

# THE NAVAJO NATION

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JONATHAN NEZ | PRESIDENT MYRON LIZER | VICE PRESIDENT



August 2, 2021

Hon. Seth Damon  
Office of the Speaker  
Post Office Box 3390  
Window Rock, AZ 86515

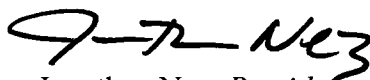
RE: CJY-42-21, *An Action Resources and Development Committee, Naabik'iyati' Committee and the Navajo Nation Council; Approving Amendment Number One to the Desert Creek Operating Agreement Between the Navajo Nation and Navajo Nation Oil and Gas Company*

Dear Speaker Damon,

The development of the Navajo Nation's energy resources is important to the financial security our Nation. The Office of the President and Vice President supports the Navajo Nation Council's approval of Amendment Number One of Navajo Nation Oil and Gas Company's (NNOGC) Desert Creek Operating Agreement which allows NNOGC an extension of the primary term to continue studies and surveys of the area and an extension of production term.

In support of our Navajo Nation Enterprise, we sign CJY-42-21 into law.

Sincerely,

  
Jonathan Nez, *President*  
THE NAVAJO NATION

  
Myron Lizer, *Vice President*  
THE NAVAJO NATION

RESOLUTION OF THE  
NAVAJO NATION COUNCIL  
24<sup>th</sup> NAVAJO NATION COUNCIL - THIRD YEAR, 2021

AN ACTION

RELATING TO RESOURCES AND DEVELOPMENT COMMITTEE, NAABIK'ÍYÁTI' COMMITTEE AND THE NAVAJO NATION COUNCIL; APPROVING AMENDMENT NUMBER ONE TO THE DESERT CREEK OPERATING AGREEMENT BETWEEN THE NAVAJO NATION AND NAVAJO NATION OIL AND GAS COMPANY

BE IT ENACTED:

SECTION ONE. AUTHORITY

- A. The Navajo Nation Council is the governing body of the Navajo Nation. 2 N.N.C. § 102(A).
- B. The Naabik'íyáti' Committee is assigned proposed resolutions that require final action by the Navajo Nation Council. 2 N.N.C. § 164(A)(9).
- C. The Resources and Development Committee shall make recommendations to the Navajo Nation Council for final approval for mineral agreements. 2 N.N.C. § 501(B)(4)(a).

SECTION TWO. FINDINGS

- A. The Navajo Nation is blessed with abundant energy resources.
- B. Historically, these resources were leased to non-Navajo entities, and the Navajo Nation benefited appropriately from the development of those resources but hoped to include Navajo entities in also benefitting from the development of those resources.
- C. In 1998, the Navajo Nation Council addressed this crucial matter, by ratifying unanimously the federal Charter of Incorporation for the Navajo Nation Oil and Gas Company ("NNOGC"), a wholly owned Navajo Nation corporation organized under section 17 of the Indian Reorganization Act, as amended, 25 U.S.C. § 5124 (formerly 25 U.S.C. § 477), see Resolution No. CF-22-98, and subsequently amended such Charter to ensure experienced corporate leadership, see Resolution No. CO-40-15.
- D. One of NNOGC's principle objectives assigned by the Navajo Nation Council has been to regain the Navajo Nation mineral lands that had been leased to others, so that those resources could be developed, the life of the resource extended, and the Navajo Nation take part in the risks and rewards of being a

part of the energy business. NNOGC has done so, acquiring with partners lands formerly leased to Chevron Texaco, Exxon Mobil and other companies; investing over \$390 million of NNOGC's own proceeds in the acquisition and development of the Aneth and other oil fields within the Navajo Nation; reversing the decline in oil and gas production on the Navajo Reservation through those investments; and managing and growing a successful business that the Nation owns.

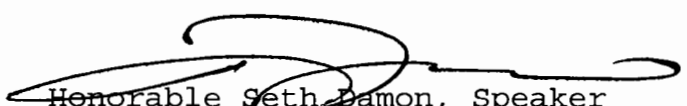
- E. NNOGC acquired the Desert Creek Operating Agreement (OA) No. NO-G-1302-1775, attached hereto as **Exhibit B**, on January 24, 2013 ("the effective date"), the operating agreement provisions of which provide for a primary development term which expires ten (10) years after the effective date and a secondary term which expires twenty-two (22) years after the effective date.
- F. To further develop the Desert Creek lease, a seismic survey was concluded in September of 2019 and further processing, evaluation and interpretation has been ongoing. NNOGC and its partner are currently drafting four (4) Applications for Permits to Drill ("APDs") for submission to the appropriate Navajo Nation and federal agencies.
- G. Until now, NNOGC has not been able to conduct certain exploration and development activities on the Desert Creek lease due to reasons beyond the control of current management. NNOGC's ability to hedge was suspended in June 2014 and the price of crude oil then declined steeply in November 2014. NNOGC has not been able to recover financially from the banks' actions until June 14, 2018 when it entered into a new loan agreement with Guggenheim Partners that replaced the loan with its former bank consortium headed by Wells Fargo Bank.
- H. There are marketable reserves of oil and gas within the area covered by the Desert Creek Operating Agreement and it would be beneficial to the Navajo Nation and NNOGC if NNOGC could perform the necessary seismic studies and produce these reserves.
- I. It is the desire of NNOGC and in the best interest of NNOGC and the Navajo Nation to develop the Desert Creek lease. An extension of the primary and secondary terms of the Operating Agreement, as set forth in Amendment No. 1 to the Operating Agreement, attached hereto as **Exhibit A**, is necessary to achieve this objective.
- J. The Executive Official Review Document No. 015074 is attached as **Exhibit C**.

**SECTION THREE. APPROVAL AND AUTHORIZATION**

- A. The Navajo Nation hereby approves the Amendment No. 1, **Exhibit A**, of the Operating Agreement between the Navajo Nation and Navajo Nation Oil & Gas Company for the Desert Creek Area, Contract No. NO-G-1301-1775.
- B. The Navajo Nation hereby authorizes the President of the Navajo Nation to execute any and all documents necessary to affect the intent and purpose of this resolution.

**CERTIFICATION**

I hereby certify that the foregoing resolution was duly considered by the 24<sup>th</sup> Navajo Nation Council at a duly called meeting in Window Rock, Navajo Nation (Arizona), at which a quorum was present and that the same was passed by a vote of 21 in Favor, and 00 Opposed, on this 22<sup>nd</sup> day of July 2021.

  
Honorable Seth Damon, Speaker  
24<sup>th</sup> Navajo Nation Council

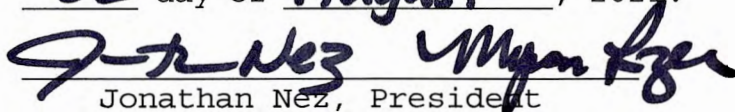
July 27, 2021  
DATE

Motion: Honorable Nathaniel Brown  
Second: Honorable Thomas Walker, Jr.

Speaker Seth Damon not voting

ACTION BY THE NAVAJO NATION PRESIDENT:

1. I, hereby, sign into law the foregoing legislation, pursuant to 2 N.N.C. § 1005 (C)(10), on this 02 day of August, 2021.

  
Jonathan Nez, President  
Navajo Nation

2. I, hereby, veto the foregoing legislation, pursuant to 2 N.N.C. § 1005 (C)(11), on this \_\_\_\_\_ day of \_\_\_\_\_, 2021 for the reason(s) expressed in the attached letter to the Speaker.

\_\_\_\_\_  
Jonathan Nez, President  
Navajo Nation



Contract No. NO-G-1301-1775

**AMENDMENT NO. 1 TO OPERATING AGREEMENT  
BETWEEN THE NAVAJO NATION AND NAVAJO NATION  
OIL AND GAS COMPANY FOR THE DESERT CREEK AREA**

This Amendment No. 1 to Operating Agreement between the Navajo Nation and Navajo Nation Oil and Gas Company for the Desert Creek Area is made and entered into effective on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_ (the "Effective Date") by and between the Navajo Nation and the Navajo Nation Oil and Gas Company, a Federal corporation wholly owned by the Navajo Nation.

**RECITALS**

A. The Navajo Nation and the Navajo Nation Oil and Gas Company (collectively, the "Parties") entered into that certain Operating Agreement between the Navajo Nation and Navajo Nation Oil and Gas Company for the Desert Creek Area, Contract No. N0-G-1301-1775 (the "Desert Creek OA") pursuant to Navajo Nation Council resolution No. CJA-16-12, and such Agreement was forwarded to the Bureau of Indian Affairs for its approval under the Indian Mineral Development Act of 1982 by letter dated February 23, 2012 by President Ben Shelly.

B. The Parties mutually desire to amend such Agreement to facilitate the mutually beneficial development of the lands subject to such Agreement on the terms and conditions set forth below.

**NOW, THEREFORE**, in consideration of the above recitals and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged by the Parties, the Parties agree as follows.

**AGREEMENT**

1. Article 3.1 of the Agreement is amended by changing "ten (10) years" to "fifteen (15) years" in the first line thereof.
2. Article 3.2 of the Agreement is amended by changing "twenty-two (22) years" to "twenty-seven (27) years" in the fourth line thereof.
3. The remainder of the Agreement shall remain in full force and effect.

