

CORRECTION NET OVERRIDING ROYALTY CONVEYANCE

(San Juan Basin Royalty Trust)

THE STATE OF NEW MEXICO §
COUNTIES OF SAN JUAN § KNOW ALL MEN BY THESE PRESENTS:
AND RIO ARRIBA §

Reference is made to Net Overriding Royalty Conveyance (San Juan Basin Royalty Trust) dated as of November 1, 1980, from Southland Royalty Company, a Delaware corporation ("Assignor") to Texas American Bank/Fort Worth, N.A., successor to The Fort Worth National Bank, a bank organized under the laws of the United States, acting not in its individual corporate capacity but solely as trustee under that certain San Juan Basin Royalty Trust Indenture dated as of November 1, 1980 ("Assignee"), said Net Overriding Royalty Conveyance ("Said Conveyance") being recorded in Book 893, Page 236 of the Records of San Juan County, New Mexico, and a counterpart thereof (limited to lands located in Rio Arriba County) being recorded in Book 91, Page 179 of the Records of Rio Arriba County, New Mexico.

(1) By inadvertence there were omitted from Schedule A attached to Said Conveyance the leases described in Schedule A-1(a) through A-1(p) attached hereto and made a part hereof, and both Assignor and Assignee had intended to include such leases in such Schedule A at the time Said Conveyance was executed and delivered.

(2) By inadvertence certain clerical errors were made in certain of the descriptions contained in Schedule A attached to Said Conveyance and Assignor and Assignee desire to correct such errors.

NOW, THEREFORE, for the consideration stated in Said Conveyance, Assignor and Assignee hereby correct and amend Said Conveyance to include in Schedule A thereof the leases described in Schedule A-1(a) through A-1(p) attached hereto, with the same effect as if such leases were originally described in Schedule A attached to Said Conveyance, and Assignor has bargained, sold, granted, conveyed, transferred, assigned, set over and delivered, and by these presents does hereby bargain, sell, grant, convey, transfer, assign, set over and deliver unto Assignee the rights, titles and interests described as being assigned to Assignee in Said Conveyance as Said Conveyance is hereby corrected and amended, all on the terms of Said Conveyance as hereby corrected and amended;

AND, FURTHER, for the consideration stated in Said Conveyance, Assignor and Assignee hereby correct and amend Said Conveyance by substituting for the below referenced pages of Schedule A attached to Said Conveyance the below referenced portions of Schedule A-2 attached hereto, to wit:

Substitute Schedule A-2(a) for page 20
Substitute Schedule A-2(b) for page 29
Substitute Schedule A-2(c) for page 367
Substitute Schedule A-2(d) for page 85
Substitute Schedule A-2(e) for page 96
Substitute Schedule A-2(f) for page 185
Substitute Schedule A-2(g) for page 244
Substitute Schedule A-2(h) for page 247
Substitute Schedule A-2(i) for page 274
Substitute Schedule A-2(j) for page 297
Substitute Schedule A-2(k) for page 331
Substitute Schedule A-2(l) for page 346

Executed on this 23rd day of June, 1983, but effective for all purposes as of the "Effective Date" provided for in Said Conveyance.

SOUTHLAND ROYALTY COMPANY

ATTEST:

Lucy H. Lowry
Lucy H. Lowry, Secretary

By Alton C. Goodrich
Alton C. Goodrich
Executive Vice President

TEXAS AMERICAN BANK/FORT WORTH,
N.A., successor to The Fort Worth
National Bank, acting not in its
individual capacity but solely as
the Trustee of the San Juan Basin
Royalty Trust

ATTEST:

Stephen C. Ruffini
Trust Officer

By John W. Rupley
John W. Rupley
Vice President & Trust Officer

THE STATE OF TEXAS §
 §
COUNTY OF TARRANT §

The foregoing instrument was acknowledged before me this 23rd day of June, 1983, by Alton C. Goodrich, Executive Vice President of SOUTHLAND ROYALTY COMPANY, a corporation, on behalf of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 23rd day of June, 1983.

