SLB
Rev. 06/2012
Communitization

STATE OF COLORADO
State Board of Land Commissioners
Department of Natural Resources
Denver, Colorado

COMMUNITIZATION AGREEMENT

Approval and Certification Covering State Lands included in the Communitization Agreement hereinafter called the Agreement for the Development and Operation of State Well HOLT # 1 in the n / a Spacing Area, Colorado Oil and Gas Lease No.(s) 8978.6 located in BACA County, State of Colorado.

Acting under the authority vested in the Colorado State Board of Land Commissioners by Colorado Revised Statute §36-1-115 (1973) and in order to secure the proper protection of the State's mineral interests, and to comply with the single drilling unit spacing orders, rules and regulations of the Colorado Oil and Gas Conservation Commission, and in consideration of the premises and for the mutual advantage to the parties herein, the Colorado State Board of Land Commissioners, hereinafter called the "Board", hereby:

A. Approves said agreement and the rights and interests of the parties thereto represented thereby;

B. Certifies that lands of the State of Colorado included in said Agreement shall, from the effective date thereof and concurrently therewith become subject thereto, all upon the conditions hereinafter set forth;

C. Extends the term of that part of the acreage of such State of Colorado lease herein committed per paragraph H-2 herein;

D. Certifies that said Agreement may remain in effect for so long as oil and gas, or either of them is produced in paying quantities from said communitized lands or the lessee or operator is diligently engaged in bona fide drilling or reworking operations on said lands. Drilling or reworking operations shall be deemed to be diligently performed if there is no delay or cessation thereof for a greater period than sixty consecutive days unless an extension in writing is granted by lessor. Provided that such drilling or reworking operations are commenced during said primary term or any extension thereof or while the lease is in force by reason of production of oil and gas or either of them, or that such reworking is commenced immediately upon cessation of production for the purpose of re-establishing the same, and provided further that such production is commenced during such primary term or any extension, or while the lease is in force by reason of such drilling or reworking operations or other production;

E. Approves the inclusion of the following lands of the State of Colorado in the Agreement for the development and operation of the above well in the above Spacing Area, provided that said Agreement shall become effective as to the following State of Colorado lands now or hereafter included within the limits of the Communitized Area as to which lands the leases have been committed by the working interest owners, to wit:

	ACRES	DESCRIPTION OF LAND	SECTION	TOWNSHIP	RANGE
STATE	7.431	See Attached Exhibits for descriptions	31	34S	42W
NOT STATE	25.626	See Attached Exhibits for descriptions		See Attached Exhibits for descriptions	

F. Royalty payable to the State shall be computed on the basis of the State's percent of the total communitized acreage multiplied by the State's share of the total production from the communitized acreage as specified by the terms of the lease.

G. In consideration of the premises, the lessee covenants and agrees that during the existence of this Agreement lessee shall continue to pay to lessor the annual rental as indicated in the lease.

H. This Approval and Certification is subject to the condition that nothing in the Agreement shall be construed as altering or waiving any of the following provisions or conditions relating to State of Colorado lands:

1. The Agreement herein referred to is subject to the laws of the State of Colorado and the United States of America and shall be construed in conformity therewith.

2. The Board agrees that upon the happening of one or more of the following events, which shall be cumulative in effect, the lease or leases covering the State of Colorado lands shall be extended beyond the term specified in Paragraphs C and D above only as to the lands so affected for the

additional term hereinafter set forth by such events. As to lands under a lease or leases which are not affected by the happening of one or more of the following events, expiration shall occur at the end of the term specified in said Paragraphs C and D above, and the extension herein provided for shall not apply to such unaffected lands; it being expressly understood that by this provision an extension my occur under the following provisions only as to those lands specifically included in the approved comunitized area; provided that for the purpose of this separation, if any part of a forty-acre legal subdivision or its lot, tract or nearest aliquant equivalent thereof is in the communitized area, then such legal subdivisions or equivalents shall be considered in the extended category, it being further expressly understood that the inclusion of part of the lands covered by a lease in the communitized area shall not be construed so as to extend the term of the lease as to any lands covered by the lease not so included.