**IN WITNESS WHEREOF**, the Parties have executed this Amendment No. 1 effective as of the Effective Date.

**NAVAJO NATION**

By: \_\_\_\_\_  
Jonathan Nez, President

**OPERATOR**

Navajo Nation Oil and Gas Company

By: \_\_\_\_\_  
James McClure, CEO

**CERTIFICATE OF APPROVAL**

**APPROVED** PURSUANT TO THE  
INDIAN MINERAL DEVELOPMENT ACT  
OF 1982:

By: \_\_\_\_\_  
Regional Director  
Navajo Region  
Bureau of Indian Affairs  
U.S. Department of the Interior

Date: \_\_\_\_\_



**Contract No.** N0-G-1301-1775

Execution Date: February 23, 2012

**OPERATING AGREEMENT BETWEEN  
THE NAVAJO NATION  
AND  
NAVAJO NATION OIL & GAS COMPANY  
FOR THE  
DESERT CREEK AREA**

Located in  
Township 41 South, Range 23 East  
Township 42 South, Range 23 East  
San Juan County, Utah,  
Navajo Nation



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THIS AGREEMENT ("Agreement") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2011, within the Navajo Nation at Window Rock, Navajo Nation (AZ), by and between the Navajo Nation ("Nation") and Navajo Nation Oil & Gas Company, whose address is P.O. Box 4439, Window Rock, Navajo Nation (AZ) 86515 (hereinafter referred to as "Operator").

## WITNESSETH

WHEREAS, the United States of America is Trustee for the Nation and as such holds legal title to all lands and mineral rights of the Nation within the lands described in this Agreement; and

WHEREAS, the Nation holds equitable title to all lands and mineral rights described in this Agreement; and

WHEREAS, the Nation warrants that the lands covered by this Agreement are not presently subject to any oil and gas leases, coalbed gas leases, coal leases or other agreements for the exploration and development of oil, gas, coalbed gas, or coal; and

WHEREAS, the Nation desires to explore, develop, produce, and sell oil, gas, coalbed gas and related Hydrocarbons which may be found in the lands covered by this Agreement; and,

WHEREAS, Operator possesses the requisite knowledge, expertise, equipment and finances to carry out the exploration, development and production of Hydrocarbons on behalf of the Nation; and

NOW, THEREFORE, in consideration of the terms, conditions, promises and agreements as contained herein and to be kept and performed, the parties hereto agree as follows:

### ARTICLE 1 DEFINITIONS

1.1 Commencement of Drilling means the spudding of a well with a rig capable of drilling to the desired Formation depth.

1.2 Contract Area means all of the following described land located within the boundaries of the Navajo Nation in San Juan County, Utah:

Township 41 South, Range 23 East, SLM: Sections 20, 21, 22, 23, and the SW¼ of Section 24;  
Sections 27, 28, and 29;  
N½ of Section 32 and Sections 33 and 34.

Township 42 South, Range 23 East, SLM: SW¼ SE¼ SE¼, SE¼ SW¼ SE¼, W½ SW¼ SE¼, W½ Lot 2, NW¼ and SW¼ of Section 1;  
Sections 2 and 3;  
E½, E½ SW¼, SE¼ NW¼ and Lot 3 of Section 4;  
Sections 10, 11, and 12.

Containing 10,306.35 acres, more or less (Exhibit "A").

1.3 Drilling Block means an area within the boundary of the Contract Area defined on the basis of geologic conditions, reservoir or structural extent that includes hydrocarbon Production in Paying Quantities and may include one or more reservoirs, proven by at least one Earning Well.

1.4 Earning Well means each exploration well and development well drilled and completed under this Agreement capable of producing Hydrocarbons in paying quantities.

1.5 Effective Date means the date when this Agreement is approved by the Secretary.

1.6 Gross Proceeds for Gas shall be defined as those terms are defined for gas in 30 C.F.R. § 1206.171 or any applicable substitute future regulation.

1.7 Hydrocarbons means naturally occurring hydrocarbon oil, gas, casinghead gas, coal bed methane, distillate, condensate, liquid hydrocarbons and each of their respective constituent vapors and liquids, including without limitation, helium and carbon dioxide, and all other non-hydrocarbon gas produced in association therewith that may be found in oil and gas deposits or in coal deposits within the Contract Area. Hydrocarbons do not include coal matrix material or the in-situ synthetic gasification of coal matrix material.

1.8 Minerals Department means the Navajo Nation Minerals Department, or its successor agency.

1.9 Operator means a company or individual, acting for himself or as an agent for others who has primary responsibility for maintaining well operations and complying with Navajo, federal and state rules and regulations.

1.10 Production in Paying Quantities means production of Hydrocarbons sufficient, over any six (6) month period, to yield a profit, after direct operating costs, taxes, and royalties are paid, but excluding drilling, completion and recompletion, reworking or equipment costs.

1.11 Royalty in Kind (RIK) Oil Price is defined as being identical to the oil pricing provision contained in any existing or future Crude Oil Sales Agreement between the Nation and the Purchaser of RIK Oil.

1.12 Secretary means the Secretary of the Interior of the United States of America or his duly authorized representative.

1.13 Spacing Unit means the area of land allocated to a well for purposes of spacing producing wells designated by the appropriate Navajo, or Federal authority.

1.14 Unit means a contiguous land area or block of land within which there is more than one owner of the oil and gas rights. Said area or block of land is operated for the production of oil and gas according to the terms and conditions of a Unitization Agreement entered into by the owners of the oil and gas rights.

1.15 Unitization Agreement means an agreement for conducting oil and gas operations over an area or block of land with separately owned interests.

## ARTICLE 2 EXPLORATION AND PRODUCTION RIGHTS

2.1 The Nation hereby grants to the Operator the exclusive right, privilege and obligation to explore for, develop, produce and sell Hydrocarbons from any geologic formation from the surface of the earth downward within the Contract Area during the term of this Agreement, except as otherwise limited in this Agreement. Notwithstanding the foregoing sentence, the Nation shall retain the right to conduct or authorize any third party to conduct seismic surveys on or through the Contract Area without compensation to the Operator, upon reasonable notice.

2.2 The Nation further grants the Operator the right during the Primary Term to construct, maintain and use within the Contract Area all works, buildings, plants, waterways, roads, telegraph and telephone lines, utility lines, pipelines, reservoirs, tanks, pumping stations, or other structures necessary or desirable to effectuate the purposes of this Agreement, along with the right of ingress and egress to and from the Contract Area and rights of way for passage over the Contract Area, subject to Operator's obtaining all permits and approvals required by the laws of the Nation and by applicable sections in Federal regulations. Any rights-of-way granted to Operator within the Contract Area during the Primary Term shall be subject to normal surface damage assessments, but shall not require payment of a right-of-way consideration excluding the required administration review and filing fees.

2.3 If Hydrocarbons are discovered in paying quantities, the Operator shall propose a well spacing and the boundaries of a Drilling Block within the Contract Area for the production of Hydrocarbons. The size and configuration of any Drilling Block(s) within the Contract Area will be determined according to the geologic conditions of the hydrocarbon reservoir(s) and agreed to by the Operator and the Minerals Department. Drilling Block designation may also be subject to Secretarial approval.

2.4 If Operator deems it appropriate to form a Unit with other adjacent operators outside the Contract Area, the Nation and the Secretary must first approve the Unitization Agreement. Any Unitization Agreement or Unit Operating Agreement proposed or submitted for approval by Operator shall not be inconsistent with the provisions of this Agreement and will not be valid unless approved by the Nation and the Secretary.

2.5 The Nation reserves the right to occupy and lease the Contract Area for any lawful purpose not inconsistent with Operator's rights under this Agreement. Beneficial ownership of the land and all resources shall remain with the Nation except as provided in this Agreement.

## ARTICLE 3 TERM OF AGREEMENT

3.1 Primary Term. The primary term of this Agreement shall be ten (10) years from the Effective Date. At the end of the primary term, all lands not held by production pursuant to paragraph 3.2 shall automatically be relinquished by Operator from the Contract Area and from this Agreement, and subject to Article 17 the Operator shall have no further rights or claims to the relinquished lands.



3.2 Production Term. At the expiration of the primary term, this Agreement shall terminate as to all lands within the Contract Area which are located outside of a designated Drilling Block(s). This Agreement shall continue in full force and effect for twenty-two (22) years from the Effective Date provided there is Hydrocarbon Production in Paying Quantities from a Drilling Block(s). During the Production Term any Drilling Block(s) not producing Hydrocarbons in paying quantities shall be relinquished by the Operator. Operator shall, at the request of the Nation, execute all instruments deemed necessary by the Nation to effectuate the release of such lands.

3.3 Operator's Options. Operator shall have the option to enter into good faith negotiations with the Nation for a new operating agreement over any or all Drilling Blocks within 180 days prior to the expiration of the production term. However, if during the Production Term of this Agreement the Operator implements a capital cost intensive enhanced oil recovery project, Operator will have the option to enter into good faith negotiations with the Nation for an extension of the Production Term.

3.4 Obligations After Termination. The termination of this Agreement as to all or part of the Contract Area shall not release Operator from any obligation to the Nation arising prior to termination, including but not limited to the obligation to plug, reclaim and abandon any well not capable of producing Hydrocarbons in paying quantities as of the date of termination or the well(s) requested by the Minerals Department to be plugged and abandoned.

#### ARTICLE 4 PAYMENTS TO THE NATION

4.1 Bonus. In consideration for the rights granted to Operator in this Agreement, a Bonus payment of \$515,317.50 will be paid to the Nation by Operator within ten (10) days following approval and execution of the Agreement by the Nation.

4.2 Rental Payments. Beginning one year after the Effective Date and annually thereafter during the Primary Term, the Operator will pay the Nation ten dollars (\$10.00) per net mineral acre for each acre in the Contract Area that is not within a producing 320 acre gas well spacing allocation or not within a producing 40 acre oil well spacing allocation. Annual Rental payments will be made by Operator within ten (10) days of the anniversary of the Effective Date and shall include a complete listing and the location of producing oil and gas wells, if any, within the Contract Area on the anniversary of the Effective Date. Rental payments are specifically not recoupable against any royalty payments.