Diana Marsh
Notary Public in and for Tarrant
County, Texas

My Commission Expires:

December 31, 1984

THE STATE OF TEXAS §
 §
COUNTY OF TARRANT §

The foregoing instrument was acknowledged before me this
24th day of June, 1983, by John W. Rupley,
Vice President & Trust Officer of TEXAS AMERICAN BANK/FORT WORTH, N.A., a
banking association organized under the laws of the United States,
on behalf of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 24th day
of June, 1983.

Margaret Breen
Notary Public in and for Tarrant
County, Texas

My Commission Expires:

2-4-86

STATE OF New Mexico
COUNTY OF San Juan

SRC #20448

Oil and Gas Lease (B-11017-43) dated February 18, 1944, between the State of New Mexico as Lessor, and Harry S. Wright as Lessee, insofar as said lease covers and affects the following described land situated in San Juan County, New Mexico:

Township 29N, Range 13 West
Section 19: SE/4 NE/4

less and except all rights in the Gallup formation.

STATE OF New Mexico
COUNTY OF San Juan

SRC #20457

Oil and Gas Lease dated November 28, 1958 between Sidly Carten Smith and Agnes C. Eaton as Lessors, and Ted M. White as Lessee, covering the following described land in San Juan County, New Mexico, said lease being Recorded in Book 397, Page 29 of the Records of said County:

Township 29 North, Range 13 West

Section 18: NE/4 SW/4; S/2 SE/4; NW/4 SE/4;

Section 20: NE/4 SE/4; SE/4 NE/4; E/2 NW/4

as to all rights below the base of the Pictured Cliffs formation, less and except all rights in the Gallup formation.

SCHEDULE A-1(b)

STATE OF New Mexico

COUNTY OF San Juan

SRC #20459

Oil and Gas Lease dated October 30, 1959 between Bruce M. Barnard, Jr, et al as Lessors, and Weldon C. Julander and Rodney P. Calvin as Lessees, covering the following described land situated in San Juan County, New Mexico, said lease being Recorded in Book 438, Page 204 of the Records of said County:

Township 29 North, Range 13 West
Section 18: Lots 2, 3, 4 and SE/4 SW/4

less and except all rights in the Gallup formation.

SCHEDULE A-1(c)

STATE OF New Mexico

COUNTY OF San Juan

SRC #20460

Oil and Gas Lease (B-11017-23) dated February 18, 1944, between the State of New Mexico as Lessor, and Harry S. Wright as Lessee, insofar as said lease covers and affects the following described land situated in San Juan County, New Mexico:

Township 29 North, Range 13 West
Section 20: SW/4 NW/4

as to all rights between the base of the Pictured Cliffs formation and the base of the Morrison formation, less and except all rights in the Gallup formation.

SCHEDULE A-1(d)

STATE OF New Mexico

COUNTY OF San Juan

SRC #20473

Oil and Gas Lease dated March 10, 1961, between Tom V. Slaughter and Jacqueline M. Slaughter, husband and wife, as Lessors, and Aztec Oil and Gas Company, as Lessee, recorded in Book 495, Page 65 of the Oil and Gas Lease records of San Juan County, New Mexico and covering lands in said County and State described as follows:

Beginning at a point which point is South 30.0 feet and thence 589° 53' W 30.0 feet from the NE corner of the NW/4 NE/4 of Sec. 18, T29N, R13W, N.M.P.M., Thence 589° W 90.26 feet, Thence Thence S 0° 7' E 138.10 feet to the North right-of-way line of U. S. Highway 550 (New); Thence Southeasterly along said right-of-way line a distance of 100.0 feet; Thence N 0° 7' W 185.8 feet to the point of beginning containing .35 acres more or less.

SCHEDULE A-1(e)

STATE OF New Mexico

COUNTY OF San Juan

SRC #20491

Oil and Gas Lease (E-8442) made and entered into as of August 17, 1954 by and between the State of New Mexico as Lessor and the Atlantic Refining Company, as Lessee, insofar as said lease covers and includes rights to a depth of 6,936 feet below the surface in and under the following described land situated in San Juan County, New Mexico:

Township 30 North, Range 12 West, N.M.P.M.
Section 2: Lot 4, SW/4 NW/4, SE/4 NW/4

containing 119.69 acres, more or less, said lease being recorded in Book
Page , Records of San Juan County, New Mexico;

The foregoing lease being subject to:

23304 (1) Communitization Agreement dated July 8, 1968, covering
the Mesaverde formation only.

