

## Fill in this information to identify the case:

Debtor 1 Chaparral Energy, Inc.

Debtor 2 \_\_\_\_\_  
(Spouse, if filing)

United States Bankruptcy Court for the: District of Delaware

Case number 20-11947-MFW

☒ Date Stamped Copy Returned  
☒ No self addressed stamped envelope  
☐ No copy to return

## Official Form 410

## Proof of Claim

04/19

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) that you received.

## Part 1: Identify the Claim

1. Who is the current creditor?		<u>Dale Operating Company</u> Name of the current creditor (the person or entity to be paid for this claim)  Other names the creditor used with the debtor _____	
2. Has this claim been acquired from someone else?		<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. From whom? _____	
3. Where should notices and payments to the creditor be sent?  Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	Where should notices to the creditor be sent?		Where should payments to the creditor be sent? (if different)
	<u>Nick Peters</u> Name <u>2021 McKinney Ave. Floor 16</u> Number Street <u>Dallas TX 75201</u> City State ZIP Code  Contact phone <u>214-999-3000</u> Contact email <u>smccartin@foley.com</u>		<u>Dale Operating Company</u> Name <u>2100 Ross Ave. Suite 1870</u> Number Street <u>Dallas TX 75201</u> City State ZIP Code  Contact phone _____ Contact email _____
Uniform claim identifier for electronic payments in chapter 13 (if you use one): _____			
4. Does this claim amend one already filed?		<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Claim number on court claims registry (if known) _____ Filed on _____ MM / DD / YYYY	
5. Do you know if anyone else has filed a proof of claim for this claim?		<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Who made the earlier filing? _____	

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**Part 2: Give Information About the Claim as of the Date the Case Was Filed**

6. Do you have any number you use to identify the debtor? ☒ No  
☐ Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: \_\_\_\_\_

7. How much is the claim? \$ 745,321.03. Does this amount include interest or other charges?  
☒ No  
☐ Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).

8. What is the basis of the claim? Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.  
Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).  
Limit disclosing information that is entitled to privacy, such as health care information.  
Big Timber 1408 #1UMH-2 Well AFE Cash Call

9. Is all or part of the claim secured? ☒ No  
☐ Yes. The claim is secured by a lien on property.  
**Nature of property:**  
☐ Real estate. If the claim is secured by the debtor's principal residence, file a *Mortgage Proof of Claim Attachment* (Official Form 410-A) with this *Proof of Claim*.  
☐ Motor vehicle  
☐ Other. Describe: \_\_\_\_\_  
**Basis for perfection:** \_\_\_\_\_  
Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)  
**Value of property:** \$ \_\_\_\_\_  
**Amount of the claim that is secured:** \$ \_\_\_\_\_  
**Amount of the claim that is unsecured:** \$ \_\_\_\_\_ (The sum of the secured and unsecured amounts should match the amount in line 7.)  
**Amount necessary to cure any default as of the date of the petition:** \$ \_\_\_\_\_  
**Annual Interest Rate** (when case was filed) \_\_\_\_\_ %  
☐ Fixed  
☐ Variable

10. Is this claim based on a lease? ☐ No  
☒ Yes. Amount necessary to cure any default as of the date of the petition. \$ \_\_\_\_\_

11. Is this claim subject to a right of setoff? ☒ No  
☐ Yes. Identify the property: \_\_\_\_\_

**12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?**

☒ No

☐ Yes. Check one:

Amount entitled to priority

A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.

☐ Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).

\$ \_\_\_\_\_

☐ Up to \$3,025\* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).

\$ \_\_\_\_\_

☐ Wages, salaries, or commissions (up to \$13,650\*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4).

\$ \_\_\_\_\_

☐ Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).

\$ \_\_\_\_\_

☐ Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).

\$ \_\_\_\_\_

☐ Other. Specify subsection of 11 U.S.C. § 507(a)( ) that applies.

\$ \_\_\_\_\_

\* Amounts are subject to adjustment on 4/01/22 and every 3 years after that for cases begun on or after the date of adjustment.

**Part 3: Sign Below**

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

☒ I am the creditor.

☐ I am the creditor's attorney or authorized agent.

☐ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.

☐ I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date

9/14/2020  
MM DD / YYYY

Signature

Print the name of the person who is completing and signing this claim:

Name Cody Miller  
First name Middle name Last name

Title Co-CEO and General Counsel

Company Dale Operating Company  
Identify the corporate servicer as the company if the authorized agent is a servicer.

Address 2100 Ross Ave. Suite 1870  
Number Street

Dallas TX 75201  
City State ZIP Code

Contact phone 214-888-8580 Email COO@dale-energy.com

RECEIVED

OCT 13 2020

KURTZMAN CARSON CONSULTANTS

**EXHIBIT A TO PROOF OF CLAIM**

1. Claimant: Dale Operating Company (“**Dale**”) maintains its business at 2100 Ross Ave., Suite 1870, Dallas, TX 75201. Dale files its proof of claim (the “**Claim**”) pursuant to 11 U.S.C. §§ 105(a), 501, and 502(a) and the Federal Rules of Bankruptcy Procedure 3002 and 3003. On May 25, 2017, Dale Red River Resources, LLC, an affiliate of Dale, entered into a Top Lease Assignment Purchase and Sale Agreement (the “**Agreement**”) with Sightline Petroleum, LLC<sup>1</sup> (“**Sightline**”) whereby Sightline agreed to, among other things, (a) executed oil and gas top leases (“**Top Leases**”) with each of Donna J. McCarthy, Successor Trustee of the John F. McCarthy 1998 Revocable Trust, Lois J. McCarthy, Trustee of the McCarthy Family Trust, Perdue Family, LLC, AER Limited Liability Company, Matthew Rother, Douglas Rother, Kenneth Rother, Patrick Rother, Thomas J. Rother, Trustee under Trust Agreement, Thomas J. Rother (“**Lessors**”) covering acreage located in Section 2-14N-8W, Canadian County, Oklahoma and (b) assign the Top Leases to Dale when certain title defects were cured and the Top Leases became active. Sightline and Dale contend that the Top Leases are active leases and that the predecessor lease terminated pursuant to its terms. On or about January 24, 2018, Sightline received a well proposal and related Authority for Expenditure (“**AFE**”)<sup>2</sup> from the Debtor requesting that Sightline make an election regarding its participation in the drilling of the Debtor-operated Big Timber 1408 #1UMH-2 well (the “**Well**”) located in Section 2-14N-8W, Canadian County, Oklahoma, pursuant to OCC Pooling Order No. 677046 (the “**Pooling Order**”). Sightline received the well proposal and AFE because although Dale has the contractual right to acquire the Top Leases from Sightline, Sightline owns record title to the Top Leases. Sightline sent the AFE to Dale, and (x) on May 17, 2018,

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<sup>1</sup> A copy of the agreement between Dale and Sightline is attached hereto as Exhibit A1.