4.3 Monthly Oil Royalty Due. The Operator shall pay the Nation on a monthly basis a variable royalty from 30% to 40% on all oil (including without limitation, all condensate) sold from the Contract Area. The Operator will use the New York Mercantile Exchange (NYMEX) monthly weighted average posted oil price (\$/Barrel) and the corresponding royalty rate percentage from Exhibit "B" Schedule 1, attached hereto and incorporated herein to determine the monthly royalty rate percentage. If the NYMEX posting is abolished, a comparable index will be used as agreed upon by the Minerals Department and Operator. If the Nation is taking its oil RIK pursuant to Section 4.5, from the Contract Area, monthly RIK will be determined by using the monthly royalty rate percentage described above times the volume of oil produced from the Contract Area. If the Nation is not taking its oil RIK pursuant to Section 4.5 from the Contract Area, then the monthly royalty due will be determined by using the monthly royalty rate percentage described above times the prevailing RIK oil price/bbl times the

volume of oil produced from the Contract Area, provided the total RIK daily allowable oil sale volume contained in the Crude Oil Sale Agreement between the Nation and the purchaser of RIK oil has not been exceeded. If the Nation has no Crude Oil Sale Agreement in place for RIK oil, or the sale volume contained in the Crude Oil Sale Agreement between the Nation and the purchaser of RIK oil has been exceeded for that portion of the RIK oil volume exceeding the sale volume contained in the Crude Oil Sale Agreement, the gross proceeds for the monthly crude oil royalty purposes will be determined pursuant to the current provisions of 30 C.F.R. § 1206.51 or any applicable substitute future regulation.

4.4 Gas Royalty. At the determination of Gross Proceeds pursuant to Section 1.7, the Operator shall pay the Nation on a monthly basis a variable royalty from 20% to 40% on all natural gas (including without limitation, all gas plant products, the associated gases helium, carbon dioxide, nitrogen, etc.) produced and sold from the Contract Area at the rates more particularly described in Exhibit "B" Schedule 2, attached hereto and incorporated herein.

4.5 Royalty In Kind. The Nation may elect to take its share of production in kind, upon sixty (60) days written notice to the Operator or from the time of initial production.

4.6 Method of Payment. All payments to the Nation under this Agreement shall be due and payable by the 20<sup>th</sup> day of the month following the month during which the produced product(s) were sold. Any payments not timely paid by the Operator shall bear interest from the date due to the date of payment at the rate then being assessed by the U. S. Office of Natural Resources and Revenue (ONRR) or its successor agency.

4.7 Late Payments. Any payments including but without limitation, bonus, royalty, rental, damages, and taxes not received by the Nation in a timely manner from the Operator shall bear interest and applicable penalty from the date due to the date of payment at the rate then being assessed by ONRR or by the Nation.

4.8 Payment in Lieu of Navajo Nation Taxes. Operator and the Nation hereby agree that for the purpose and intent of this Agreement, Operator shall make payments in lieu of Nation taxes related to its operation and activities in the amount paid by other operators for like operations and activities. However, if in the future Operator is required to pay Navajo Nation taxes pursuant to a Navajo Nation Tax Code amendment or alternative agreement, the payment in lieu of Navajo Nation taxes shall cease if such payments are current. This provision applies to Operator only and not to Operator's assignee(s). Assignee(s) will be subject to paying all Navajo Nation taxes.

4.9 Point of Gas Measurement. For purposes of calculating the Nation's royalty, natural gas shall be tested for BTU value and volume shall be measured at the transfer point from Operator's gathering system into the natural gas pipeline transporting system.

4.10 Audit and Inspection. Operator shall maintain detailed, comprehensive and accurate accounting records necessary to justify calculation of all payments due to the Nation. In addition to the monthly reports of operations and sales required in this Agreement, Operator shall keep and furnish to the Nation an annual operating statement containing an accounting of operations, costs, and expenses as reviewed or audited by an independent accounting firm which shall be subject to further audit by the



Nation or the Secretary at their sole cost and expense. The Nation or the Secretary may at their sole cost and expense audit the quantity and quality of production and sales at any time upon reasonable notice to the Operator. Any and all records kept by or for Operator related to performance of this Agreement, including but not limited to records of production and sale and contracts of sale, shall be available for inspection by the Nation or the Secretary and copies shall be furnished upon request. The Nation shall have the right to conduct all other appropriate inspections to ensure compliance with Navajo and Federal laws and regulations that are applicable to the Contract Area and/or Drilling Block(s).

4.11 Production Subject to Royalty. All Hydrocarbons produced from the Contract Area are subject to royalty in accordance with Federal regulations in effect at the time of production and sale.

4.12 Surface Damage Payments. Operator shall pay the Nation on behalf of its members at the rates in effect at the time as determined by the Nation for damages which are incurred to the range, livestock, growing crops, trees, water or improvements caused by Operator's operations within the Contract Area. The Nation shall be solely responsible for allocating and distributing such damages to the affected members.

4.13 Navajo Scholarship. Within ten (10) days after the Effective Date of this Agreement, and annually thereafter, Operator shall pay \$10,000.00 to the Nation for its general scholarship fund until expiration or termination of this Agreement.

## ARTICLE 5 COMPLIANCE WITH NAVAJO NATION AND FEDERAL REQUIREMENTS

5.1 General Requirements. The Operator shall comply with all Nation and Federal rules, regulations, permits, and laws including, without limitation, the following, except as provided in Section 5.11:

- 5.1.1 Navajo preference in employment and business laws;
- 5.1.2 Environmental protection rules and regulations;
- 5.1.3 The Navajo Nation Tax Code;
- 5.1.3 Cultural resources and antiquities laws and regulations;
- 5.1.4 The Navajo Nation Water Code;
- 5.1.5 The Navajo Business and Procurement Act;

5.2 Governing Law. The rights and the obligations of the parties shall be governed exclusively by the laws of the Nation and the laws of the United States of America, specifically including the Indian Mineral Development Act of 1982, 25 U.S.C. 2101 *et seq.*, and applicable regulations pertaining thereto except as provided in Section 5.11. Operator agrees that the performance of this Agreement within the Nation is subject to the supervision, monitoring and regulations of the Nation and of any Federal agency with jurisdiction over Operator's performance of this Agreement. Any matter not subject to exclusive regulation by the United States government shall be subject to regulation by the Nation. Operator agrees to strictly observe all Nation laws and regulations, unless specifically waived by the Navajo Nation Council. Operator shall comply with applicable Navajo and Federal laws and regulations subject to Section 5.11, prior to commencement of operations and, with respect to any well plugged and abandoned by it hereunder, shall restore the surface pursuant to such

regulations.

5.3 Permits and Licenses. The Operator shall obtain such permits and licenses as may be required by applicable Nation and/or Federal laws and regulations for the exploration, development, production and sale of all Hydrocarbons and any related activity including the production or disposal of produced water.

5.4 Successors. The covenants, terms and conditions contained in this Agreement shall extend to and be binding upon the successors and assigns of the parties to this Agreement, subject to compliance with Article 12. While the lands of the Nation are in trust or restricted status, all of the obligations of the Operator under this Agreement are to the United States as well as to the Nation.

5.5 Illegal Conduct. The Operator agrees that it will not use or cause to be used any part of the Contract Area for any unlawful conduct or purpose and will take all measures to prevent any unlawful conduct by any of its employees or subcontractors.

5.6 Corporate Charter. Prior to execution of this Agreement the Operator shall supply the Nation and the Secretary with a copy of its corporate charter and a statement evidencing the authority of its officers or principals to execute this Agreement.

5.7 Members of Congress. No member of or delegate to Congress or employee of the United States government shall participate in any share or part of this Agreement or in any benefit that may arise here from, but this provision shall not be construed to extend to this Agreement if made with a corporation or company for its general benefit.

5.8 Violations. Violations of this Agreement may be remedied by the Secretary in accordance with the Indian Mineral Development Act of 1982, and any regulations promulgated thereunder, and any other applicable Navajo Nation or Federal statutes and regulations, and by the Navajo Nation in accordance with applicable Navajo laws and regulations. Enforcement of any Federal statute or regulation shall not bar the Nation from enforcing any applicable law or regulation of the Nation.

5.9 Liens. Operator will not allow any mechanic's or materialman's lien or judgment to be placed against property of the Nation which becomes subject to this Agreement; provided, however, Operator shall not be deemed in violation of this paragraph so long as it is diligently contesting such lien or judgment or has made adequate provision to pay same in the event such lien or judgment is determined to be valid; provided further, however, the foregoing provisions of this paragraph shall not apply to the interests granted to Operator hereunder which do not involve title to any property of the Nation hereunder, and nothing in this paragraph shall be deemed to prohibit Operator or any other working interest owner in the Contract Area from using its interests under this Agreement as security for loans to finance operations under this Agreement.

5.10 Access to Land. Operator shall not deny any duly authorized employee or agent of the Nation and the Secretary to access any of Operator's operations within the Contract Area at any time.

5.11 APDs. All applications for a permit to drill (APDs) will be reviewed and approved by the Nation pursuant to the Nation's APD approval procedures attached hereto as Exhibit "C". Prior to the commencement of any drilling or other surface disturbing activities, Operator will obtain a Finding Of No Significant Impact (FONSI) from the Bureau of Indian Affairs (BIA).

5.12 Water Resource Protection. All water used or encountered by Operator in connection with operations under this Agreement shall be governed by the Navajo Nation Water Code, and applicable Federal laws.

5.13 Surface Protection. Operator shall comply with applicable Federal and Nation laws and regulations concerning use of the surface of the Contract Area, location of wells, production facilities, access and production rights-of-way on the Contract Area and across other lands of the Nation. Before any surface disturbing activities commence, Operator shall obtain the necessary Nation and Federal approvals, including but not limited to payment of the project review processing fee, surface damage payments, archeological/cultural and environmental surveys and/or assessments, customary land user(s) consent and required bonds. Operator shall not be required to pay any other right-of-way fee or assessment of any kind to the Nation for production related rights-of-way within the Contract Area or Drilling Block(s) as applicable in Section 7.1 herein.