SCHEDULE A-1(f)

An overriding royalty of 12.5% in all of the oil, gas and/or liquid hydrocarbons which may be produced from the surface to the base of the Dakota formation, as reserved by Aztec Oil & Gas Company in assignment of operating rights to Lone Star Industries, Inc., dated June 18, 1973 covering the following:

1. Oil and Gas Lease dated April 1, 1968 from the United States of America, as Lessor, to Aztec Oil & Gas Company, as Lessee, (NM 4457) covering the following described lands in San Juan County, New Mexico:

Township 30 North, Range 5 West, N.M.P.M.
Section 12: NW/4, NW/4 NE/4

containing 200.00 acres, more or less,

Subject to the following:

- (a) Communitization Agreement dated June 21, 1973 for dry gas and associated liquid hydrocarbons produced from the Dakota formation.
- (b) Communitization Agreement dated June 21, 1973 covering the N/2 Section 12, T-30-N, R-5-W, Rio Arriba County, New Mexico.

STATE OF New Mexico

COUNTY OF San Juan

SRC #20665-01,02

Oil and Gas Lease dated March 12, 1959 between Bernard R. Gerard, et ux as Lessors, and Hugh J. Mitchell as Lessee, and Oil and Gas Lease dated March 12, 1959 between The First National Bank as Lessor, and Hugh J. Mitchell as Lessee, said leases covering the following described land in San Juan County, New Mexico, said lease being Recorded in Book 438, Pages 131 and 132 of the Records of said County:

Township 29 North, Range 13 West, N.M.P.M.

Section 21: 27.50 acres, more or less,

situated in NW/4, more particularly described in lease,

as to all rights in the Dakota formation only.

SCHEDULE A-1(h)

STATE OF New Mexico

COUNTY OF San Juan

SRC # 20666

Oil and Gas Lease dated April 14, 1959 between O. A. Vertreese, et ux as Lessors, and Hugh J. Mitchell as Lessee, covering the following described land in San Juan County, New Mexico, said lease being Recorded in Book 438, Page 228 of the Records of said County:

Township 29 North, Range 13 West, N.M.P.M.

Section 21: 14.60 acres, more or less, in NE/4 NW/4,
more particularly described in lease,

as to all rights in the Dakota formation only.

SCHEDULE A-1(i)

STATE OF New Mexico

COUNTY OF San Juan

SRC # 20667-01

Oil and Gas Lease dated April 15, 1959 between Radio Station KVBC, a partnership composed of C. O. Kendrick and Hugh DeWitt Landis as Lessor, and Hugh J. Mitchell as Lessee, insofar as said lease covers the following described land in San Juan County, New Mexico, said lease being Recorded in Book 438, Page 126 of the Records of said County:

Township 29 North, Range 13 West, N.M.P.M.
Section 21: 12.03 acres, more or less, in
NW/4, more particularly described in lease,

as to all rights in the Dakota formation only.

SCHEDULE A-1(j)

STATE OF New Mexico

COUNTY OF San Juan

SRC # 20667-02

Oil and Gas Lease dated April 15, 1959 between The First National Bank of Farmington, New Mexico as Lessor, and Hugh J. Mitchell as Lessee, insofar as said lease covers the following described land situated in San Juan County, New Mexico, said lease being Recorded in Book 438, Page 222 of the Records of said County:

Township 29 North, Range 13 West, N.M.P.M.

Section 21: 11.75 acres, more or less, in NW/4,
more particularly described in lease,

as to all rights in the Dakota formation only.