<sup>2</sup> A copy of the AFE is attached hereto as Exhibit A2.

***In re Chaparral Energy, Inc.; Case No. 20-11947-MFW***  
**United States Bankruptcy Court for the District of Delaware**

Dale sent Debtor a letter electing to participate in the Well pursuant to the Pooling Order,<sup>3</sup> and (y) on May 24, 2018, Dale transferred \$745,321.03<sup>4</sup> to the Debtor (the “**Transfer**”) as payment of Dale’s proportionate share of the well costs referenced in the AFE. While Sightline and the Debtor are currently involved in litigation regarding the enforceability of the Top Leases, the Debtor does not contest receipt of the Transfer and has listed Dale as an unsecured creditor in the amount of \$745,321.00.

2. Debtor: On August 16, 2020 (the “**Petition Date**”), Chaparral Energy, Inc. (the “**Debtor**”), filed for protection under chapter 11 of title 11 of the United States Code. The Debtor’s case is pending in the United States Bankruptcy Court for the District of Delaware.

3. Indebtedness: Prior to the Petition Date, the Debtor circulated the attached AFE to parties holding an interest in the Well it sought to drill, which included Sightline. Sightline forwarded the AFE to Dale for its review pursuant to the Agreement. Dale elected to participate in the Well and transferred \$745,321.03 (the “**Claim Amount**”) to the Debtor. After the Debtor received the Claim Amount, however, the Debtor filed bankruptcy. The Debtor listed Dale as an unsecured creditor with a claim amount of \$745,321.00 in its Top 20 Creditors’ Matrix, which is attached to the Debtor’s voluntary petition. Dale files this proof of claim out of an abundance of caution to protect its claim against the Debtor and its right to recover the Claim Amount.

4. Reservation of Rights; Other Rights: The Claim described in this Exhibit is legal, binding, enforceable, allowed, and not subject to any offset, defense, claim, counterclaim or any other diminution of any type, kind or nature, whatsoever. No portion of the Claim is subject to impairment, avoidance, subordination, or disallowance pursuant to the Bankruptcy Code (including, without limitation, Bankruptcy Code § 502) or applicable non-bankruptcy law. Dale

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<sup>3</sup> A copy of the letter is attached hereto as Exhibit A3.

<sup>4</sup> A copy of the check stub memorializing the transfer is attached hereto as Exhibit A4.

***In re Chaparral Energy, Inc.; Case No. 20-11947-MFW***  
**United States Bankruptcy Court for the District of Delaware**

expressly reserves the right in the future to assert any and all claims that it may have, including, without limitation, imposition of a constructive trust, equitable lien, security interest, subrogation, marshaling, or other legal or equitable remedies to which it may be entitled. The filing of this proof of claim is not to be construed as an election of remedies. Dale further reserves the rights (a) to amend, modify or supplement this proof of claim, including any exhibit; (b) file additional proofs of claim; and (c) against third parties.

5. Notices: All notices to Dale are to be sent to:

Dale Operating Company  
Attn: Cody Miller, Co-CEO and General Counsel  
2100 Ross Ave.  
Suite 1870  
Dallas, Texas 75201

*with copies to:*

Foley & Lardner, LLP  
c/o Nick Peters  
2021 McKinney Avenue, Suite 1600  
Dallas, TX 75201

6. Payments: All payments and distributions to Dale with respect to this proof of claim are to be made as follows:

Dale Operating Company  
Attn: Cody Miller, Co-CEO and General Counsel  
2100 Ross Ave.  
Suite 1870  
Dallas, Texas 75201  
Re: *In re Chaparral Energy, Inc.*

7. Miscellaneous: This proof of claim is filed solely out of an abundance of caution to protect Dale from forfeiture of its claim within this bankruptcy proceeding. The amounts set forth in this proof of claim shall not be construed as an admission by Dale as to the amounts due and owing outside of this bankruptcy proceeding. The filing of this proof of claim is **not**: (a) a

***In re Chaparral Energy, Inc.; Case No. 20-11947-MFW***  
**United States Bankruptcy Court for the District of Delaware**

waiver or release of and/or Dale's rights or remedies against any person, entity or property; (b) a consent by Dale to entry of final judgment by this Court in any core proceeding commenced in this bankruptcy case, consistent with the United States Supreme Court's holding in *Stern v. Marshall*, 131 S. Ct. 2594 (2011); (c) a waiver of the right to move to withdraw the reference or otherwise challenge the jurisdiction of this Court; (d) a waiver of the right to a jury trial; (e) an election of a remedy which waives or otherwise affects any other remedy; or (f) a waiver of the right to assert a different or enhanced classification of priority for its Claim in respect of the other claims asserted in this bankruptcy case.

**TOP LEASE ASSIGNMENT  
PURCHASE AND SALE AGREEMENT**

This Top Lease Assignment Purchase and Sale Agreement (this "Agreement") is dated this 25<sup>th</sup> day of May, 2017 ("the Effective Date") by and between Sightline Petroleum, LLC, whose address is 525 NW 13th Street, Oklahoma City, OK 73103 ("Seller"), and Dale Red River Resources, LLC, whose address is 2100 Ross Ave., Suite 1870, Dallas, TX 75201 ("Purchaser"). For convenience, Seller and Purchaser are sometimes referred to in this Agreement as Parties, or as a Party when in the singular.

**WITNESSETH:**

WHEREAS, Seller acquires oil and gas leases that are subject to one or more unreleased oil and gas leases and one or more unplugged oil and/or gas wells (the "Top Leases"), which Seller has identified as failing to produce in commercial quantities and as such are no longer maintaining the underlying oil and gas leases (such leases the "underlying leases" and such wells the "uneconomical wells" whether one or more) located on lands covered by the underlying leases or lands pooled therewith, and

WHEREAS, Purchaser is aware that, in acquiring the Top Leases, Seller commonly pays between 10% and 20% of the acreage lease bonus to the top lessor, with the balance of the lease bonus due when title to the top lease vests with Seller by way of the release of the underlying leases or the plugging of the uneconomical wells, and

WHEREAS, Purchaser is aware that the Top Leases are burdened with title defects due to the uneconomical wells and/or the underlying leases, possibly among others, and

WHEREAS, Purchaser nevertheless desires to acquire the Top Leases described in Schedule 1.2 hereto and any and all rights associated with the Top Leases (cumulatively, "the Leasehold Interests"), which term for avoidance of doubt includes each of the subdivided Leasehold Interests, that is, as grouped into Section 2, (each a separate "Section") from Seller, subject to the terms and conditions of this Agreement;

NOW, THEREFORE, for and in consideration of the premises and of the respective covenants, agreements and conditions contained in this Agreement, the Parties agree as follows:

1.1 Basic Agreement to Sell and Purchase Under this Agreement. Subject to the further terms, provisions and conditions of this Agreement, Seller agrees to sell to Purchaser and Purchaser agrees to purchase from Seller, the Leasehold Interests via an Assignment of Oil and Gas Leases (the "Assignment") covering all depths, zones and formations below the surface of the earth as are described in the Leasehold Interests, whether one or more. Such Assignment (and the Leasehold Interests covered thereby) is described in Exhibit "A" attached hereto and made a part of this Agreement.