(a) If a portion of the lands in such lease is at that time included in an approved communitized area, then the lease shall be extended for so long as said lands are included in the communitized area, but only as to that portion of the lands so affected.

(b) If a portion of the lands is at that time included in an application for establishment of a communitized area, then the lease shall be extended for a period until the application is approved or rejected, but only as to that portion of the lands so affected. In no event shall any extension granted under the provisions of this paragraph exceed ninety (90) days.

3. The Board may extend any lease covering State of Colorado lands, as to all or any part of such land, for such additional period as the Board may determine advisable.

The State Board of Land Commissioners does hereby modify the drilling and production requirements of *such lease or leases included in this plan to the extent necessary to conform the same to the Agreement* and the aforesaid provisions.

I (We), the Lessee(s) of the above listed State of Colorado lease(s) involved in the above named Spacing Area of the above named County in the State of Colorado, request the Board of Land Commissioners of the State of Colorado to execute the foregoing Approval and Certification, and accept and agree to all the conditions *and stipulations therein contained.*

Executed, this 1st day of July, 20 13

Lessee:

Stephen E. Nichols

Print Name and Title Stephen E. Nichols, Manager, Ramsey Property Management, LLC
Notarization required

Print Name and Title _____
Notarization required

Executed on behalf of the State of Colorado, acting by and through the State Board of Land Commissioners, on the _____ day of _____ 20 ____, covering the above listed State lands within the _____ Spacing Area of _____ County, Colorado.

STATE BOARD OF LAND COMMISSIONERS

Pete Milonas, Minerals Director

Recommended:

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STATE OF Oklahoma)
CITY OF Oklahoma City) ss.
COUNTY OF Oklahoma)

The foregoing instrument was acknowledged before me this 1st day of July, 2013 by Stephen E. Nichols as Manager, Ramsey Property Management, LLC

Witness my hand and official seal,

My commission expires

SANDRA S. SHAVER
Notary Public
State of Oklahoma
Commission # 03002518 Expires 04/15/15

Sandra S. Shaver
Notary Public

EXHIBIT "A"