SCHEDULE A-1(k)

STATE OF New Mexico

COUNTY OF San Juan

SRC #20668-01,02,03,04,05

Oil and Gas Lease dated July 30, 1959 between Mary Roberts Berry as Lessor, and Tennessee Gas Transmission Company as Lessee, and Oil and Gas Lease dated July 28, 1959 between Royce M. Elkins, et ux as Lessors, and Tennessee Gas Transmission Company as Lessee, and Oil and Gas Lease dated July 28, 1959 between Ronald C. Elkins, et ux as Lessors, and Tennessee Gas Transmission Company as Lessee, and Oil and Gas Lease dated July 28, 1959 between Flora G. Elkins Burks as Lessor, and Tennessee Gas Transmission Company as Lessee, and Oil and Gas Lease dated July 27, 1959 between San Juan Gravel Products Company as Lessor, and Tennessee Gas Transmission Company as Lessee, insofar as said leases cover the following described in San Juan County, New Mexico:

Township 29 North, Range 13 West
Section 21: All of S/2 NW/4 and N/2 SW/4 which
lies South of the Animas River containing 143
acres, more or less,

as to all rights in the Dakota formation only.

SCHEDULE A-1(1)

STATE OF New Mexico

COUNTY OF San Juan

SRC #20669

Oil and Gas Lease dated August 6, 1959 between O. A. Vertreese, et al, as Lessors, and Tennessee Gas Transmission Company as Lessee, insofar as said lease covers the following described land situated in San Juan County, New Mexico, said lease being Recorded in Book 447, Page 12 of the Records of said County:

Township 29 North, Range 13 West
Section 21: 32.97 acres, more or less in the
NW/4, more particularly described in said lease,

as to all rights in the Dakota formation only.

SCHEDULE A-1 (m)

STATE OF New Mexico

COUNTY OF San Juan

SRC #20670

Oil and Gas Lease dated February 9, 1960 between the Town of Farmington, a Municipal Corporation in San Juan County, New Mexico as Lessor, and Tennessee Gas and Oil Company as Lessee, insofar as said lease covers and affects the following described land situated in San Juan County, New Mexico, said lease being Recorded in Book 457, Page 146 of the Records of said County:

Township 29 North, Range 13 West

Section 21: Part of the NW/4 containing 7.03 acres, more or less, and being more particularly described in said lease to which reference is here made for all purposes and covering all rights in the Dakota formation only.

SCHEDULE A-1(n)

STATE OF New Mexico

COUNTY OF San Juan

SRC #20671

Oil and Gas Lease dated January 8, 1960 between Rudolph F. Gagg and wife, Helen Schlueter Gagg as Lessors, Tennessee Gas Transmission Company as Lessee, covering the following described land situated in San Juan County, New Mexico, said lease being Recorded in Book 447, Page 11 of the Records of said County:

Township 29 North, Range 13 West

Section 21: .47 acres, more or less, out of NW/4 being
more particularly described in said lease,

as to all rights in the Dakota formation only.

SCHEDULE A-1 (o)

STATE OF New Mexico

COUNTY OF San Juan

SRC #20672

Oil and Gas Lease dated January 6, 1960 between Clara R. Maupin, a widow as Lessor, and Tennessee Gas Transmission Company as Lessee, covering the following described land in San Juan County, New Mexico, said lease being Recorded in Book 447, Page 10 of the Records of said County:

Township 29 North, Range 13 West, N.M.P.M.

Section 21: 1.50 acres, more or less, in the NW/4,
more particularly described in said lease,

as to all rights in the Dakota formation only.

SCHEDULE A-1(p)

STATE OF New Mexico

COUNTY OF San Juan

SRC # 20246

Lease of Oil and Gas Lands (Serial Santa Fe 078312) dated as of July 1, 1948, between the United States of America, as Lessor, and J.D. Hubbard, as Lessee, covering the following described land situated in San Juan County, New Mexico:

Township 32 North, Range 12 West, N.M.P.M.

Section 10: Lot 5, SE 1/4 SE 1/4

Section 11: Lots 1, 2, 3, 4, SW 1/4 SE 1/4, S 1/2 SW 1/4

Section 14: W 1/2 NW 1/4

Section 15: SW 1/4 SE 1/4, S 1/2 SW 1/4, E 1/2 NE 1/4

Section 22: W 1/2 NE 1/4, E 1/2 W 1/2, SE 1/4

Section 12: Lot 4

containing 1,095.98 acres, more or less.