1.2 Purchase Price. The purchase price consideration (the "Purchase Price") for the Assignment is [REDACTED], as shown on Schedule 1.2. The Purchase Price is subject to adjustment as provided in Article 1.3 and Article 1.5, below, and elsewhere in this Agreement.



1.3 Deposit. No more than fifteen (15) days after Seller's execution and delivery to Purchaser of an executed version of this Agreement and subject to Purchaser's initial due diligence determination, to its sole satisfaction, that the uneconomic wells are in fact not producing in paying quantities sufficient to perpetuate the underlying leases, Purchaser will pay to Seller a sum equal to 10% of the Purchase Price (except as provided below in Article 1.5) as a refundable deposit against the Purchase Price (the "Deposit") by wire transfer to Seller's bank account as set forth in Exhibit "B". The Deposit will be credited proportionately against the Purchase Price for each Leasehold Interest for each Section shown on Schedule 1.2 (with the Deposit to be applied prorata to each Leasehold Interest shown on Schedule 1.2 in the proportion that the amount of Purchase Price for such Section within each Leasehold Interest as shown in the "Total" column in Schedule 1.2 bears to the total Purchase Price) at each Closing (as "Closing" is defined below). If Seller is unable to secure either the release of the underlying leases or the plugging of the uneconomical wells, or both, Seller shall return to Purchaser the pro-rata portion of the Deposit applicable to the acreage for which Seller is unable to secure such release or plugging within five (5) business days of Seller either (i) electing to no longer pursue a release or plugging or (ii) receiving notice, from a court or otherwise, that its attempt to secure the release or plugging will be unsuccessful. Unless otherwise agreed to by the parties pursuant to article 1.4 below, Seller shall return the Deposit no later than thirty (30) days after the expiration of the Due Diligence period.

1.4 Title Review by Purchaser and Title Curative by Seller. (a) No later than three (3) days after execution of this Agreement by the Parties, Seller will deliver to Purchaser complete digital copies of Seller's files and records covering the Leasehold Interests, including copies of the Top Leases and underlying top lease title documents, runsheets and other pertinent documents or agreements, and any Contracts (as defined below in this article 1.4) or Regulatory Proceedings or Well Proposals (as defined below) applicable to the Leasehold Interests (all of such materials "Seller's Title Documents"). Purchaser shall have thirty (30) days from the date of receipt of Seller's Title Documents (the "Due Diligence Period") to conduct title due diligence, and likewise shall be entitled to review any and all of Seller's land files and records not otherwise provided digitally to permit Purchaser to, among other things, verify title to the Leasehold Interests (including, without limitation, any required consents to assign that might be applicable to the Leasehold Interests) and to review the form, substance, terms and provisions of the Leasehold Interests and any contracts and agreements, including, without limitation, any midstream, production or acreage commitments, relating to the Leasehold Interests (collectively, the "Contracts") in Seller's files, or to which Seller or any subsidiary or affiliate of Seller is a party. Purchaser will have until the close of business on the thirtieth (30th) day of the Due Diligence Period (the "Defect Notice Date") to notify Seller in writing of its objections to title as to each defective lease in a Section (the "title defects") (which may include, in addition to formal notice of the unreleased leases and uneconomical wells and without limitation, objections to the form, substance, terms or provisions of the Leasehold Interests or any Contracts or Regulatory Proceedings or Well Proposals (as hereinafter defined) pertaining thereto, or any other objections Purchaser wishes to make relating to the Leasehold Interests). Such title defects notice shall explain in sufficient detail the nature of the claimed title defect, within generally acceptable guidelines in the oil and gas industry, and, where reasonably identifiable, the curative measure that will be acceptable to Purchaser in order to cure the specific title defects. Failure by Purchaser to issue Purchaser's objections to title in the Leasehold Interests on or before the

Defect Notice Date will be deemed an acceptance of the Leasehold Interests for which no title defect notice is made.

(b) Concurrently with the running of the Due Diligence Period, to the extent not already commenced, Seller, at Seller's sole cost, will undertake and diligently pursue to resolution steps generally recognized as necessary or otherwise required to secure either the release of the underlying leases or the plugging of the uneconomical wells, or both, and shall keep purchaser apprised on not than a weekly basis of the progress of such efforts. In the event Seller secures either the release of the underlying leases or the plugging of the uneconomical wells for any Section within the Due Diligence Period, Seller shall give the appropriate Notice to Purchaser and Closing shall proceed in accordance with article 1.5. Likewise, if it appears, despite Seller's best efforts, that neither the release of the underlying releases nor the plugging of the uneconomical wells for one or more of the Sections or Leasehold Interest is likely to occur during the Due Diligence Period (in which case Seller shall provide notice to Purchaser promptly upon Seller ascertaining the same), Purchaser shall be under no obligation to continue with its title due diligence, and, at Purchaser's election, Purchaser may either (i) request a return of the Deposit allocable to such portion per article 1.3 or, (ii) Purchaser may agree that the Due Diligence Period for any such Section or Leasehold Interests shall be extended for such period or periods of additional time as the Parties agree to allow Seller additional time to attempt to secure either the release of the underlying leases or the plugging of the uneconomical wells and to give Notice to Purchaser that it has secured the same.

1.5 Closing. (a) All Closings under this Agreement may be referred to for convenience as Closing, whether one or more, and the date(s) of which to be referred to as a Closing Date, whether one or more. Each Closing contemplated by this Agreement is to be completed no more than twenty-five (25) days after Seller submits Notice to Purchaser to Close per Article 1.11 that each respective Leasehold Interest is ready to close per this Article 1.5. At each Closing, the balance of the Purchase Price on the respective Leasehold Interests, as adjusted under this Agreement, including without limitation, for title defects not cured to Purchaser's satisfaction, shall be wired to Seller to the bank account set forth in Exhibit "B". After these funds are sent to the Seller, the Seller will release the applicable executed Assignment to the Purchaser for recording in the appropriate Oklahoma county or counties, with Exhibit "A" thereto adjusted for any Leasehold Interests that are removed due to title defects for which Notice is timely given under this Agreement. In addition, at Closing, Seller will deliver to Purchaser any and all of its lease files and records pertaining to the Leasehold Interests that have not been previously provided under this agreement.