Communitized Leases

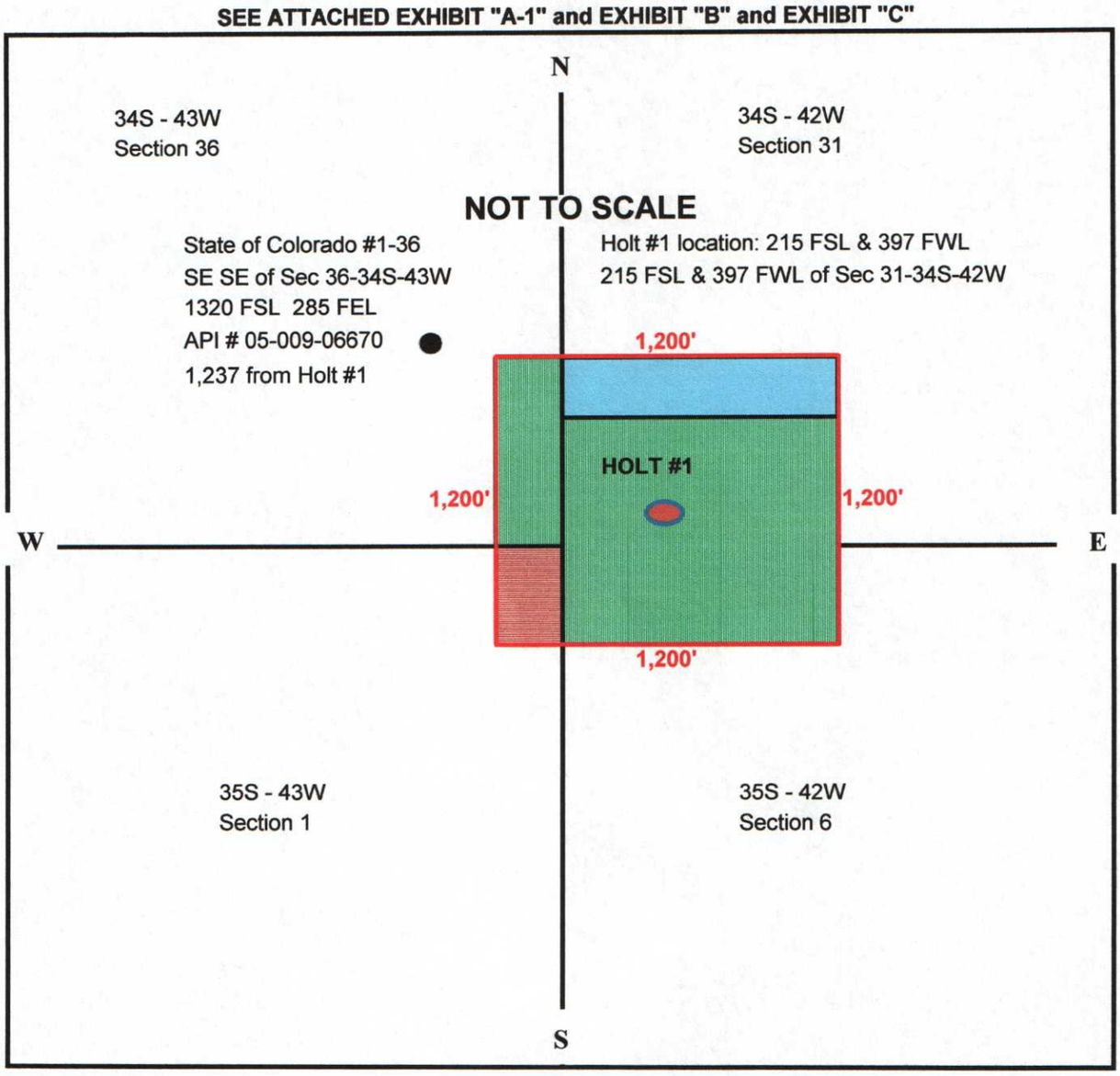
Well: **Holt #1 - Communitization Agreement**

Section **31** **Township** **34 South** **Range** **42 West**

County **Baca** **State** **Colorado**

Proposed Unit **33.057** **acres, more or less**

SEE ATTACHED EXHIBIT "A-1" and EXHIBIT "B" and EXHIBIT "C"



State of Colorado OG Lease 8978.6 Located in SW SW of Sec 31-34S-42W
7.431 acres in Lot 27 of Sec 31-34S-42W

Elaine & Nancy Holt Partnership OG Lease Rec # 418133
5.458 acres - Lot 28 in re-survey Tract 38
5.766 acres in Lot 29 of re-survey Tract 37
} Located in SW SW of Sec 31-34S-42W
4.523 acres in Lot 16 of re-survey Tract 37 Located in NW NW of Sec 6-35S-42W
1.507 acres in Lot 20 of re-survey Tract 38 Located in SE SE of Sec 36-34S-43W

Elaine & Nancy Holt Partnership OG Lease Rec # 413391
8.372 acres in Lots 5 & 17 of re-survey Tract 38 (Lot 5 in Sec 1-35S-43W; Lot 17 in Sec 6-35S-42W)
Lot 5 Located in NE NE of Sec 1-35S-43W;
Lot 17 Located in NW NW of Sec 6-35S-42W

TOTAL **33.057 acres, more or less**

Yalonda Loftis, Landman
Ramsey Property Management
(for Plainsmen Partners LLC)
Tel: 405-850-8226
Email: yalonda@crinercreek.com