5.14 Reclamation. Lands disturbed by Operator that are not needed for continued operations under this Agreement shall be promptly reclaimed in accordance with the Nation and Federally approved reclamation plans.

5.15 Bonding. Operator shall furnish all bonds required by the Secretary and the Nation.

## ARTICLE 6 GENERAL REPORTING AND APPROVAL PROCEDURES

6.1 Periodic Drilling Reports. Operator shall notify the Minerals Department prior to the commencement of any drilling operation, and thereafter shall furnish daily drilling reports showing the progress of said well. Operator shall also notify the Minerals Department of the testing of any formation at least forty-eight (48) hours prior to such testing so that a representative of the Nation may be present to witness such testing.

6.2 Copies of Reports and Tests. Operator shall furnish the Minerals Department with two (2) copies of all log runs plus two (2) copies each of drill stem tests, geological reports, and other related documentation in connection with the well within thirty (30) days of conducting such log runs and tests. In addition, Operator shall provide on a quarterly basis all data, including but not limited to maps, drill logs, core analyses, surveys, production records, and seismic data obtained by Operator from the Contract Area.

6.3 Production and Royalty Reports. If any well drilled in accordance with this Agreement is completed as a producing well, weekly production reports shall be made to the Minerals Department for the first sixty (60) days of production and monthly production reports shall be made to the Minerals Department thereafter. Operator shall notify the Minerals Department and appropriate federal agencies if any extraordinary events occur, such as the shutting-in of any well for a period of thirty (30) days or

longer. Operator shall submit to the Minerals Department monthly reports of sales and proceeds with the royalty payments.

6.4 Dry Holes. Subject to applicable Navajo and Federal regulations, Operator shall have the right to use for disposal, injection, or water production any well it drills that is determined to be incapable of producing Hydrocarbons in paying quantities. Operator shall plug and abandon any dry hole in accordance with applicable Federal and Nation laws and regulations. Operator shall furnish the Nation three (3) copies of the plugging and abandonment reports.

6.5 Well File Information. Operator will provide the Minerals Department and appropriate federal agencies, if performed or acquired, the following information concerning each well reworked or drilled pursuant to this Agreement:

1. Logs -- Field Prints
2. Drill stem Tests -- Field Data
3. Core Analysis -- Field Data
4. Logs -- Final Prints (1 paper and 1 digital)
5. Drill stem Tests -- Final Prints
6. Core Analysis -- Final Prints
7. Revised Structure and Isopach Maps (if available)
8. Location Plat
9. Drilling Summary and Daily Drilling Report
10. Directional Survey
11. Geological Report
12. Completion Diagrams
13. Production Test Data (AOF Potential, GOR, etc.)
14. 30-day Well Production Test Record
15. Bottom Hole Pressure Surveys
16. Gas, Oil and/or Water Analyses
17. State and Federal Completion Reports
18. Additional Governmental Permits, Reports as requested
19. Plugging and Abandonment Reports
20. Monthly Production Reports

6.6 Seismic Data. Operator shall provide the Minerals Department with copies of all data, conclusions, and interpretations generated by or resulting from seismic surveys. At the expiration of this Agreement, or upon relinquishment of part of the Contract Area as defined in Article 3, Operator shall deliver all originals, and copies of seismic data, interpretations therefrom, including all such information in digital form, to the Minerals Department, and said data shall remain the sole property of the Navajo Nation.

## ARTICLE 7 EASEMENTS AND RIGHTS-OF-WAY

7.1 The Nation shall process any right-of-way applications submitted by Operator for facilities and pipelines outside of the Contract Area during the Primary Term, or outside of the Drilling Block(s) during the Production Term, subject to compliance with appropriate regulations and environmental and archeological requirements of the Nation and the Secretary and subject to payment of prevailing rate consideration and fees.

## ARTICLE 8 INDEMNIFICATION AND INSURANCE

8.1 Indemnification. Operator assumes all risk of personal injury to or death of its agents and employees. Operator agrees to indemnify and hold the Nation and the Secretary and their agents, employees, licensees, customary land users, permittees and tenants harmless from all claims, liability and causes of action alleging bodily injury or property damage asserted against the Operator, its agents, employees and subcontractors or any third-party which may arise by reason of the operations of the Operator, its agents, employees and subcontractors, including any negligent omissions in connection with such operations.

8.2 Minimum Insurance Requirements. The Operator shall maintain and shall require its contractors and subcontractors to maintain all insurance required under all applicable laws and regulations. Operator shall carry the following minimum insurance naming both the Nation and the Operator as insured:

8.2.1 Comprehensive public liability insurance with limits of not less than \$300,000.00 for each accident and \$1,000,000.00 for death or injury of one person.

8.2.2 Comprehensive public liability property damage insurance with limits of not less than \$1,000,000.00 for each accident and \$5,000,000.00 aggregate per policy.

8.2.3 Automobile public liability insurance with limits of \$300,000.00 for the death or injury of one person and \$1,000,000.00 for each accident.

8.2.4 Workers= compensation insurance in the Operator's name in the amount established by Navajo law.

8.3 Certificates of Insurance. Certificates of insurance naming the Nation and the Secretary as additional insured for all said policies will be furnished the Nation within a reasonable time after receipt.

**ARTICLE 9**  
**DISPUTE RESOLUTION AND**  
**NAVAJO NATION JURISDICTION**

9.1 Sovereignty of the Nation. Nothing contained herein shall be interpreted as constituting a waiver, express or implied, of the sovereign immunity of the Nation.

9.2 Negotiation. In the event of any dispute, the Parties shall use their good faith efforts to resolve the dispute, and each Party shall continue to perform in accordance with the other provisions of this Agreement during the pendency of the dispute. As a first step to resolving any dispute, the Parties shall attempt to negotiate a just and equitable settlement thereof. Each Party will communicate and/or meet with the other in good faith and attempt to reach a solution satisfactory to both Parties.\_

9.3 Arbitration. If such efforts are unsuccessful in reaching a resolution of the Parties' dispute within 60 calendar days of commencement of the negotiations, then either party may invoke arbitration according to the procedures referenced in the Navajo Sovereign Immunity Act, as amended, at 1 N.N.C. §554(J) and §554(K), and as set forth in the Navajo Nation Arbitration Act, as amended, at 7 N.N.C. §§1101 *et seq.* Such arbitration shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association, except to the extent such rules are modified by the following:

- a. unless otherwise agreed to in writing by the Parties, all arbitration procedures shall be held in Window Rock, Arizona; and
- b. the arbitration shall be conducted by a single arbitrator selected by the Navajo Nation, unless one of the Parties' claims exceeds \$1,000,000.00, exclusive of interests, costs and fees; in such case the arbitration shall be conducted by a panel of three (3) arbitrators, each party selecting one (1) arbitrator, with the two arbitrators choosing the third; at least one arbitrator shall possess at least ten (10) years experience in Indian Law; and
- c. notice of intent to invoke arbitration shall be filed in strict compliance with the notice requirements of the Navajo Sovereign Immunity Act, 1 N.N.C. §555; and
- d. whether as a result of an arbitration provided for herein or of any judicial action to enforce an arbitration award resulting from such arbitration, any award against the Nation shall be in strict conformance with the provisions of 1 N.N.C. §554(K)(1-6); and
- e. whether in the context of an arbitration provided for herein or of any judicial action to enforce an arbitration award resulting from such arbitration, the laws of the Nation shall exclusively govern the interpretation of this Agreement, the arbitration provisions set forth herein and the arbitration procedures conducted pursuant thereto, and the application of all the provisions herein to the Operator and its subcontractors, agents, representatives, employees, or consultants.

- f. pursuant to 1 N.N.C. §554(K) and 7 N.N.C. §1102, the appropriate Navajo Nation District Court shall have exclusive jurisdiction to compel the Nation's participation in an arbitration, and shall have exclusive jurisdiction to enforce, modify, or vacate an arbitration award resulting from such arbitration; neither Party may recover from the other any attorneys fees or costs.

9.4 Jurisdiction. There is expressly reserved to the Nation full territorial legislative, executive and judicial jurisdiction over the Contract Area under the Agreement and all lands burdened by the Agreement, including without limitation over all persons, including the public, and all activities conducted or otherwise occurring within the Contract Area under the Agreement and all lands burdened by the Agreement shall be and forever remain Navajo Indian Country for purposes of Nation jurisdiction.

#### ARTICLE 10 CONFIDENTIALITY OF INFORMATION

10.1 The Nation shall have access at all reasonable times and at all locations to all raw and interpretive geological, geophysical and other resource data, structural mapping, and geologic evaluations in the possession of the Operator concerning the Contract Area and/or Drilling Block(s) if those records have not already been provided to the Nation.

10.2. During the term of this Agreement Operator and the Nation shall keep all such data concerning the Contract Area confidential except that:

10.2.1 Operator or the Nation may show such data to (a) its employees, (b) third parties for the purposes of preparing revenue and reserve estimate reports and other related reports, or (c) any persons or entities as required by law.

10.2.2 Operator may also show such data to (a) such other person(s) who may wish to purchase a portion of a working interest of the operator in the contract area or any production therefrom, (b) or acquire a mortgage or (c) such other person(s) as are associated or who desire to become associated with the Operator or one or more working interest owners in the Contract Area in drilling a well or who have acquired or desire to acquire a farmout agreement or other interest in a portion of the Contract Area and/or Drilling Block(s).

10.3 Upon termination of this Agreement in whole or as to portions of the Contract Area, all data relating to the lands relinquished shall be delivered to the Nation and shall become the sole property of the Nation.