(b) Post-Termination Closings. Purchaser shall not be obligated to Close on any Leasehold Interests after the Termination Date of this Agreement, regardless of whether title is cured to its satisfaction, but may elect to do so at its sole election, PROVIDED, HOWEVER, that for any Leasehold Interest for which Seller has made an election pursuant to a well proposal or pooling action as instructed by Purchaser, Purchaser shall remain obligated to Close after the Termination Date upon the receipt by Purchaser from Seller of title curative satisfactory to Purchaser.

(c) Hurdles. The Parties recognize, understand, and acknowledge that the title curative efforts by Seller are subdivided into two primary functions: first, securing the release of the underlying leases or the plugging of uneconomical wells (which for purposes of this Agreement shall be deemed to be the date that an official plugging report is filed with the Oklahoma Corporation Commission), such as will vest title in Seller of its Top Leases ("the first hurdle"); and second, the curing of more traditional forms of title defects ("the second hurdle"). The Parties further recognize, understand, and acknowledge that the top lease agreements between Seller and its top lessors require payment of the balance of the lease bonus within thirty (30) days of the first to occur of the release of the underlying leases or the plugging of uneconomical wells. In this regard, and in keeping with the objective and timing of article 1.4(b) above, Seller may not give Notice of a Closing before first securing the first hurdle; however, once the first hurdle is cleared, to the fullest extent reasonably manageable, the Parties shall cooperate and use their best reasonable efforts to proceed to a Closing within twenty-five (25) but in no event more than thirty (30) days of Seller having given Notice to Purchaser of the securing of the first hurdle, regardless of the progress made by Seller on curative for the second hurdle. The Parties recognize that this objective may involve Purchaser proceeding to a Closing before the second hurdle has been cleared. In this event, Seller shall have ninety (90) days post-Closing in which to complete its curative to Purchaser's satisfaction with regard to a second hurdle defect. Unless Purchaser shall agree to further extension for second hurdle curative time, failure of Seller to timely achieve such curative to Purchaser's satisfaction ninety (90) days after a Closing entitles Purchaser to, and Seller agrees upon request to promptly pay and refund to Purchaser, (i) a full refund of the Purchase Price allocable to the uncured Leasehold Interest, in which instance the uncured Leasehold Interest shall revert to ownership by Seller (and if previously assigned to Purchaser, Purchaser shall, upon receipt of such reimbursement, reassign same to Seller) and (ii) the proportionate amount of the Deposit allocable to the uncured Leasehold Interests (or Purchaser may at its election take a credit in the same amount of the returned Deposit on future Purchase Price payment(s) made at any Closing as set forth in more detail in article 1.5(e) below) and after which there shall be no further obligation of either Party to the other as regards the applicable Leasehold Interest). Purchaser may also, at Purchaser's election, extend the time for Closing on such Leasehold Interest for such time period as the Parties may agree, without waiving any other rights under this Agreement.

(d) Good and Defensible Title. Seller shall deliver good and defensible title to the Leasehold Interests at a Closing. Seller represents to Purchaser that Seller does not knowingly or willingly attempt to acquire a top lease on or for any Leasehold Interests that is/are not reasonably capable of having title cleared to a good and defensible title standard within a reasonable time, such reasonable time acknowledged by the parties as taking longer where litigation is required to cure the title defects.

(e) Parties Unable to Agree Pre-Closing. With respect to any such title defects, if the title defects cannot be cured to Purchaser's satisfaction prior to each applicable Closing, or the Parties are unable to agree on a further extension of time under article 1.5(c) within which such title defects can be cured (with any such extension of time to be memorialized in writing between the Parties, such memorialization to also include a proposed extended Closing Date), the title defects shall be treated as follows.

- (i) if Seller shall advise Purchaser that Seller is either unable or unwilling, or both, to attempt to cure the title defects in a Section, and Purchaser is unwilling to waive the title defects as provided in (ii) immediately following, Seller may, at Seller's option, withdraw the Section containing the identified title defects (whether one or more) and shall have no further obligation to Purchaser with respect to or in connection with such withdrawn Section except the return to Purchaser of the applicable proportionate part of the Deposit; or, in the alternative,
- (ii) at any time, at Purchaser's option, Purchaser may waive any title defects and the return of the applicable proportionate part of the Deposit and take an appropriate business risk, or attempt the title curative on its own of one or more applicable Sections or Leasehold Interests, in which case there shall be no adjustment to either the Deposit or the Purchase Price with regard to such waived title defects.
- (iii) as to all title defects that Seller attempts to cure, Seller will use its best efforts to cure such defects within the self-imposed, good faith estimated time period presumed under this Agreement or such period as an extension of time as negotiated with Purchaser, for which the Closing is set. Seller, however, does not warrant that its efforts either will be successful or that, if successful, will be successful on or before a date certain, and Seller shall not be held in default or otherwise liable under this Agreement for Seller's failure to meet its self-imposed, good faith estimated curative dates, other than for Seller's obligation to return the allocable portion of the. Seller will keep Purchaser reasonably apprised of Seller's curative efforts. Seller shall have exclusive control over the order and the manner in which Seller attempts its curative measures, including the right to abandon any curative attempt at any time, in Seller's sole discretion, in which event Seller will either return the proportionate Deposit amount or Purchaser may at its election take a credit in the same amount on future Purchase Price payment(s) made at any Closing.

1.6 Representations of Seller and Purchaser. (a) Seller represents that as of the date of its execution of this Agreement and as of any Closing, (i) Seller has full power and authority to enter into and perform this Agreement according to its terms and to carry out and perform the transactions contemplated herein and is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Oklahoma, (ii) there are no existing adverse claims or demands which have been asserted, or which Seller is aware are likely to be asserted against the Leasehold Interests, and Seller agrees to notify Purchaser immediately of any such claims or demands which are asserted prior to Closing, (iii) except as disclosed on Schedule 1.5 (d) (iii) attached hereto, there are no unrecorded Contracts affecting or burdening the Leasehold Interests or any lands or leases pooled therewith and (iv) except as disclosed on Schedule 1.5 (d)(iv) attached hereto, there are no pending regulatory proceedings or well

proposals, including, without limitation, pre-pooling, pooling, force pooling, spacing or unit orders or applications (collectively, "Regulatory Proceedings or Well Proposals"), currently pending before the Oklahoma Corporation Commission or any other state agency having jurisdiction affecting or applying to the Leasehold Interests or any lands or leases pooled therewith .