Dated: June 26, 2013

EXHIBIT "A-1"
Communitized Leases
Holt #1 – Communitization Agreement
Baca County, Colorado

Part of Oil and Gas Lease No. 8978.6 - State of Colorado - Board of Land Commissioners
Recorded July 8, 2011 at Reception # 415452 in the Recorder's Office of Baca County, Colorado
Lessor: State of Colorado Board of Land Commissioners
Lessee: Plainsmen Partners LLC

The part of Oil and Gas Lease No. 8978.6 described as beginning with the SW corner of **Lot 27 of Section 31-34S-42W** then N2°07'13"W for 323.91' then S87°52'47W for 997.41' then N2°02'52"W for 325.47' then S87°59'11"W for 511.98' then S87°57'08"W for 511.98' then S87°57'08"W for 485.03' to point of beginning containing **7.431 acres**, more or less
Note: Generally described as that part of Lot 27 in the SW SW of Section 31-34S-42W

AND

Part of Oil and Gas Lease recorded January 15, 2013 at Reception # 418133 in the Recorder's Office of Baca County, Colorado
Lessor: Elaine and Nancy Holt Partnership, A Colorado General Partnership
Lessee: Plainsmen Partners LLC

The part of the Oil and Gas Lease recorded at Reception # 418133 in Section 31-34S-42W described as **Lot 28 in re-survey Tract 38 containing 5.458 acres**, more or less, and the part of **Lot 29 in re-survey Tract 37** described as beginning in the SW corner of Lot 29 then N2°01'04"W for 490.61' then S87°59'11"W for 511.98' then N2°02'52" for 490.31', then N87°57'08"E for 512.24' to point of beginning containing **5.766 acres**, more or less.
Note: Generally described as Lots 28 & 29 located in the SW SW of Section 31-3S-42W

AND

The part of the Oil and Gas Lease recorded at Reception # 418133 in Section 36-34S-43W described as part of **Lot 20 of re-survey Tract 38** beginning at the SE corner of Lot 20 then S87°57'08"W for 203.00', then S2°02'52"E for 323.65' then S87°52'47"W for 202.59' to point of beginning containing **1.507** acres, more or less.

AND

The part of the Oil and Gas Lease recorded at Reception # 418133 in Section 6-34S-42W described as part of **Lot 16 in re-survey Tract 37** beginning at the NW corner of Lot 16 then N87°57'08"E for 512.24', then S2°02'52"E for 384.22' then S87°52'47"W for 512.44', then N2°01'04"W for 384.87' to point of beginning, containing **4.523 acres**, more or less.
Note: Generally described as Lot 20 located in the SE SE of Section 36-34S-43W

AND

The part of the Oil and Gas Lease recorded at Reception # 418133 in Section 6-34S-42W described as part of **Lot 17 of re-survey Tract 38** and part of the Oil and Gas Lease recorded at Reception # 413391 in Section 1-34S-43W described as **Lot 5 of Tract 38** beginning at the NE corner of Lot 5 then S2°07'13"E for 490.61', then N87°57'08"E for 484.15', then N2°01'04"W for 384.87', then S87°52'47"W for 687.56', then N2°02'52"W for 876.35', then S87°57'08"W to point of beginning containing **8.372 acres**, more or less.
Note: Generally described as Lot 5 located in the NE NE of Sec 1-35S-43W and Lot 17 located in the NW NW of Section 6-35S-43W.

High Prairie Survey Co.

Physical Address: 345 Comanche St.
Mail to: Box 384, Kiowa, CO 80117
Ph. 303-621-8672 - Fax 303-621-7749
www.highprairiesurvey.com

EXHIBIT "B"

Job# 13147 Holt #1

Inv # 2474

High Prairie Surveying of Kiowa, Colorado, has in accordance with a request from **Ramsey Property Management**, determined the location of **Holt #1** to be **215 feet FSL**, and **397 feet FWL**, (90° off Section lines) **of** SECTION **31**, Township **34s**, Range **42w** of the 6th Principal Meridian, **Baca County**, Colorado.