#### ARTICLE 11 FORCE MAJEURE

11.1 Force Majeure Defined. For purposes of this Agreement, Force Majeure is defined to include strikes, insurrections, demonstrations, terrorist activities, explosions, acts of God, floods, storms, fires, epidemics and unavoidable accidents.



11.2 Effect of Force Majeure. Operator shall not be deemed to be in violation or breach of any obligation under this Agreement during the time and to the extent that it is prevented from or delayed in performing such obligation by Force Majeure.

11.3 Situations Exempt from this Article. Nothing in this Article shall be construed as compelling Operator to settle any labor dispute contrary to its wishes, or as preventing Operator from testing the validity of any local, tribal, or Federal order, regulation or law through available administrative, arbitral, or judicial proceedings.

## ARTICLE 12 ASSIGNMENT PROCEDURES

12.1 Approval of the Nation and Secretary. Operator shall not assign, sell, exchange, lease or otherwise dispose of all or any part of its interests under this Agreement without the prior written approval of the Nation as provided in 18 N.N.C. §605 and the Secretary in accordance with applicable Nation and federal laws and regulations. Any successor or assign shall agree in the applicable assignment or other appropriate agreement to be bound by all the terms and conditions of this Agreement.

12.2 Unconsented Assignment Void. Any assignment, sale, exchange, lease or other transfer of Operator's interest without the Nation's prior written approval shall be null and void.

12.3 Operator Retains a Majority Interest. Operator will always retain at least an undivided fifty-one percent (51%) interest in the Contract Area and this Agreement for so long as this Agreement remains in full force and effect. Any attempt by Operator to assign, sell, exchange, lease or otherwise dispose of more than an undivided cumulative forty-nine percent (49%) interest in the Contract Area and this Agreement at any time during the Primary or Production terms shall be null and void.

12.4 Navajo Nation Right of First Refusal. Should Operator desire to assign or sell all or part of its operating interests under this Agreement, it shall comply with applicable Navajo law, including but not limited to 18 N.N.C. §605 as such law may be amended from time to time.



**ARTICLE 13**  
**NOTICES**

13.1 All notices and communications required or permitted hereunder shall be in writing and shall be deemed to have been duly made if actually delivered to, or mailed by registered or certified mail, postage prepaid, addressed to the parties at the following addresses. Written notice may also be given by facsimile transmission and shall be effective upon receipt of the transmission. Either party may, by written communication so delivered to the other, change the name or address to which delivery thereafter shall be made.

**To or upon the Nation:**

Navajo Nation  
P.O. Box 9000  
Window Rock, AZ 86515  
Attn: Office of the President  
Phone: 928-871-6352  
Fax: 928-871-4025

Navajo Nation  
Minerals Department  
P.O. Box 1910  
Window Rock, AZ 86515  
Phone: 928-871-6587  
Fax: 928-871-7095

**To or upon the Secretary:**

Regional Director  
Navajo Region  
Bureau of Indian Affairs  
United States Department of Interior  
301 West Hill Street  
Post Office Box 1060  
Gallup, New Mexico 87305  
Phone: 505-863-8314  
Fax: 505-863-8324

**To or upon the Operator:**

Navajo Nation Oil & Gas Co.  
P.O. Box 4439  
Window Rock, AZ 86515  
Attn: President  
Phone: 928-871-4880  
Fax: 928-871-4882

**ARTICLE 14**  
**SEVERABILITY PROVISION**

14.1 Severability. The invalidity of any term or provision of this Agreement shall not affect the validity of any other provision herein, and the parties shall negotiate in good faith to enter into an agreement amending any such provision in a manner to make it valid, legal and enforceable while retaining the original intent of the parties with regard to such term or provision.

**ARTICLE 15**  
**BANKRUPTCY**

15.1 In the event of insolvency, bankruptcy or receivership of the Operator, or its successors, devisees, and assignees, this Agreement and all other agreements, easements, permits, and approvals pertinent hereto shall be voidable at the sole discretion of the Nation as to any lands not held by oil and gas production within the Contract Area pursuant to paragraph 2.3 herein.

**ARTICLE 16**  
**NAVAJO NATION COURT JURISDICTION**

16.1 Except to the extent specifically committed to arbitration by this Agreement, the courts of the Navajo Nation shall have jurisdiction over all disputes between the Nation and Operator relating to this Agreement.

**ARTICLE 17**  
**DEFAULT AND TERMINATION**

17.1 Default by Operator. In the event of any material default by Operator in the performance of its obligations under this Agreement, the Nation shall give Operator notice specifying the default. If Operator does not, within thirty (30) days of receipt of the notice, correct the default or initiate diligent efforts to correct the default, the Nation may terminate this Agreement by delivering a termination notice to Operator, subject to Operator's rights as provided in paragraph 17.4 and subject to Article 9.

17.2 Reclamation. Upon expiration or termination of this Agreement or partial relinquishment of lands within the Contract Area, Operator shall surrender the Contract Area or a portion of the Contract Area in a condition that complies with applicable Nation and Federal laws. It shall be the obligation of Operator to restore those areas within the Contract Area disturbed by Operator or its subcontractors, pursuant to approved reclamation plans and in compliance with all applicable laws, statutes, regulations and administrative orders.

**17.3 Final Data.** Upon expiration or termination of this Agreement or of the partial relinquishment of lands within the Contract Area, the Nation shall become the owner of all data in Operator's possession or control relating to the expired, terminated, or relinquished lands. Within sixty (60) days after the expiration or termination of this Agreement of partial relinquishment of lands within the Contract Area, Operator shall deliver to the Nation all such data that Operator has not previously furnished to the Nation. Operator may retain access to all such data for area studies and further evaluation for use in future exploration for as long as this Agreement remains in-force.

**17.4 Removal of Improvements, Equipment and Stockpiled Products.** Operator shall have the right of ingress and egress within ninety (90) days after expiration or termination of this Agreement or after partial relinquishment of lands within the Contract Area, to remove its property from the affected portions of the Contract Area, subject to the following restrictions:

**17.4.1** Operator may not remove casing in wells and other material, equipment and structures necessary for the continued operation of wells producing or capable of producing Hydrocarbons in paying quantities as determined by the Minerals Department and the Secretary. Unless refused by the Nation, all such casing in wells, material, structures and equipment shall be and become the property of the Nation when this Agreement expires.

**17.4.2** Operator may not remove any property from the Contract Area if Operator has outstanding financial obligations to the Nation related to this Agreement.

**IN WITNESS WHEREOF**, this Agreement was executed as of the date first above written.

**NAVAJO NATION**

By: Ben Shelly  
Ben Shelly, President

**OPERATOR:**

Navajo Nation Oil & Gas Company

By: Wilson Groen  
Wilson Groen, President

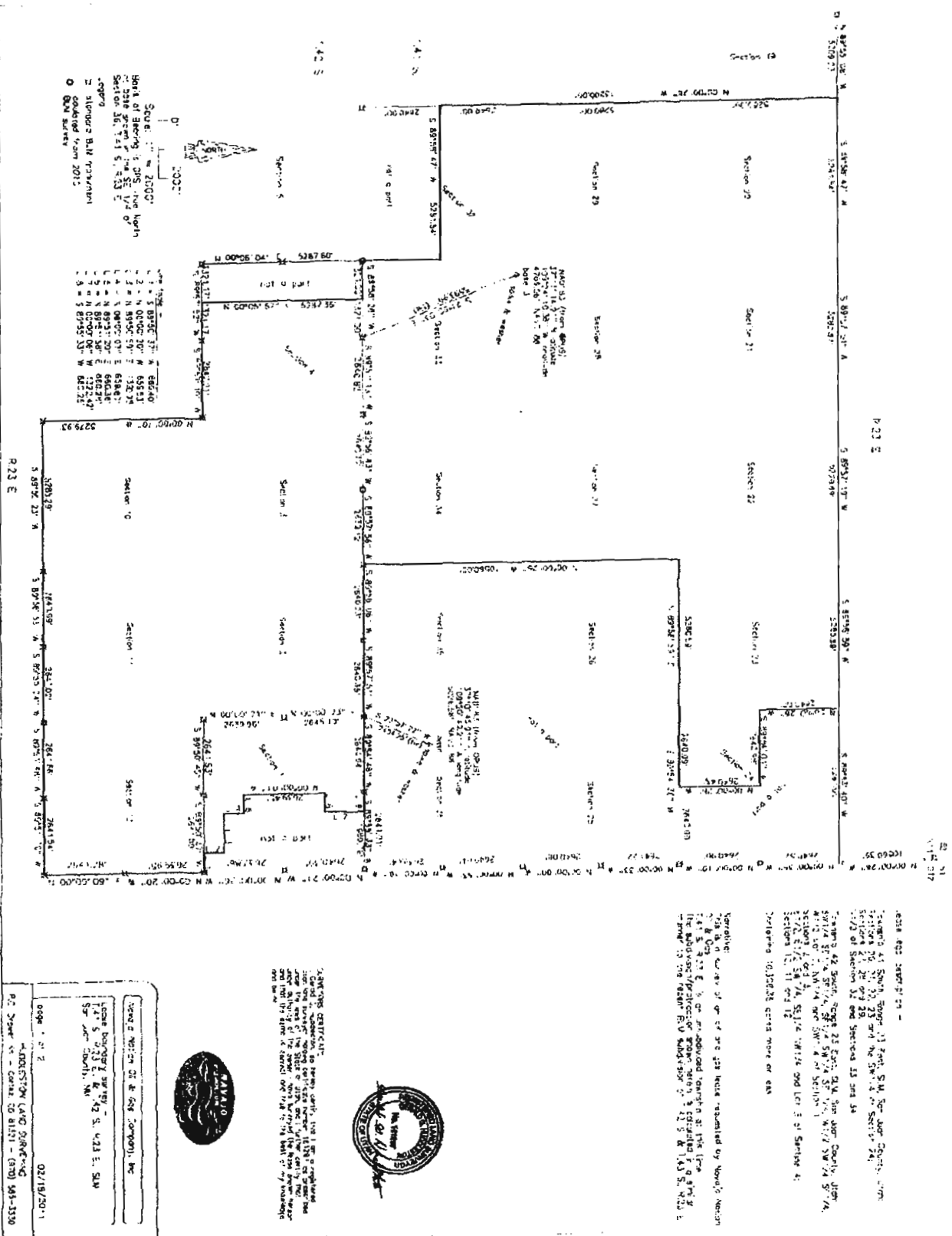
**CERTIFICATE OF APPROVAL**

**APPROVED PURSUANT TO THE INDIAN  
MINERAL DEVELOPMENT ACT OF 1982:**

By: \_\_\_\_\_  
Regional Director  
Navajo Region  
Bureau of Indian Affairs  
U. S. Department of the Interior

Date: \_\_\_\_\_

**EXHIBIT "A"**  
**(To that certain Operating Agreement by and between The Navajo Nation and The Navajo Nation Oil and Gas Company for the Desert Creek Area.)**



# EXHIBIT "B"

(To that certain Operating Agreement by and between The Navajo Nation and The Navajo Nation Oil and Gas Company for the Desert Creek Area.)