(b) Purchaser's obligation to close under this Agreement is subject to: (i) all representations and warranties of Seller being true and correct in all material respects as of the date hereof and at any Closing; (ii) Seller shall have fully performed and complied with all covenants and agreements required by this Agreement to be performed or complied with by Seller prior to any Closing; (iii) no suit, action or other proceeding by any governmental entity or third party shall, on the date of any Closing, be pending or threatened to restrain, prohibit or obtain damages or other relief in connection with the consummation of the transactions contemplated hereby or the Leasehold Interests; (iv) any required consents to assign the Leasehold Interests or carry out the transaction will have been obtained and delivered in form and substance satisfactory to Purchaser; and (v) all title defects have been cured to Purchaser's satisfaction or otherwise waived.

1.7 Well, Unit and Other Elections. Any Well Proposals affecting the Leasehold Interests received by Seller after Purchaser's receipt of Seller's written acceptance of this Agreement or active Well Proposals held by Seller at the time of Purchaser's receipt of Seller's acceptance of this Agreement shall be immediately forwarded to Purchaser. If the response deadline to such a well proposal falls on or before any Closing Date, the Seller shall make the response to the well proposal as directed by Purchaser. Purchaser shall be responsible for any well costs if Purchaser directs Seller to elect participation in any proposed well. If requested, Seller will support the designation of Purchaser as operator for any new wells to be drilled on the Leasehold Interest. As to forced pooling elections, Seller shall have no liability to Purchaser for Purchaser's subsequent failure to timely satisfy a requirement imposed by the pooling order under which Seller elects as instructed by Purchaser. As to any of the Leasehold Interests, in the event that any Closing does not occur by any applicable Closing Date, Purchaser and Seller agree that Purchaser will purchase from Seller all of Seller's right, title and interest in and to the proposed third party well in which Purchaser elected to participate for the same applicable terms per net mineral acre as set forth in Schedule 1.2. Notices under this Article 1.7 shall be given as provided under Article 1.10.

1.8 Retained ORRI Interests. Seller shall assign to Purchaser all of the Leasehold Interests covered by the Top Leases and otherwise covered as Leasehold Interests with respect to which Purchaser has approved title, if any, reserving unto Seller an overriding royalty equal to the positive difference (if any) between all existing leasehold burdens of record as of the Effective Date of this Agreement and twenty-five percent (25.0%) of all production from the Leases and lands covered thereby, it being the intention of both parties hereto that Seller shall deliver to Purchaser not less than a seventy five percent (75.0%) net revenue interest of all oil, gas and associated hydrocarbons, including without limitation plant products, NGL, and the like, produced and saved from and/or allocated to the Leasehold Interests, if, as and when produced from and/or allocated to the Leasehold Interests. If any of the Leasehold Interests cover less than a full interest in lands covered hereby, then the overriding royalty interest herein reserved shall

be proportionately reduced as to Seller's ownership in the Leasehold Interests. Purchaser may pool or unitize the overriding royalty interests on the same basis as set forth in the Leases. The overriding royalty interests shall be free and clear of all costs of exploration, drilling and producing, but shall bear its proportionate part of all production, severance or other similar taxes. The overriding royalty interests shall run with the Leases and any and all extensions, renewals and revivors of the Leasehold Interests taken within six (6) months after the expiration of the Leasehold Interests.

1.9 Warranty. Purchaser acknowledges and agrees that with respect to title defects and title issues and due diligence, (i) Purchaser is not relying on any representation (whether written or verbal) of Seller or any of its representatives related to the Leasehold Interests, (ii) Purchaser is solely relying on its own title due diligence, and (iii) after Closing, Purchaser shall have no claim for breach of representation or warranty against Seller except for (a) claims, if any, for breach of a representation, warranty or covenant that are asserted in writing by Purchaser to Seller within six (6) months after any Closing on the Leasehold Interests, or (b) claims pursuant to that certain special warranty of title contained in the Assignment, which special warranty of title shall survive termination of this Agreement indefinitely.

1.10 Well Information: Purchaser agrees to timely furnish Seller at [REDACTED] well information actually received by Purchaser from each well in which Purchaser drills or in which Purchaser participates which is located on any of the Leasehold Interests or on a spacing unit that includes any of the Leasehold Interests in which Purchaser participates in such well or well information. Such well information includes the daily drilling and completion reports, logs, tests, surveys and daily production reports of oil, gas and water (the "Data"). Production reports are to be furnished on a monthly basis for the initial twelve (12) months of production. The term "timely furnish" is defined as "within sixty (60) days following obtaining". Seller shall maintain the confidential nature of Data provided to it under this Agreement, disclose such Data only to its affiliates and its and their employees, officers, directors, contractors, consultants and agents who have a need to know such Data, provided such persons and entities have been informed by Seller of and are aware of the obligation of confidentiality and non-disclosure in relation to the Data and are bound by an obligation of confidentiality and non-disclosure no less onerous than that of Seller.

1.11 Notices. Notices to either Party with regard to any matter covered by this Agreement shall be made in writing and shall be deemed to have been duly given or made if (i) delivered personally, (ii) transmitted by first class registered or certified mail, posted prepaid, return receipt requested, (iii) sent by recognized prepaid overnight courier service (which provides a receipt) or (iv) sent by facsimile or electronic mail transmission (followed by delivery under the methods provided for in (i), (ii) or (iii) above) with receipt confirmation, to the Parties at the addresses set forth below:

Sightline Petroleum, LLC  
525 NW 13th Street  
Oklahoma City, OK 73103  
Attention: Freddie J. Hensley  
Email: fjhensley@cox.net

Dale Red River Resources, LLC  
2100 Ross Ave., Suite 1870  
Dallas, TX 75201  
Attention: Cody Miller  
Email: cody@dale-energy.com

Such notice shall be effective only upon actual receipt.

1.12 No Brokers. Seller and Purchaser represent there are no brokers or brokerage obligations or commissions affecting this transaction for which either would be responsible. Seller and Purchaser agree to indemnify and hold each other harmless from and against, and agree to pay and discharge, any claims, causes of action or liabilities arising out of or resulting from any such brokerage agreement, arrangement or understanding made or alleged to have been made by, or on behalf of Purchaser or Seller.

1.13 Counterpart Execution. This Agreement may be executed in any number of counterparts, and each such counterpart hereof shall be deemed to be an original instrument, but all of such counterparts shall constitute for all purposes one agreement. Any signature hereto delivered by a party hereto by electronic mail (in .pdf format) shall be deemed an original signature hereto.