Date: Staked on 6/7/13 drawn on 6/13/13.

Re: Staked by Elijah Frane
Drawn: Drawn by Dustin Cotter

COLORADO LICENSED PROFESSIONAL LAND SURVEYOR KEITH WEBB 30122

OGL Map Breakdown

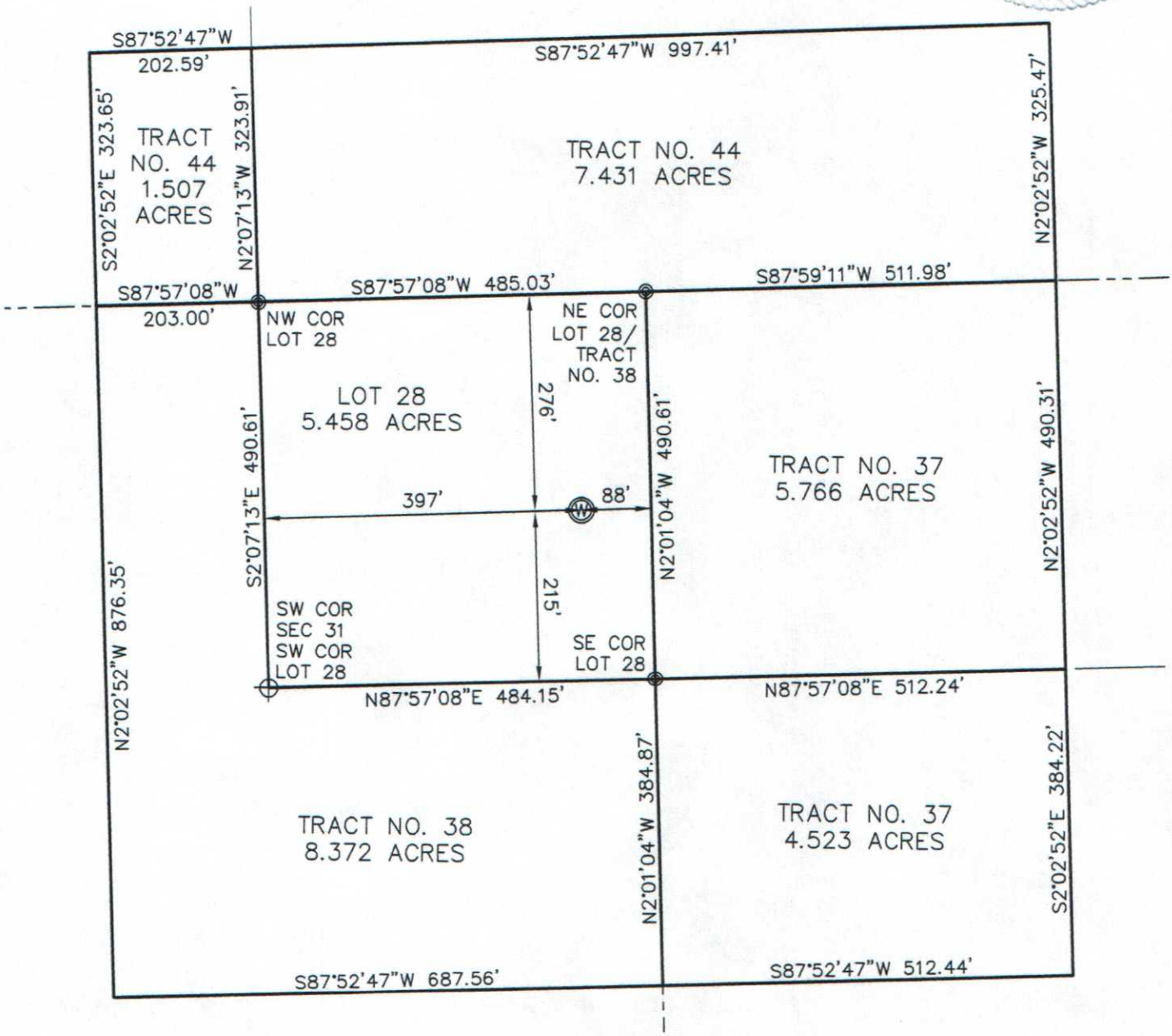
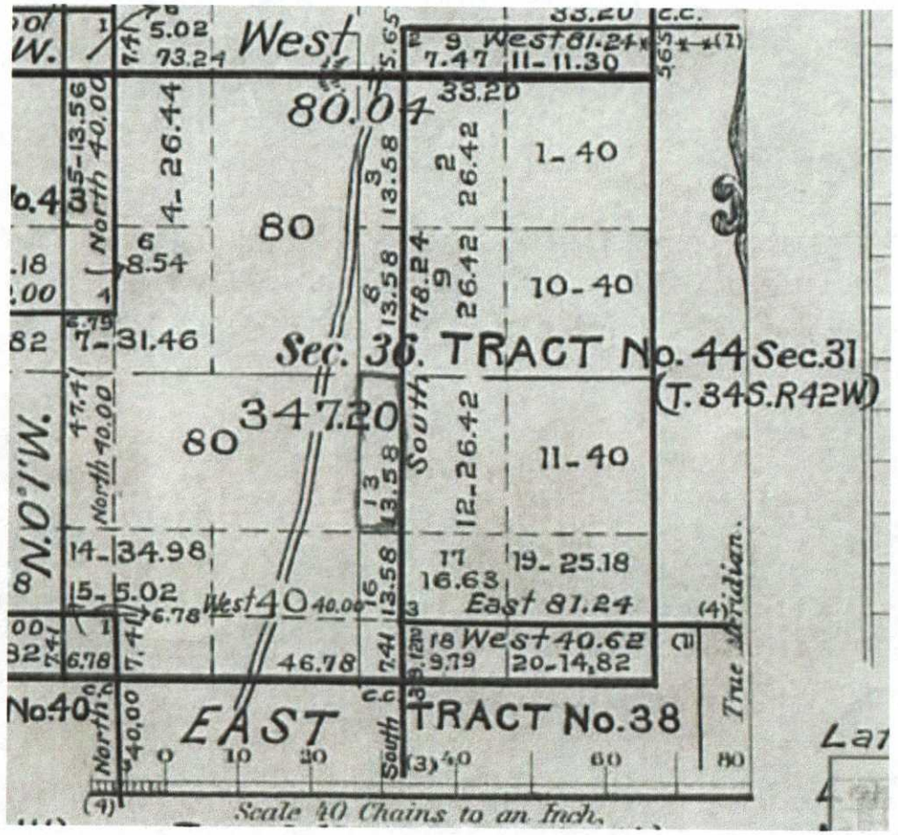


