to pay any undisputed amount due to the Manager hereunder after 30 days prior written notice to the Company, and such amount remains unpaid at the end of such 30 days period; (iii) by the Company by the delivery of a written notice to the Manager that the Company elects to terminate this Agreement, and provided such termination shall not be effective until the date that is 30 days after the date of such notice or such earlier date set forth in such termination notice, (iv) at the option of Manager on the date of the closing of a sale of all or substantially all of the Business Assets or equity of the Company or (v) automatically on the conclusion of the liquidation and windup of the Company.

(c) Effect of Termination. Upon termination exercised pursuant to Section 4(b), this Agreement shall become void and of no further force and effect, except for the provisions that survive termination pursuant to Section 7(a), which shall continue in full force and effect in accordance with their terms.

5. Ownership of Work Product and Confidentiality.

(a) Work Product. The work produced by the Manager under the terms of this Agreement, including, without limitation, all work papers, drafts, notes, reports, extracts and other written or electronic recordings developed solely in connection with the performance of the Services hereunder ("**Work Product**"), shall be the property of the Company. The Manager shall have no right or interest in any such Work Product, and may only use such Work Product to perform Services hereunder, all in accordance with the limitations, duties and obligations imposed by this Agreement.

(b) Confidentiality. The Manager agrees that all non-public information received from or otherwise relating to, the Company, its affiliates, members, or any third party who has entrusted the Company with confidential information with the expectation that such information will be kept confidential, is confidential and will not be, without prior written consent of the Company, disclosed or otherwise released to any other person except as reasonably necessary or appropriate, in the sole discretion of Manager, to perform the Services. It is acknowledged by the Company that the possession of confidential information of such Company

by employees or representatives of Manager that also perform services for another Company shall not be deemed a breach of this Agreement.

6. Liability and Indemnification. The Manager shall not be liable to the Company, and the Company shall defend, indemnify, and save and hold harmless the Manager and its members, managers, officers, and employees (each, an "**Indemnified Party**"), from and against any and all claims, liabilities, damages, losses, costs and expenses (including amounts paid in satisfaction of judgments, in compromises and settlements, as fines and penalties and reasonable attorneys' fees and other legal or other costs and expenses of investigating or defending against any claim or alleged claim but excluding any liabilities for taxes of the Indemnified Party) that are asserted against such Indemnified Party arising out of the performance by the Manager of the Services pursuant to this Agreement (each of the foregoing, a "**Claim**"); provided, however, that an Indemnified Party shall not be entitled to indemnification hereunder to the extent such Claim arises from the gross negligence or willful misconduct of any Indemnified Party.

7. Miscellaneous.

(a) Survival. Sections 4(c), 5, 6 and 7 shall survive the termination of this Agreement in accordance with their terms. Upon termination of this Agreement, all funds in the possession of the Manager belonging to the Company that have not been expended or previously contractually committed shall be returned to the Company. Furthermore, upon such termination, the Manager shall and shall cause each of its employees, agents and representatives to promptly deliver to the Company all Business records then in the possession of the Manager or such employees', agents' or representatives' possession.

(b) Entire Agreement. The Parties acknowledge that this Agreement embodies the entire understanding and agreement among the Parties for the provision of Services by the Manager to the Company and supersedes any and all prior negotiations, understandings, or agreements in regard thereto.

(c) Governing Law. THIS AGREEMENT AND THE PERFORMANCE OF THE TRANSACTIONS AND OBLIGATIONS OF THE PARTIES HEREUNDER WILL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW PRINCIPLES THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION.

(d) Modification and Waiver. No waiver, amendment or modification, including those by custom, usage or trade or course of dealing, of any provision of this Agreement will be effective unless in writing signed by the Party against whom such waiver, amendment or modification is sought to be enforced. Performance of any obligation required of a Party under this Agreement may be waived only by a written waiver signed by a duly authorized officer of the Company or the Manager, as applicable, and such waiver shall be effective only with respect to the specific obligations described in that waiver.

(e) Notices. All notices, requests, or consents provided for or permitted to be given under this Agreement must be in writing and must be given by personal delivery, by certified

or registered United States mail (postage prepaid, return receipt requested), by a nationally recognized overnight delivery service for next day delivery, transmitted via electronic mail or by facsimile transmission, to the addresses given for that Party as set forth below or such other address as that Party may specify by notice to the other Party. All such notices, requests and other communications will be effective only upon receipt, except that if received after 5:00 p.m. (in the recipient's time zone) on a Business Day or if received on a day that is not a Business Day, such notice, request or communication will not be effective until the next succeeding Business Day. 'Business Day' shall mean a day, other than a Saturday or a Sunday, on which commercial banks are open for business with the public in Houston, Texas.

(f) Assignment. This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective successors and permitted assigns; *provided, however*, that neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by either Party without the prior written consent of the other Party. Any assignment in violation of the foregoing shall be void.

(g) Counterparts. This Agreement may be executed in two or more counterparts (including facsimile counterparts), each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, and the signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

(h) No Third Party Beneficiaries. Except as otherwise provided in Section 6, it is the intent of the Parties that no third-party beneficiary rights be created or deemed to exist in favor of any Person not a party to this Agreement, unless otherwise expressly agreed to in writing by the Parties.

[Signature Page to Follow]

Executed by the Parties as of the day and year first written above.

COMPANY:

KSMS OIL, LLC

By: Phoenician Resources Fund I, LLC, its managing member

By: Phoenician Resources Fund Sponsor, LLC, its managing member

By: _____
Name: Donnan Steele
Title: Managing Member

OKMS OIL, LLC,

By: Phoenician Resources Fund I, LLC, its managing member

By: Phoenician Resources Fund Sponsor, LLC, its managing member

By: _____
Name: Donnan Steele
Title: Managing Member

JEMS OIL, LLC

By: Phoenician Resources Fund I, LLC, its managing member

By: Phoenician Resources Fund Sponsor, LLC, its managing member

By: _____
Name: Donnan Steele
Title: Managing Member

ETMS OIL, LLC

By: _____
Name: Donnan Steele
Title: Co-President

MCMS OIL, LLC

By: _____
Name: Donnan Steele
Title: Co-President

DPMS OIL, LLC

By: _____
Name: Donnan Steele
Title: Co-President

PBMS OIL, LLC

By: _____
Name: Donnan Steele
Title: Co-President

PHOENICIAN RESOURCES ASSET MANAGEMENT, LLC

By: _____
Name: Donnan Steele
Title: Managing Partner

[Signature Page Follows]

MANAGER:

DAYLIGHT PETROLEUM LLC

By: PHOENICIAN RESOURCES ASSET MANAGEMENT, LLC

By: _____
Name: Donnan Steele
Title: Managing Partner

By: _____
Name: Borja Madrid
Title: Managing Partner