The foregoing lease being subject to:

- (1) An overriding royalty of 1% on all of the above lands owned by J.D. Hubbard.
- (2) An overriding royalty of 4% on all of the above lands owned by Leo R. Manning.
- 23013 (3) Communitization Agreement dated August 1, 1950, by and between Southern Union Gas Company, J.D. Hubbard and wife, Wardie L. Hubbard, Leo R. Manning and wife, Mabel H. Manning.
- (4) Designation of Pooled Unit dated December 15, 1950, executed by Southern Union Gas Company, recorded in Book 153, Page 227, Records of said San Juan County.
- 23019 (5) Communitization Agreement dated May 18, 1951, by and between Southern Union Gas Company, J.D. Hubbard and wife, Wardie L. Hubbard, and Leo R. Manning and wife, Mabel H. Manning, recorded in Book 166, Page 543, Records of said San Juan County.
- (6) Designation of Pooled Unit dated May 16, 1951, executed by Southern Union Gas Company, recorded in Book 157, Page 542, Records of said San Juan County.
- 23020 (7) Communitization Agreement dated May 18, 1951, by and between Southern Union Gas Company, J.D. Hubbard and wife, Wardie L. Hubbard, and Leo R. Manning and wife, Mabel H. Manning, recorded in Book 166, Page 523, Records of said San Juan County.

STATE OF New Mexico

COUNTY OF San Juan

SRC # 20252

Lease of Oil and Gas Lands under the Act of February 25, 1950, as amended (Serial Santa Fe 076465) dated December 31, 1938 between United States of America as Lessor, and Dudley Cornell, as Lessee, insofar as said lease covers and affects the following described land situated in San Juan County, New Mexico:

Township 29 North, Range 12 West, N.M.P.M.

Section 2: SW 1/4

Section 10: N 1/2 NE 1/4

Section 12: E 1/2 SW 1/4

Section 14: N 1/2 NE 1/4

containing 400 acres, more or less, said lease being recorded in Book 99, Page 305, Records of San Juan County, New Mexico;

The foregoing lease being subject to:

- (1) Operating Agreement dated July 10, 1953 between J. E. McClanahan et al, and Aztec Oil & Gas Company.
- (2) Communitization Agreement dated November 22, 1964 for Pictured Cliffs formation.
- 23448 (3) Communitization Agreement dated December 1, 1979 for Pictured Cliffs formation.
- (4) Operating Agreement dated January 1, 1980 for Pictured Cliffs formation.
- 23101 (5) Communitization Agreement dated March 1, 1955 for Pictured Cliffs formation, filed Book 301, Page 8, of records of San Juan County, New Mexico.
- 23195 (6) Communitization Agreement dated April 28, 1961 for Dakota formation.
- (7) Operating Agreement dated April 28, 1961 between Aztec Oil & Gas Company, non-operator, and Tenneco Corporation, operator for Dakota formation, amended January 30, 1976 for accounting procedures.
- 23211 (8) Communitization Agreement dated August 1, 1961 for Dakota formation.

A 2% overriding royalty interest in and to all oil, gas and other liquid hydrocarbons produced, saved and sold from the Dakota Formation in and under the following described land in San Juan County, New Mexico:

Township 29 North, Range 11 West
Section 28: NW 1/4 NW 1/4

containing 40 acres, more or less, being the same interest reserved by Aztec Oil & Gas Company in that certain Partial Assignment of Oil and Gas Lease to Pan American Petroleum Corporation, dated November 30, 1961, recorded in Book 519, Page 6, of the Records of said San Juan County.

Subject to the following:

- a. Oil and Gas Lease dated June 6, 1946, made and entered into by and between Mrs. John Sategna, Lessor, and Southern Union Production Company, Lessee, recorded in Book 89, Page 814, of the Records of said San Juan County, and any and all amendments thereto.
- b. Any and all valid and subsisting communitization, pooling and unitization agreements and any and all amendments thereto.

STATE OF New Mexico

COUNTY OF San Juan

SRC #20294

Oil and Gas Lease dated April 28, 1950 between Ivan W. Chamberlin and wife, Ruby Marie Chamberlin as Lessors, and Southern Union Gas Company as Lessee, covering the following described land situated in San Juan County, New Mexico:

Township 32 North, Range 12 West, N.M.P.M.