EXHIBIT "C"
HOLT #1 - COMMUNITIZATION Agreement

Section 36-34S-43W



Section 31-34S-42W

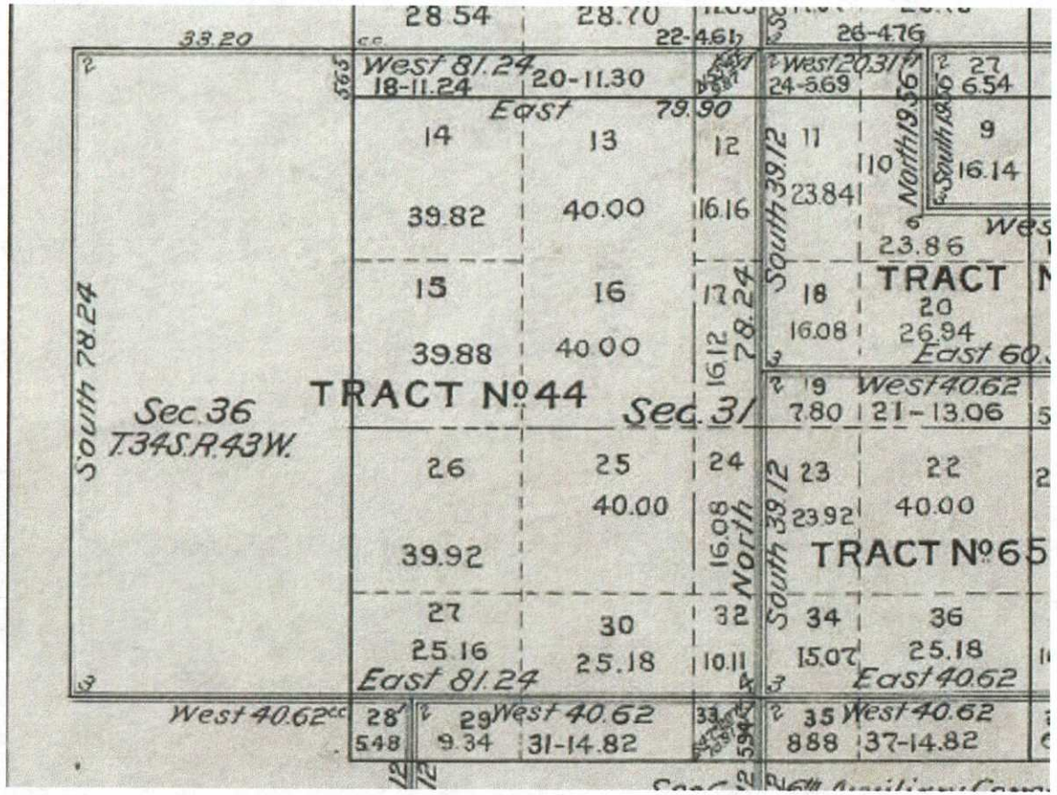
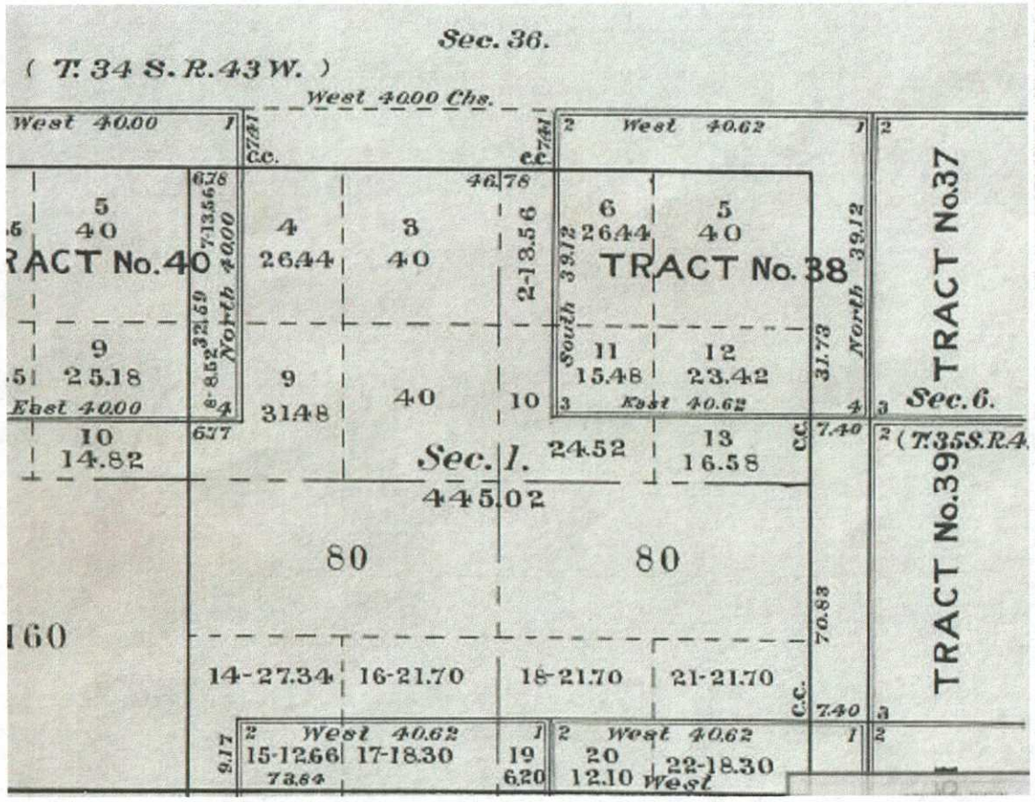