1.14 Termination. This Agreement shall terminate twenty-four (24) months from the Effective Date (the Termination Date), except that the terms and provisions of Article 1.5 (and its complementary sub-articles) shall survive for any applicable extended period of time and the terms and provisions of Articles 1.8, 1.9 (and its complementary articles), and 1.15 shall survive for the periods stated therein.

1.15 Limitation on Damages. NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, IN NO EVENT SHALL EITHER PARTY OR ITS REPRESENTATIVES BE LIABLE TO THE OTHER PARTY OR ITS REPRESENTATIVES FOR LOSS OF PROFITS, BUSINESS INTERRUPTION, OR OTHER INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, EXEMPLARY OR PUNITIVE DAMAGES, REGARDLESS OF NEGLIGENCE OR FAULT, AND THIS PROVISION WILL SURVIVE TERMINATION OF THIS AGREEMENT INDEFINITELY

1.16 Assignment. This Agreement may not be assigned, in whole or in part, by either Party without the prior, express, and written approval of the non-assigning Party, which approval may be withheld for good reason.

1.17 Headings. The article and section headings contained in this Agreement are inserted for convenience only and will not affect in any way the meaning or interpretation of this Agreement.

IN WITNESS WHEREOF, the undersigned have executed this Agreement to be effective as of the Effective Date.

**SELLER:**

SIGHTLINE PETROLEUM, LLC

By: 

Name: Freddie J. Hensley  
Title: Manager

**PURCHASER:**

DALE RED RIVER RESOURCES, LLC

By: 

Name: Cody Miller  
Title: Vice President of Dale  
Oklahoma II, LLC, the Purchaser's  
sole member.

DATE: May 25, 2017

DATE: May 30, 2017

Exhibit "A"  
(Form of Assignment of Oil and Gas Leases)

See Attached.



## ASSIGNMENT OF OIL AND GAS LEASES

STATE OF OKLAHOMA                    )  
  )     KNOW ALL MEN BY THESE PRESENTS:  
COUNTY OF \_\_\_\_\_ )

This Assignment of Oil and Gas Leases (this "Assignment") made and entered into this 25th day of May, 2016 (the "Effective Date") by and between **Sightline Petroleum, LLC**, whose address is 525 NW 13th Street, Oklahoma City, OK 73103 (hereinafter referred to as "Assignor") and **Dale Red River Resources, LLC**, whose address is 2100 Ross Ave., Suite 1870, Dallas, TX 75201 (hereinafter referred to as "Assignee").

For and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Assignor does hereby **GRANT, BARGAIN, SELL, ASSIGN, TRANSFER and CONVEY** unto Assignee, all of the oil and gas leases set forth in Exhibit "A" attached hereto and made a part hereof exclusive of all pre-existing wellbores located thereon, if any (the "Leases").

Assignor reserves and excepts from this Assignment an overriding royalty equal to the positive difference (if any) between all existing leasehold burdens of record as of the Effective Date of this Assignment and twenty-five percent (25.0%) of all production from the Leases and lands covered thereby, it being the intention of both parties hereto that Assignor shall deliver to Assignee not less than a seventy five percent (75.0%) net revenue interest of all oil, gas and associated hydrocarbons produced and saved from and/or allocated to the Leases, if, as and when produced. If any of the Leases cover less than a full interest in lands covered thereby, then the overriding royalty interest herein reserved shall be proportionately reduced. Assignor may pool or unitize the overriding royalty interest on the same basis as set forth in the Leases or in accordance with the spacing, unitization or pooling orders of any governmental authority having jurisdiction, in which case the overriding royalty interest herein reserved shall be reduced in the proportion that the acreage burdened by said overriding royalty interest bears to all the acreage included in any such pooled unit. The overriding royalty interest shall be free and clear of all costs of exploration, drilling and producing, but shall bear its proportionate part of all production, severance or other similar taxes. The overriding royalty interest shall run with the Leases and any and all extensions, renewals, revivers and assignments of the Leases taken within six months after expiration of any of the Leases.

**TO HAVE AND TO HOLD** the said Leases, together with all and singular the rights, privileges, hereditaments and appurtenances thereto, unto the said Assignee, its heirs, successors and assigns, forever, subject to the terms, provisions and reservations set forth in this Assignment. Assignor represents and warrants that it has not encumbered, mortgaged or lien the Leases or assigned any interest in the Leases to a third party, and warrants title to the Leases against the claims of all persons claiming the same or any part thereof, by, through or under Assignor, but not otherwise. Except for the preceding warranty, **THE LEASES BEING ASSIGNED ARE WITHOUT WARRANTY OF TITLE, EITHER EXPRESS, IMPLIED.** This Assignment is made with full substitution and subrogation to Assignee in and to all covenants

and warranties by others heretofore given or made with respect to the Leases, and Assignor hereby assigns to Assignee, the right to enforce all rights, claims and causes of action under title warranties given or made by Assignor's predecessors in interest with respect to the Leases.

This Assignment is subject to that certain Purchase and Sale Agreement dated April \_\_, 2017.

EXECUTED this 24 day of May, 2017, but effective as of the Effective Date.

**ASSIGNOR:**

**SIGHTLINE PETROLEUM, LLC**

By: 

Name: Freddie J. Hensley

Title: Manager

**ASSIGNEE:**

**DALE RED RIVER RESOURCES, LLC**

By: 

Name: Cody Miller

Title: Vice President of Dale Oklahoma II, LLC, Assignee's sole member

STATE OF OKLAHOMA §  
§  
COUNTY OF OKLAHOMA §

On this 25th day of May, 2017, before me personally came and appeared Freddie S. Hendrix to me known, who, being by me duly sworn, did say that he is the Manager for Sightline Petroleum, LLC, to me known to be the identical person who acknowledged to me that he executed the foregoing instrument on behalf of said company and as the free act and deed of said company.

Given under my hand and seal of office the day and year last above written.

Laurie Myers  
NOTARY PUBLIC



STATE OF TEXAS §  
§  
COUNTY OF DALLAS §

On this 30th day of May, 2017, before me personally came and appeared Cody Miller, to me known, who, being by me duly sworn, did say that he is the Vice President of Dale Oklahoma II, LLC, the sole member of Dale Red River Resources, LLC, to me known to be the identical person who acknowledged to me that he executed the foregoing instrument on behalf of said company and as the free act and deed of said company.

Given under my hand and seal of office the day and year last above written.