## SCHEDULE 1 Oil Royalty Rates

NYMEX Price in \$0.01 increments

Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %
<\$75.00	30.0000	75.53	30.1178	76.07	30.2378	76.61	30.3578	77.15	30.477778
75.00	30.0000	75.54	30.1200	76.08	30.2400	76.62	30.3600	77.16	30.480000
75.01	30.0022	75.55	30.1222	76.09	30.2422	76.63	30.3622	77.17	30.482222
75.02	30.0044	75.56	30.1244	76.10	30.2444	76.64	30.3644	77.18	30.484445
75.03	30.0067	75.57	30.1267	76.11	30.2467	76.65	30.3667	77.19	30.486667
75.04	30.0089	75.58	30.1289	76.12	30.2489	76.66	30.3689	77.20	30.488889
75.05	30.0111	75.59	30.1311	76.13	30.2511	76.67	30.3711	77.21	30.491111
75.06	30.0133	75.60	30.1333	76.14	30.2533	76.68	30.3733	77.22	30.493334
75.07	30.0156	75.61	30.1356	76.15	30.2556	76.69	30.3756	77.23	30.495556
75.08	30.0178	75.62	30.1378	76.16	30.2578	76.70	30.3778	77.24	30.497778
75.09	30.0200	75.63	30.1400	76.17	30.2600	76.71	30.3800	77.25	30.500000
75.10	30.0222	75.64	30.1422	76.18	30.2622	76.72	30.3822	77.26	30.502222
75.11	30.0244	75.65	30.1444	76.19	30.2644	76.73	30.3844	77.27	30.504445
75.12	30.0267	75.66	30.1467	76.20	30.2667	76.74	30.3867	77.28	30.506667
75.13	30.0289	75.67	30.1489	76.21	30.2689	76.75	30.3889	77.29	30.508889
75.14	30.0311	75.68	30.1511	76.22	30.2711	76.76	30.3911	77.30	30.511111
75.15	30.0333	75.69	30.1533	76.23	30.2733	76.77	30.3933	77.31	30.513334
75.16	30.0356	75.70	30.1556	76.24	30.2756	76.78	30.3956	77.32	30.515556
75.17	30.0378	75.71	30.1578	76.25	30.2778	76.79	30.3978	77.33	30.517778
75.18	30.0400	75.72	30.1600	76.26	30.2800	76.80	30.4000	77.34	30.520000
75.19	30.0422	75.73	30.1622	76.27	30.2822	76.81	30.4022	77.35	30.522222
75.20	30.0444	75.74	30.1644	76.28	30.2844	76.82	30.4044	77.36	30.524445
75.21	30.0467	75.75	30.1667	76.29	30.2867	76.83	30.4067	77.37	30.526667
75.22	30.0489	75.76	30.1689	76.30	30.2889	76.84	30.4089	77.38	30.528889
75.23	30.0511	75.77	30.1711	76.31	30.2911	76.85	30.4111	77.39	30.531111
75.24	30.0533	75.78	30.1733	76.32	30.2933	76.86	30.4133	77.40	30.533334
75.25	30.0556	75.79	30.1756	76.33	30.2956	76.87	30.4156	77.41	30.535556
75.26	30.0578	75.80	30.1778	76.34	30.2978	76.88	30.4178	77.42	30.537778
75.27	30.0600	75.81	30.1800	76.35	30.3000	76.89	30.4200	77.43	30.540000
75.28	30.0622	75.82	30.1822	76.36	30.3022	76.90	30.4222	77.44	30.542222
75.29	30.0644	75.83	30.1844	76.37	30.3044	76.91	30.4244	77.45	30.544445
75.30	30.0667	75.84	30.1867	76.38	30.3067	76.92	30.4267	77.46	30.546667
75.31	30.0689	75.85	30.1889	76.39	30.3089	76.93	30.4289	77.47	30.548889
75.32	30.0711	75.86	30.1911	76.40	30.3111	76.94	30.4311	77.48	30.551111
75.33	30.0733	75.87	30.1933	76.41	30.3133	76.95	30.4333	77.49	30.553334
75.34	30.0756	75.88	30.1956	76.42	30.3156	76.96	30.4356	77.50	30.555556
75.35	30.0778	75.89	30.1978	76.43	30.3178	76.97	30.4378	77.51	30.557778
75.36	30.0800	75.90	30.2000	76.44	30.3200	76.98	30.4400	77.52	30.560000
75.37	30.0822	75.91	30.2022	76.45	30.3222	76.99	30.4422	77.53	30.562222
75.38	30.0844	75.92	30.2044	76.46	30.3244	77.00	30.4444	77.54	30.564445
75.39	30.0867	75.93	30.2067	76.47	30.3267	77.01	30.4467	77.55	30.566667
75.40	30.0889	75.94	30.2089	76.48	30.3289	77.02	30.4489	77.56	30.568889
75.41	30.0911	75.95	30.2111	76.49	30.3311	77.03	30.4511	77.57	30.571111
75.42	30.0933	75.96	30.2133	76.50	30.3333	77.04	30.4533	77.58	30.573334
75.43	30.0956	75.97	30.2156	76.51	30.3356	77.05	30.4556	77.59	30.575556
75.44	30.0978	75.98	30.2178	76.52	30.3378	77.06	30.4578	77.60	30.577778
75.45	30.1000	75.99	30.2200	76.53	30.3400	77.07	30.4600	77.61	30.580000
75.46	30.1022	76.00	30.2222	76.54	30.3422	77.08	30.4622	77.62	30.582222
75.47	30.1044	76.01	30.2244	76.55	30.3444	77.09	30.4644	77.63	30.584445
75.48	30.1067	76.02	30.2267	76.56	30.3467	77.10	30.4667	77.64	30.586667
75.49	30.1089	76.03	30.2289	76.57	30.3489	77.11	30.4689	77.65	30.588889
75.50	30.1111	76.04	30.2311	76.58	30.3511	77.12	30.4711	77.66	30.591111
75.51	30.1133	76.05	30.2333	76.59	30.3533	77.13	30.4733	77.67	30.593334
75.52	30.1156	76.06	30.2356	76.60	30.3556	77.14	30.4756	77.68	30.595556

**EXHIBIT "B"**

**(To that certain Operating Agreement by and between The Navajo Nation and The Navajo Nation Oil and Gas Company for the Desert Creek Area.)**