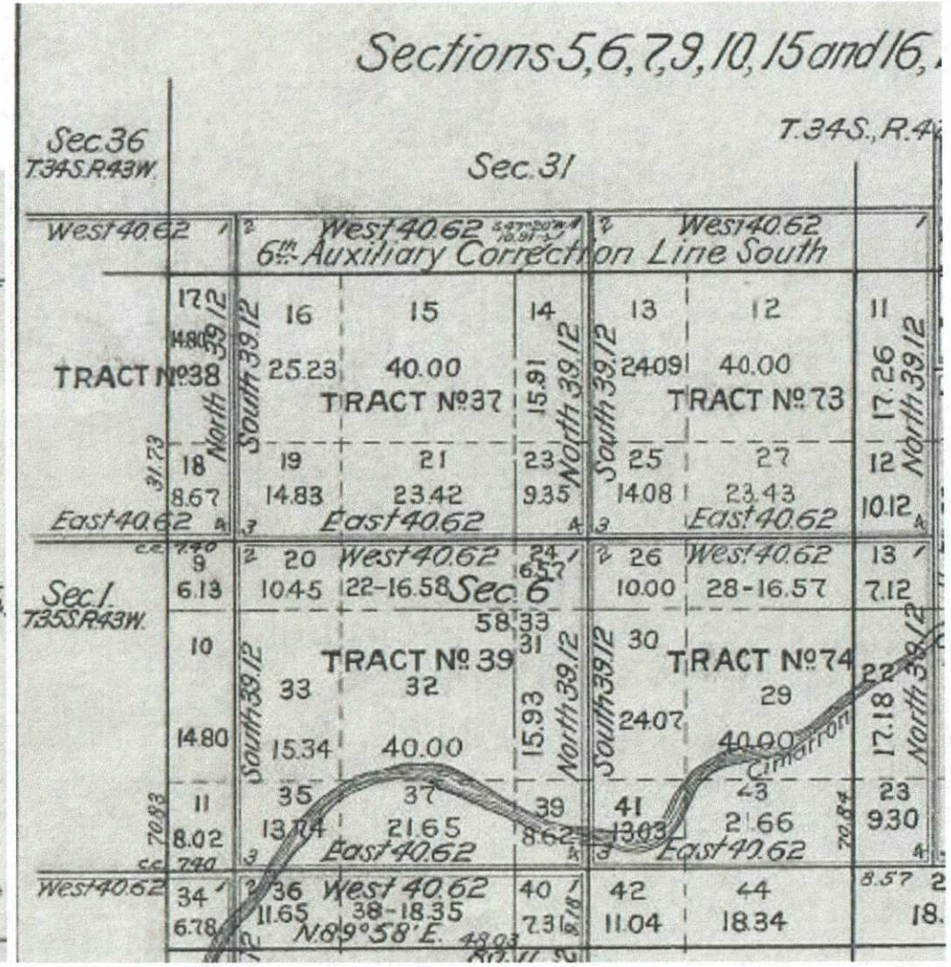


EXHIBIT "C"
Holt #1-Communitization Agreement

Section 1-35S-43W



Section 6-35S-42W



2 of 2