Section 11: SE 1/4 SE 1/4

Section 12: SW 1/4 SW 1/4, less and except all formations down to and including Mesaverde formation.

Section 14: E 1/2 NW 1/4, NE 1/4

containing 320 acres, more or less, said lease being recorded in Book 146, Page 510, Records of San Juan County, New Mexico;

The foregoing lease being subject to:

- 23019 (1) Designation of Pooled Unit dated May 16, 1951, filed in Book 157, Page 542.
- (2) Communitization Agreement dated May 18, 1951 between Southern Union Gas Company, Lessee and J. D. Hubbard and his wife, Wardie L. Hubbard, and Leo R. Manning and his wife Mabel H. Manning, as Override Owners.
- 23020 (3) Communitization Agreement dated May 18, 1951 between Southern Union Gas Company, Lessee, and J. D. Hubbard and his wife Wardie L. Hubbard, and Leo R. Manning and his wife Mabel H. Manning, as Override Owners, recorded in Book 166, Page 523.
- (4) Designation of Pooled Unit dated May 16, 1951, filed Book 157, Page 539.

STATE OF New Mexico

COUNTY OF San Juan

SRC # 20304

Oil and Gas Lease dated July 20, 1946, between Irvin Randleman, a single person, as Lessor, and Ben Case, as Lessee, covering the following described land situated in San Juan County, New Mexico:

Township 31 North, Range 11 West, N.M.P.M.
Section 13: W 1/2 SW 1/4

containing 80 acres, more or less, said lease being recorded in Book 125, Page 51, Records of said San Juan County.

The foregoing lease being subject to:

- | | |
|--------------------------|--|
| 23033 | (1) Unitization Agreement dated September 10, 1951, and as amended August 6, 1970, for Mesaverde formation only. |
| | (2) Unitization Agreement dated August 6, 1970, for all formations above the base of the Pictured Cliffs formation. |
| 23033
500033
23331 | (3) Operating Agreement dated June 1, 1963, by and between Aztec Oil & Gas Company, operator, and H. F. Pettigrew, non-operator. |
| 23331 | (4) Unitization Agreement dated May 1, 1970, for Section 13 W 1/2 SW 1/4 from surface to base of Pictured Cliffs formation filed in Book 685, Page 38. |

STATE OF New Mexico

COUNTY OF San Juan

SRC # 20400

Oil and Gas Lease dated May 6, 1950 between Frank Randlemon and wife, Eve Randlemon, as Lessors, and H. F. Pettigrew, as Lessee, covering the following described land situated in San Juan County, New Mexico:

Township 31 North, Range 11 West, N.M.P.M.

Section 25: N 1/2 SW 1/4 NW 1/4

Section 25: Part of NW 1/4 NW 1/4, as described in said lease,

containing 24 acres, more or less, said lease being recorded in Book 146, Page 355, Records of San Juan County, New Mexico;

The foregoing lease being subject to:

- (1) Pooling Agreement dated December 15, 1952 by Southern Union Gas Company for 24 acre tract described above, filed Book 197, Page 36.
- 23066 (2) Communitization Agreement dated November 24, 1952 for only the Meseverde formation, filed Book 208, Page 29.
- (3) Operating Agreement dated May 18, 1962 between Aztec Oil & Gas Company, operator, and Charles Birks Jahn, non-operator, for Mesaverde formation.
- 23342 (4) Unitization Agreement dated September 22, 1970, recorded Book 685, Page 275 for Pictured Cliffs formation.
- (5) Operating Agreement dated September 22, 1970 for Aztec Oil & Gas Company, operator, amended July 1, 1978.

STATE OF New Mexico

COUNTY OF San Juan

SRC # 20465

Oil, Gas and Mineral Lease dated August 30, 1960 between P. & A, Inc., as Lessor, and Wesley B. Blankenship as Lessee, covering the following described land situated in San Juan County, New Mexico:

That part of the N 1/2 NE 1/4 of Section 18, T-29-N, R-13-W, N.M.P.M., described as follows:
BEGINNING at a point which is South 30.0 feet from the Northwest corner of the NE 1/4 NE 1/4 of said Section 18;
THENCE North 89° 53' East 60 feet;
THENCE South 0° 07' East 217.60 feet;
THENCE Northwesterly 63.83 feet along an arc of 2864.79 foot radius to the right;
THENCE North 0° 07' West 195.8 feet to the point of beginning, containing .42 acres, more or less, said lease being recorded in Book 460, Page 275, Records of San Juan County, New Mexico;

Limited to formations below the base of the Pictured Cliffs formation.