**SCHEDULE 1  
Oil Royalty Rates**

Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %
77.69	30.5978	78.23	30.7178	78.77	30.8378	79.31	30.9578	79.85	31.077778
77.70	30.6000	78.24	30.7200	78.78	30.8400	79.32	30.9600	79.86	31.080000
77.71	30.6022	78.25	30.7222	78.79	30.8422	79.33	30.9622	79.87	31.082223
77.72	30.6044	78.26	30.7244	78.80	30.8444	79.34	30.9644	79.88	31.084445
77.73	30.6067	78.27	30.7267	78.81	30.8467	79.35	30.9667	79.89	31.086667
77.74	30.6089	78.28	30.7289	78.82	30.8489	79.36	30.9689	79.90	31.088889
77.75	30.6111	78.29	30.7311	78.83	30.8511	79.37	30.9711	79.91	31.091111
77.76	30.6133	78.30	30.7333	78.84	30.8533	79.38	30.9733	79.92	31.093334
77.77	30.6156	78.31	30.7356	78.85	30.8556	79.39	30.9756	79.93	31.095556
77.78	30.6178	78.32	30.7378	78.86	30.8578	79.40	30.9778	79.94	31.097778
77.79	30.6200	78.33	30.7400	78.87	30.8600	79.41	30.9800	79.95	31.100000
77.80	30.6222	78.34	30.7422	78.88	30.8622	79.42	30.9822	79.96	31.102223
77.81	30.6244	78.35	30.7444	78.89	30.8644	79.43	30.9844	79.97	31.104445
77.82	30.6267	78.36	30.7467	78.90	30.8667	79.44	30.9867	79.98	31.106667
77.83	30.6289	78.37	30.7489	78.91	30.8689	79.45	30.9889	79.99	31.108889
77.84	30.6311	78.38	30.7511	78.92	30.8711	79.46	30.9911	80.00	31.111112
77.85	30.6333	78.39	30.7533	78.93	30.8733	79.47	30.9933	80.01	31.113334
77.86	30.6356	78.40	30.7556	78.94	30.8756	79.48	30.9956	80.02	31.115556
77.87	30.6378	78.41	30.7578	78.95	30.8778	79.49	30.9978	80.03	31.117778
77.88	30.6400	78.42	30.7600	78.96	30.8800	79.50	31.0000	80.04	31.120000
77.89	30.6422	78.43	30.7622	78.97	30.8822	79.51	31.0022	80.05	31.122223
77.90	30.6444	78.44	30.7644	78.98	30.8844	79.52	31.0044	80.06	31.124445
77.91	30.6467	78.45	30.7667	78.99	30.8867	79.53	31.0067	80.07	31.126667
77.92	30.6489	78.46	30.7689	79.00	30.8889	79.54	31.0089	80.08	31.128889
77.93	30.6511	78.47	30.7711	79.01	30.8911	79.55	31.0111	80.09	31.131112
77.94	30.6533	78.48	30.7733	79.02	30.8933	79.56	31.0133	80.10	31.133334
77.95	30.6556	78.49	30.7756	79.03	30.8956	79.57	31.0156	80.11	31.135556
77.96	30.6578	78.50	30.7778	79.04	30.8978	79.58	31.0178	80.12	31.137778
77.97	30.6600	78.51	30.7800	79.05	30.9000	79.59	31.0200	80.13	31.140000
77.98	30.6622	78.52	30.7822	79.06	30.9022	79.60	31.0222	80.14	31.142223
77.99	30.6644	78.53	30.7844	79.07	30.9044	79.61	31.0244	80.15	31.144445
78.00	30.6667	78.54	30.7867	79.08	30.9067	79.62	31.0267	80.16	31.146667
78.01	30.6689	78.55	30.7889	79.09	30.9089	79.63	31.0289	80.17	31.148889
78.02	30.6711	78.56	30.7911	79.10	30.9111	79.64	31.0311	80.18	31.151112
78.03	30.6733	78.57	30.7933	79.11	30.9133	79.65	31.0333	80.19	31.153334
78.04	30.6756	78.58	30.7956	79.12	30.9156	79.66	31.0356	80.20	31.155556
78.05	30.6778	78.59	30.7978	79.13	30.9178	79.67	31.0378	80.21	31.157778
78.06	30.6800	78.60	30.8000	79.14	30.9200	79.68	31.0400	80.22	31.160000
78.07	30.6822	78.61	30.8022	79.15	30.9222	79.69	31.0422	80.23	31.162223
78.08	30.6844	78.62	30.8044	79.16	30.9244	79.70	31.0444	80.24	31.164445
78.09	30.6867	78.63	30.8067	79.17	30.9267	79.71	31.0467	80.25	31.166667
78.10	30.6889	78.64	30.8089	79.18	30.9289	79.72	31.0489	80.26	31.168889
78.11	30.6911	78.65	30.8111	79.19	30.9311	79.73	31.0511	80.27	31.171112
78.12	30.6933	78.66	30.8133	79.20	30.9333	79.74	31.0533	80.28	31.173334
78.13	30.6956	78.67	30.8156	79.21	30.9356	79.75	31.0556	80.29	31.175556
78.14	30.6978	78.68	30.8178	79.22	30.9378	79.76	31.0578	80.30	31.177778
78.15	30.7000	78.69	30.8200	79.23	30.9400	79.77	31.0600	80.31	31.180000
78.16	30.7022	78.70	30.8222	79.24	30.9422	79.78	31.0622	80.32	31.182223
78.17	30.7044	78.71	30.8244	79.25	30.9444	79.79	31.0644	80.33	31.184445
78.18	30.7067	78.72	30.8267	79.26	30.9467	79.80	31.0667	80.34	31.186667
78.19	30.7089	78.73	30.8289	79.27	30.9489	79.81	31.0689	80.35	31.188889
78.20	30.7111	78.74	30.8311	79.28	30.9511	79.82	31.0711	80.36	31.191112
78.21	30.7133	78.75	30.8333	79.29	30.9533	79.83	31.0733	80.37	31.193334
78.22	30.7156	78.76	30.8356	79.30	30.9556	79.84	31.0756	80.38	31.195556

**EXHIBIT "B"**

**(To that certain Operating Agreement by and between The Navajo Nation and The Navajo Nation Oil and Gas Company for the Desert Creek Area.)**

**SCHEDULE 1  
Oil Royalty Rates**

Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %
80.39	31.1978	80.92	31.3156	81.45	31.4333	81.98	31.5511	82.51	31.668889
80.40	31.2000	80.93	31.3178	81.46	31.4356	81.99	31.5533	82.52	31.671112
80.41	31.2022	80.94	31.3200	81.47	31.4378	82.00	31.5556	82.53	31.673334
80.42	31.2044	80.95	31.3222	81.48	31.4400	82.01	31.5578	82.54	31.675556
80.43	31.2067	80.96	31.3244	81.49	31.4422	82.02	31.5600	82.55	31.677778
80.44	31.2089	80.97	31.3267	81.50	31.4444	82.03	31.5622	82.56	31.680001
80.45	31.2111	80.98	31.3289	81.51	31.4467	82.04	31.5644	82.57	31.682223
80.46	31.2133	80.99	31.3311	81.52	31.4489	82.05	31.5667	82.58	31.684445
80.47	31.2156	81.00	31.3333	81.53	31.4511	82.06	31.5689	82.59	31.686667
80.48	31.2178	81.01	31.3356	81.54	31.4533	82.07	31.5711	82.60	31.688889
80.49	31.2200	81.02	31.3378	81.55	31.4556	82.08	31.5733	82.61	31.691112
80.50	31.2222	81.03	31.3400	81.56	31.4578	82.09	31.5756	82.62	31.693334
80.51	31.2244	81.04	31.3422	81.57	31.4600	82.10	31.5778	82.63	31.695556
80.52	31.2267	81.05	31.3444	81.58	31.4622	82.11	31.5800	82.64	31.697778
80.53	31.2289	81.06	31.3467	81.59	31.4644	82.12	31.5822	82.65	31.700001
80.54	31.2311	81.07	31.3489	81.60	31.4667	82.13	31.5844	82.66	31.702223
80.55	31.2333	81.08	31.3511	81.61	31.4689	82.14	31.5867	82.67	31.704445
80.56	31.2356	81.09	31.3533	81.62	31.4711	82.15	31.5889	82.68	31.706667
80.57	31.2378	81.10	31.3556	81.63	31.4733	82.16	31.5911	82.69	31.708889
80.58	31.2400	81.11	31.3578	81.64	31.4756	82.17	31.5933	82.70	31.711112
80.59	31.2422	81.12	31.3600	81.65	31.4778	82.18	31.5956	82.71	31.713334
80.60	31.2444	81.13	31.3622	81.66	31.4800	82.19	31.5978	82.72	31.715556
80.61	31.2467	81.14	31.3644	81.67	31.4822	82.20	31.6000	82.73	31.717778
80.62	31.2489	81.15	31.3667	81.68	31.4844	82.21	31.6022	82.74	31.720001
80.63	31.2511	81.16	31.3689	81.69	31.4867	82.22	31.6044	82.75	31.722223
80.64	31.2533	81.17	31.3711	81.70	31.4889	82.23	31.6067	82.76	31.724445
80.65	31.2556	81.18	31.3733	81.71	31.4911	82.24	31.6089	82.77	31.726667
80.66	31.2578	81.19	31.3756	81.72	31.4933	82.25	31.6111	82.78	31.728889
80.67	31.2600	81.20	31.3778	81.73	31.4956	82.26	31.6133	82.79	31.731112
80.68	31.2622	81.21	31.3800	81.74	31.4978	82.27	31.6156	82.80	31.733334
80.69	31.2644	81.22	31.3822	81.75	31.5000	82.28	31.6178	82.81	31.735556
80.70	31.2667	81.23	31.3844	81.76	31.5022	82.29	31.6200	82.82	31.737778
80.71	31.2689	81.24	31.3867	81.77	31.5044	82.30	31.6222	82.83	31.740001
80.72	31.2711	81.25	31.3889	81.78	31.5067	82.31	31.6244	82.84	31.742223
80.73	31.2733	81.26	31.3911	81.79	31.5089	82.32	31.6267	82.85	31.744445
80.74	31.2756	81.27	31.3933	81.80	31.5111	82.33	31.6289	82.86	31.746667
80.75	31.2778	81.28	31.3956	81.81	31.5133	82.34	31.6311	82.87	31.748889
80.76	31.2800	81.29	31.3978	81.82	31.5156	82.35	31.6333	82.88	31.751112
80.77	31.2822	81.30	31.4000	81.83	31.5178	82.36	31.6356	82.89	31.753334
80.78	31.2844	81.31	31.4022	81.84	31.5200	82.37	31.6378	82.90	31.755556
80.79	31.2867	81.32	31.4044	81.85	31.5222	82.38	31.6400	82.91	31.757778
80.80	31.2889	81.33	31.4067	81.86	31.5244	82.39	31.6422	82.92	31.760001
80.81	31.2911	81.34	31.4089	81.87	31.5267	82.40	31.6444	82.93	31.762223
80.82	31.2933	81.35	31.4111	81.88	31.5289	82.41	31.6467	82.94	31.764445
80.83	31.2956	81.36	31.4133	81.89	31.5311	82.42	31.6489	82.95	31.766667
80.84	31.2978	81.37	31.4156	81.90	31.5333	82.43	31.6511	82.96	31.768889
80.85	31.3000	81.38	31.4178	81.91	31.5356	82.44	31.6533	82.97	31.771112
80.86	31.3022	81.39	31.4200	81.92	31.5378	82.45	31.6556	82.98	31.773334
80.87	31.3044	81.40	31.4222	81.93	31.5400	82.46	31.6578	82.99	31.775556
80.88	31.3067	81.41	31.4244	81.94	31.5422	82.47	31.6600	83.00	31.777778
80.89	31.3089	81.42	31.4267	81.95	31.5444	82.48	31.6622	83.01	31.780001
80.90	31.3111	81.43	31.4289	81.96	31.5467	82.49	31.6644	83.02	31.782223
80.91	31.3133	81.44	31.4311	81.97	31.5489	82.50	31.6667	83.03	31.784445



# EXHIBIT "B"

(To that certain Operating Agreement by and between The Navajo Nation and The Navajo Nation Oil and Gas Company for the Desert Creek Area.)