[Signature]  
NOTARY PUBLIC

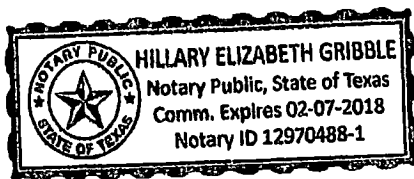


Exhibit "A"  
Leases

See Attached.

Exhibit "B"  
Wiring Instructions

Bank Name:  
Bank Address:  
ABA No.  
For the Account of:  
Account No.



Schedule 1.2

Leases and Purchase Price

(See Attached)

Schedule 1.5(d)(iii)

Contracts

None.

Schedule 1.5(d)(iv)

Regulatory Proceedings or Well Proposals

None.



Phase - Project Investment Estimate - BIG TIMBER 1408 #1UMH-2		<b>Chaparral</b> ENERGY	
Well/Project	BIG TIMBER 1408 #1UMH-2	Date:	January 15, 2018
Prospect	MRMC - CANA - SWP - ACTUALS	Version:	
Location:		AFE:	7 160C068
Objective:		County:	Canadian
Type Well:	Horizontal	State:	OK
		Team:	Weatherford
Est TD:		Other Note: Actuals	

Cost Description	Location Acquisition	Site Prep	Drill	Case & Suspend	Completion	Site Equip	Total
ABSTRACTS & LEGAL FEES	\$18,108						\$18,108
DAMAGES & RIGHT-OF-WAY	\$50,000						\$50,000
TITLE OPINION	\$50,890				\$13,728		\$74,716
SURVEY & PERMITS	\$3,778						\$5,886
LOCATION & ROADS		\$105,507					\$110,381
CONDUCTOR HOLE & SERVICES			\$12,482				\$12,482
MOVE IN, RIG-UP & RIG-DOWN			\$113,231				\$113,231
DAYWORK DRILLING			\$228,356	\$48,000			\$276,356
FOOTAGE DRILLING							
TURNKEY DRILLING							
FUEL			\$27,400				\$27,400
WATER FOR DRILLING/FRAC			\$69,452				\$69,452
AIR UNIT, NITROGEN & N2 PUMP			\$22,269		\$141,532		\$163,801
DRILLING MUD & ADDITIVES			\$103,497				\$103,497
HAIL OFF COSTS & BIN RENTALS			\$57,179				\$57,179
DRILLING BITS			\$52,308				\$52,308
DIRECTIONAL SERVICES			\$148,670				\$148,670
DRILL OUT / FISHING SERVICES & RENTALS					\$19,625		\$19,625
SURFACE RENTALS			\$54,313	\$1,446	\$85,377		\$141,136
DOWNHOLE RENTALS			\$19,302		\$43,412		\$62,714
LOGGING SERVICES (MUD, OPEN, CASED)		\$11,450					\$11,450
CEMENTING MATERIALS & SERVICES			\$36,561	\$31,789			\$68,350
HOTSHOTS & TRUCKING			\$4,360	\$1,300	\$5,572		\$11,232
SUPERVISION			\$54,665	\$11,708	\$23,778		\$90,151
GEOLOGICAL & ENGINEERING SERVICES					\$33,332		\$33,332
CASING/DP CREWS & TONGS			\$10,575				\$10,575
MISC SERVICES, SUPPLIES, CONTINGENCY		\$12,648		\$13,300	\$7,502		\$33,450
INSURANCE & INSURANCE RECOVERY							
OPERATED ADMIN OVERHEAD			\$8,440				\$8,440
PLUGGING & RELATED SERVICES							
COILED TUBING UNIT / DRILLING WIRELINE					\$56,378		\$56,378
TRAVEL/MEALS			\$1,608				\$1,608
HIGH-RATE FRAC WATER TRANSFER & HEATING					\$56,837		\$56,837
COMPLETION / SWAB RIG							
FLOWBACK SERVICES & FLOWBACK HULL/OFF					\$98,032		\$98,032
PERFORATING					\$94,500		\$94,500
FRACTURING, ACIDIZING & SAND CONTROL					\$2,026,154		\$2,026,154
<b>TOTAL INTANGIBLE ITEMS</b>	\$134,876	\$128,605	\$1,084,646	\$107,543	\$2,705,757	\$4,582	\$4,167,409
SURFACE CASING			\$13,727				\$13,727
INTERMEDIATE CASING			\$176,292				\$176,292
PRODUCTION CASING							
LINER CASING				\$85,981			\$85,981
PRODUCTION TUBING					\$11,230		\$11,230
CASINGHEAD, TUBINGHEAD & TREE EQU			\$7,709		\$16,516		\$26,225
PACKERS, PLUGS, TBG ANCHOR				\$51,003	\$24,496		\$75,499
PUMPING UNIT							
PRIME MOVER							
SUCKER RODS							
ARTIFICIAL LIFT (ESP, ROD PMP, GLVS, PL)					\$16,283		\$16,283
WELL SITE CONNECTIONS / VALVES / GAUGES							
TANKS							
VRU, VRT, GAS PROD UNIT, DEHY							
COMPRESSOR							
SEPARATION EQUIPMENT							
HEATER TREATER / LINE HEATER / GUN BARR							
METERING FACILITIES							
ELECTRICAL INSTALLATION & EQUIPMENT							
LABOR & SERVICES - WELL SITE							
OFF-SITE FLOWLINE INSTALL & EQUIPMENT							
TELEMETRY					\$29,225		\$29,225
MISCELLANEOUS TANGIBLES							
<b>TOTAL TANGIBLE ITEMS</b>	\$0	\$0	\$197,128	\$137,954	\$99,750	\$194,780	\$530,232
<b>TOTAL ESTIMATED INVESTMENT</b>	\$134,876	\$128,605	\$1,281,774	\$245,507	\$2,805,507	\$196,772	\$4,707,641

Total DHC: \$1,646,858 Total CC: \$2,250,789 Total AFE: \$4,707,641



JAN 24 2018

Signature: *[Signature]*  
Title: **DISC MANAGER**  
Date: **1-15-18**

May 20, 2018

**VIA CERTIFIED MAIL**

**Chaparral Energy**  
ATTN: Sara Caldwell  
701 Cedar Lake Blvd.  
Oklahoma City, OK 73114

Re: Big Timber 1408 #1UMH-2 Well  
Section 02-14N-08W  
Canadian County, OK

To Whom It May Concern:

Please be advised Sightline Petroleum, LLC/Tributary Resources, LLC hereby elects to participate with the full extent of its interest in the proposed initial unit well.

Please review the attached well requirements sheet. Should you have any questions please do not hesitate to call me at (405) 819-0264.