The foregoing lease being subject to:

23214 (1) Communitization Agreement dated June 21, 1961 for the Dakota Formation, filed Book 488, Page 124.

STATE OF New Mexico

COUNTY OF San Juan

SRC # 20468

Oil, Gas and Mineral Lease dated August 5, 1960 between Winfred Claire Andrews, et al, as Lessor, and Wesley B. Blankenship, as Lessee, insofar as said lease covers and affects the following described land situated in San Juan County, New Mexico:

Beginning at a point which is South 30 feet; thence South $1^{\circ} 14'$ East 637.95 feet; thence South $89^{\circ} 48'$ West 22.5 feet; thence South $89^{\circ} 48'$ West 335.5 feet from the NE corner of Section 18, T29N, R13W, N.M.P.M. for the POB of a 0.29 acre tract;

thence South $89^{\circ} 48'$ West 100 feet;
thence North $1^{\circ} 25'$ West 127 feet to the
South ROW line of U.S. Highway #550;
thence Southeasterly along said ROW line of
a curve to the left having a radius of 2864.79
feet, a distance of 100.9 feet;
thence South $1^{\circ} 14'$ East 129.2 feet to the POB,
containing 0.29 acres, more or less.

The foregoing lease subject to:

23214 (1) Communitization Agreement dated June 21, 1961, for
Dakota Formation, filed in Book 488, Page 124.

STATE OF New Mexico

COUNTY OF Rio Arriba

SRC #20615

Oil and Gas Lease (Serial NM 4453) dated April 1, 1968, between United States of America as Lessor, and Aztec Oil & Gas Company as Lessee, covering the following described land situated in Rio Arriba County, New Mexico:

Township 30 North, Range 5 West, N.M.P.M.

Section 1: Lots 5, 6, 7, 8, 9, 10, 11, S $\frac{1}{2}$ NW $\frac{1}{4}$,
SW $\frac{1}{4}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$

containing 535.48 acres, more or less, said lease being recorded in Book
 , Page , Records of Rio Arriba County, New Mexico.

STATE OF New Mexico

COUNTY OF Rio Arriba

SRC # 20767

Lease for Oil and Gas (Serial NM 10431) dated October 1, 1969 between United States of America, as Lessor, and Claudia B. Guerrina, as Lessee, covering the following described land situated in Rio Arriba County, New Mexico:

Township 29 North, Range 4 West, N.M.P.M.

Section 1: Lots 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, SW 1/4 NW 1/4, NW 1/4 SW 1/4, S 1/2 NE 1/4 SE 1/4, SE 1/4 SE 1/4.

Section 12: Lots 1, 2, NE 1/4, S 1/2 NW 1/4, S 1/2

Section 13: All

containing 1760.04 acres, more or less, said lease being recorded in Book 79, Pages 688-690, Records of Rio Arriba County, New Mexico - limited, however, as follows:

(a) As to the E/2, Section 12, limited to depths below 8672 feet below the surface; and

(b) As to:

Section 1: Lots 3, 4, 10, 11, 14, SW 1/4 NW 1/4, NW 1/4 SW 1/4

Section 13: W 1/2

limited to depths from the surface to 7750 feet below the surface, and to depths below 8672 feet below the surface.

Subject to the following:

- (1) A 2% of 8/8 overriding royalty interest reserved by Billie Robinson and L. Claude Roark in assignment to Aztec Oil & Gas Company dated September 29, 1970.
- (2) Farmout Agreement between Aztec Oil & Gas Company and Continental Oil Company dated August 15, 1973.

STATE OF New Mexico

COUNTY OF San Juan

SRC #103030

Oil and Gas Lease (Serial NM 23247) dated November 1, 1974 between The United States of America as Lessor, and Charles E. Strange, Jr., as Lessee, covering the following described land situated in San Juan County, New Mexico:

Township 32 North, Range 13 West, N.M.P.M.

Section 14: NE 1/4, N 1/2 SE 1/4, SW 1/4 SE 1/4.

containing 280 acres, more or less, said lease being recorded in Book 877, Page 41, Records of San Juan County, New Mexico;

The foregoing lease being subject to:

500049 (1) Communitization Agreement dated June 2, 1980 for the Dakota formation.

An undivided 1/2 interest in and to all of the oil, gas and other minerals in and under and that may be produced from the following described lands situated in San Juan County, New Mexico:

Township 30 North, Range 7 West, N.M.P.M.

The South 20 acres of Tract 40 in Section 7,

The East 80 acres of Tract 41 in Sections 7, 8, 17 and 18

The North 40 acres of Tract 42 in Section 8;

containing 140 acres, more or less, as described in deed dated March 2, 1953, from C. H. Nye and wife, Linda Nye to Southland Royalty Company, recorded in Book 206, Page 176 of the Records of San Juan County, New Mexico.

Subject to the following:

- a. Northeast Blanco Unit Agreement dated July 16, 1951, covering 33,000 acres, more or less, more particularly described in said agreement.
- b. Oil and Gas Lease dated November 17, 1947, from Santiago Velasquez and wife, Juanita Valesquez, as Lessors, to C.H. Nye, as Lessee, recorded in Volume 130, Page 194 of the Records of San Juan County, New Mexico.

FIRST AMENDMENT TO THE CONVEYANCE

This First Amendment (this "*First Amendment*") is executed on one hand by PNC Bank, N.A. ("*Trustee*"), in its capacity as Trustee of the San Juan Basin Royalty Trust (the "*Trust*") and on the other hand by Hilcorp San Juan, L.P. ("*Hilcorp*"), effective this 30th day of August 2023 (the "*Effective Date*"). The Trust and Hilcorp are sometimes referred to collectively as the "*Parties*" and individually as a "*Party*."

Whereas, pursuant to the terms and conditions of that certain Compromise and Settlement Agreement between the Parties, effective the 30th day of August 2023, the Parties agreed to amend the Net Overriding Royalty Conveyance dated effective November 1, 1980, from Southland Royalty Company to the original trustee, The Fort Worth National Bank (the "*Conveyance*"). A copy of the Conveyance is attached as **Exhibit 1** and incorporated by reference herein.

Now Therefore, in consideration of the mutual promises and covenants herein contained, the sufficiency of which is hereby acknowledged, the Parties enter into this First Amendment to the Conveyance and agree to amend the Conveyance as follows:

1. **Schedule B, Section II, Paragraph 7(B) (Direct Costs - Equipment and Facilities Furnished by Operator)** shall be deleted entirely and replaced with the following:
 - B. In lieu of charges in Paragraph 7A above, Operator may elect to use average commercial rates prevailing in the immediate area of the Property less 20%. For purposes of determining the commercial rate to charge for Operator-owned saltwater disposal facilities, the Agua Moss and Basin facilities shall be deemed to fall within the definition of "immediate area of the Property". For automotive equipment, Operator may elect to use rates published by the Petroleum Motor Transport Association.
2. All other terms and conditions of the Conveyance are incorporated by reference herein and shall remain in full force and effect, except as amended by this First Amendment. This First Amendment is incorporated by reference into the terms and conditions of the Conveyance for all purposes and shall be binding on the Parties successors and assigns.

In Witness Whereof, the Parties agree that they have read and understand the foregoing terms of this First Amendment to the Conveyance and do hereby execute this First Amendment effective as of the Effective Date.

AGREED AND ACCEPTED:

**PNC Bank, in its capacity as Trustee
for the San Juan Basin Royalty Trust**

By: 

Name: Ross Durr

Title: Senior Vice President
Oil, Gas, and Mineral Interest
Director

**Hilcorp San Juan, L.P. by Hilcorp Energy
Company, its General Partner**

By: 

Name: Shelby DeZell

Title: Senior Vice President – Chief
Financial Officer