Best Regards,

Jonathan Kraft

## TRIBUTARY RESOURCES, LLC

### WELL INFORMATION REQUIREMENT AND NOTIFICATIONS

Daily Drilling/Completion reports by e-mail or fax to:

**E-mail:** tvdailyreports@yahoo.com, Sewkey@aol.com  
fjhenslev@cox.net, rocky@conchoenergy.net,  
rhenslev@datapush.com

-OR-

**Fax:** 405-260-9666

The following items are to be sent by email or mailed to the following address:

Tributary Resources, LLC  
525 NW 13th  
Oklahoma City, OK 73103

	<u>Copies</u>
Drilling Permit	1
Drilling/Geologic Prognosis	1
Location Plats	1
Regulatory Forms	1
Daily Mud Logging Reports (Fax or Email)	1
Drilling Prognosis	1
Completion Reports	1
DST, Cores, etc.	1
Well Summary (Geologic/Engineering, etc.)	1
Final Mud Log	2
Field Print E-logs	1
Final Print E-logs	2
Digital File of logging data in LAS format	1
Drilling Title Opinion	1
After Completion:	
Daily Production reports/Monthly Gauge Sheets	1
Monthly sales volumes	1
Copies of any production tests, state tests, etc.	1
Division Order Title Opinion	1

Notify prior to the following:

\_\_\_\_\_ Notification prior to Drillstem testing  
\_\_\_\_\_ Notification prior to coring  
\_\_\_\_\_ Notification prior to logging  
\_\_\_\_\_ Notification prior to completing or abandoning

Person to be notified: (24 hours a day):

**JONATHAN KRAFT** 405-819-0264  
**E-MAIL:** JONATHAN.KRAFT@YAHOO.COM



**Dale Red River Resources, LLC**

May 17, 2018

Chaparral Energy, LLC  
Attn: Matt Murphy  
701 Cedar Lake Blvd  
Oklahoma City, OK 73114

Re: Election to Participate  
OCC Pooling Cause CD No. 201702277, Order No. 677046  
Chaparral's **Big Timber 1408 #1UMH-2** well  
Section 2-14N-8W  
Canadian County, Oklahoma

Dear Mr. Murphy,

Pursuant to the above-referenced Order No. issued in the above-referenced Pooling Cause CD No., **Dale Red River Resources, LLC**, hereby elects to participate with all of its right, title and interest in Section 2-14N-8W, Kingfisher County, Oklahoma, by selecting alternative 3.a. Participation. Per Pooling Order 677046, Dale will pay for its proportionate share of well costs for the above-referenced well within 25 days from the date of the Order.

As a working interest owner, please forward copies of the title opinion(s), well logs, mud logs, daily drilling reports and completion reports from any well(s) drilled to [OKwelldata@dale-energy.com](mailto:OKwelldata@dale-energy.com) in addition to any supplemental AFEs (when/if applicable):

Thank you for your attention to this matter.

Sincerely,

**Shane Huffman**  
Senior Staff Landman



**Dale Operating  
Company**

2100 Ross Ave, Suite 1870  
Dallas, TX 75201  
Direct: (214)-888-8588  
Mobile: (972)-977-1641  
Fax: (214) 969-9394  
eMail: [shaneh@dale-energy.com](mailto:shaneh@dale-energy.com)  
Website: [www.daleoperating.com](http://www.daleoperating.com)

## OPERATING ACCOUNT

Dale Operating Company  
2100 Ross Ave. Suite 1870  
Dallas TX 75201  
214-979-9010

Texas Capital Bank (DOC)

32-1787  
1110

Check No	Check Date	Check Amount
0000138540	05/24/2018	*****\$745,321.03

PAY *Seven Hundred Forty Five Thousand Three Hundred Twenty One Dollars and Three Cents*  
Void After 180 Days

TO CHAPARRAL ENERGY LLC  
THE 701 CEDAR LAKE BLVD  
ORDER  
OF OKLAHOMA CITY OK 73114

⑈0000138540⑈ ⑆111017979⑆ 1111005466⑈

\*PLEASE DETACH AT PERFORATION ABOVE\*

\*PLEASE DETACH AT PERFORATION ABOVE\*

## Dale Operating Company

2100 Ross Ave. Suite 1870  
Dallas TX 75201  
214-979-9010

Check Number 0000138540

Invoice #	Inv. Date	Description	Amount	Discount	Net Amount
52318	05/23/2018	BIG TIMBER 1408 #1UMH-2 CANADIAN OK	745,321.03	0.00	745,321.03

148942

Owner

Check Date: 05/24/2018

Check Amount

745,321.03

ORIGIN ID:KPA (214) 979-9010  
CASSIE TARBOX  
DALE OPERATING COMPANY  
2100 ROSS AVENUE  
SUITE 1870  
DALLAS, TX 75201  
UNITED STATES US

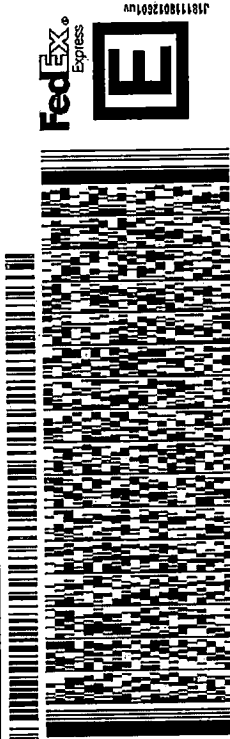
SHIP DATE: 24MAY18  
ACTW/GT: 1.00 LB  
CAD: 3943450/INET3980

BILL SENDER

TO **MATT MURPHY**  
**CHAPARRAL ENERGY, LLC**  
**701 CEDAR LAKE BLVD**

**OKLAHOMA CITY OK 73114**  
(405) 426-4074 REF: DOK2 - BIG TIMBER AFE  
INV. PO: DEPT:

552J27782B/DCA5



**FRI - 25 MAY 3:00P**  
**STANDARD OVERNIGHT**

TRK# 7723 1677 4132

**73114**  
**OKC**

**AK TIKA**



After printing this label:

1. Use the Print button on this page to print your label to your laser or inkjet printer.  
2. Fold the printed page along the horizontal line.  
3. Place label in shipping pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.

Warning: Use only the printed original label for shipping. Using a photocopy of this label for shipping purposes is fraudulent and could result in additional billing charges, along with the cancellation of your FedEx account number. Use of this system constitutes your agreement to the service conditions in the current FedEx Service Guide, available on [fedex.com](http://fedex.com). FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including interest, value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of \$100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is \$1,000, e.g. jewelry, precious metals, negotiable instruments and other items listed in our Service Guide. Written claims must be filed within strict time limits; see current FedEx Service Guide.