## SCHEDULE 1 Oil Royalty Rates

Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %
83.04	31.7867	83.58	31.9067	84.12	32.0267	84.66	32.1467	85.20	32.266667
83.05	31.7889	83.59	31.9089	84.13	32.0289	84.67	32.1489	85.21	32.268890
83.06	31.7911	83.60	31.9111	84.14	32.0311	84.68	32.1511	85.22	32.271112
83.07	31.7933	83.61	31.9133	84.15	32.0333	84.69	32.1533	85.23	32.273334
83.08	31.7956	83.62	31.9156	84.16	32.0356	84.70	32.1556	85.24	32.275556
83.09	31.7978	83.63	31.9178	84.17	32.0378	84.71	32.1578	85.25	32.277779
83.10	31.8000	83.64	31.9200	84.18	32.0400	84.72	32.1600	85.26	32.280001
83.11	31.8022	83.65	31.9222	84.19	32.0422	84.73	32.1622	85.27	32.282223
83.12	31.8044	83.66	31.9244	84.20	32.0444	84.74	32.1644	85.28	32.284445
83.13	31.8067	83.67	31.9267	84.21	32.0467	84.75	32.1667	85.29	32.286667
83.14	31.8089	83.68	31.9289	84.22	32.0489	84.76	32.1689	85.30	32.288890
83.15	31.8111	83.69	31.9311	84.23	32.0511	84.77	32.1711	85.31	32.291112
83.16	31.8133	83.70	31.9333	84.24	32.0533	84.78	32.1733	85.32	32.293334
83.17	31.8156	83.71	31.9356	84.25	32.0556	84.79	32.1756	85.33	32.295556
83.18	31.8178	83.72	31.9378	84.26	32.0578	84.80	32.1778	85.34	32.297779
83.19	31.8200	83.73	31.9400	84.27	32.0600	84.81	32.1800	85.35	32.300001
83.20	31.8222	83.74	31.9422	84.28	32.0622	84.82	32.1822	85.36	32.302223
83.21	31.8244	83.75	31.9444	84.29	32.0644	84.83	32.1844	85.37	32.304445
83.22	31.8267	83.76	31.9467	84.30	32.0667	84.84	32.1867	85.38	32.306667
83.23	31.8289	83.77	31.9489	84.31	32.0689	84.85	32.1889	85.39	32.308890
83.24	31.8311	83.78	31.9511	84.32	32.0711	84.86	32.1911	85.40	32.311112
83.25	31.8333	83.79	31.9533	84.33	32.0733	84.87	32.1933	85.41	32.313334
83.26	31.8356	83.80	31.9556	84.34	32.0756	84.88	32.1956	85.42	32.315556
83.27	31.8378	83.81	31.9578	84.35	32.0778	84.89	32.1978	85.43	32.317779
83.28	31.8400	83.82	31.9600	84.36	32.0800	84.90	32.2000	85.44	32.320001
83.29	31.8422	83.83	31.9622	84.37	32.0822	84.91	32.2022	85.45	32.322223
83.30	31.8444	83.84	31.9644	84.38	32.0844	84.92	32.2044	85.46	32.324445
83.31	31.8467	83.85	31.9667	84.39	32.0867	84.93	32.2067	85.47	32.326667
83.32	31.8489	83.86	31.9689	84.40	32.0889	84.94	32.2089	85.48	32.328890
83.33	31.8511	83.87	31.9711	84.41	32.0911	84.95	32.2111	85.49	32.331112
83.34	31.8533	83.88	31.9733	84.42	32.0933	84.96	32.2133	85.50	32.333334
83.35	31.8556	83.89	31.9756	84.43	32.0956	84.97	32.2156	85.51	32.335556
83.36	31.8578	83.90	31.9778	84.44	32.0978	84.98	32.2178	85.52	32.337779
83.37	31.8600	83.91	31.9800	84.45	32.1000	84.99	32.2200	85.53	32.340001
83.38	31.8622	83.92	31.9822	84.46	32.1022	85.00	32.2222	85.54	32.342223
83.39	31.8644	83.93	31.9844	84.47	32.1044	85.01	32.2244	85.55	32.344445
83.40	31.8667	83.94	31.9867	84.48	32.1067	85.02	32.2267	85.56	32.346667
83.41	31.8689	83.95	31.9889	84.49	32.1089	85.03	32.2289	85.57	32.348890
83.42	31.8711	83.96	31.9911	84.50	32.1111	85.04	32.2311	85.58	32.351112
83.43	31.8733	83.97	31.9933	84.51	32.1133	85.05	32.2333	85.59	32.353334
83.44	31.8756	83.98	31.9956	84.52	32.1156	85.06	32.2356	85.60	32.355556
83.45	31.8778	83.99	31.9978	84.53	32.1178	85.07	32.2378	85.61	32.357779
83.46	31.8800	84.00	32.0000	84.54	32.1200	85.08	32.2400	85.62	32.360001
83.47	31.8822	84.01	32.0022	84.55	32.1222	85.09	32.2422	85.63	32.362223
83.48	31.8844	84.02	32.0044	84.56	32.1244	85.10	32.2444	85.64	32.364445
83.49	31.8867	84.03	32.0067	84.57	32.1267	85.11	32.2467	85.65	32.366668
83.50	31.8889	84.04	32.0089	84.58	32.1289	85.12	32.2489	85.66	32.368890
83.51	31.8911	84.05	32.0111	84.59	32.1311	85.13	32.2511	85.67	32.371112
83.52	31.8933	84.06	32.0133	84.60	32.1333	85.14	32.2533	85.68	32.373334
83.53	31.8956	84.07	32.0156	84.61	32.1356	85.15	32.2556	85.69	32.375556
83.54	31.8978	84.08	32.0178	84.62	32.1378	85.16	32.2578	85.70	32.377779
83.55	31.9000	84.09	32.0200	84.63	32.1400	85.17	32.2600	85.71	32.380001
83.56	31.9022	84.10	32.0222	84.64	32.1422	85.18	32.2622	85.72	32.382223
83.57	31.9044	84.11	32.0244	84.65	32.1444	85.19	32.2644	85.73	32.384445
					32.1467				

**EXHIBIT "B"**

**(To that certain Operating Agreement by and between The Navajo Nation and The Navajo Nation Oil and Gas Company for the Desert Creek Area.)**

**SCHEDULE 1  
Oil Royalty Rates**

Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %
85.74	32.3867	86.28	32.5067	86.82	32.6267	87.36	32.7467	87.90	32.866668
85.75	32.3889	86.29	32.5089	86.83	32.6289	87.37	32.7489	87.91	32.868890
85.76	32.3911	86.30	32.5111	86.84	32.6311	87.38	32.7511	87.92	32.871112
85.77	32.3933	86.31	32.5133	86.85	32.6333	87.39	32.7533	87.93	32.873334
85.78	32.3956	86.32	32.5156	86.86	32.6356	87.40	32.7556	87.94	32.875557
85.79	32.3978	86.33	32.5178	86.87	32.6378	87.41	32.7578	87.95	32.877779
85.80	32.4000	86.34	32.5200	86.88	32.6400	87.42	32.7600	87.96	32.880001
85.81	32.4022	86.35	32.5222	86.89	32.6422	87.43	32.7622	87.97	32.882223
85.82	32.4044	86.36	32.5244	86.90	32.6444	87.44	32.7644	87.98	32.884445
85.83	32.4067	86.37	32.5267	86.91	32.6467	87.45	32.7667	87.99	32.886668
85.84	32.4089	86.38	32.5289	86.92	32.6489	87.46	32.7689	88.00	32.888890
85.85	32.4111	86.39	32.5311	86.93	32.6511	87.47	32.7711	88.01	32.891112
85.86	32.4133	86.40	32.5333	86.94	32.6533	87.48	32.7733	88.02	32.893334
85.87	32.4156	86.41	32.5356	86.95	32.6556	87.49	32.7756	88.03	32.895557
85.88	32.4178	86.42	32.5378	86.96	32.6578	87.50	32.7778	88.04	32.897779
85.89	32.4200	86.43	32.5400	86.97	32.6600	87.51	32.7800	88.05	32.900001
85.90	32.4222	86.44	32.5422	86.98	32.6622	87.52	32.7822	88.06	32.902223
85.91	32.4244	86.45	32.5444	86.99	32.6644	87.53	32.7844	88.07	32.904445
85.92	32.4267	86.46	32.5467	87.00	32.6667	87.54	32.7867	88.08	32.906668
85.93	32.4289	86.47	32.5489	87.01	32.6689	87.55	32.7889	88.09	32.908890
85.94	32.4311	86.48	32.5511	87.02	32.6711	87.56	32.7911	88.10	32.911112
85.95	32.4333	86.49	32.5533	87.03	32.6733	87.57	32.7933	88.11	32.913334
85.96	32.4356	86.50	32.5556	87.04	32.6756	87.58	32.7956	88.12	32.915557
85.97	32.4378	86.51	32.5578	87.05	32.6778	87.59	32.7978	88.13	32.917779
85.98	32.4400	86.52	32.5600	87.06	32.6800	87.60	32.8000	88.14	32.920001
85.99	32.4422	86.53	32.5622	87.07	32.6822	87.61	32.8022	88.15	32.922223
86.00	32.4444	86.54	32.5844	87.08	32.6844	87.62	32.8044	88.16	32.924445
86.01	32.4467	86.55	32.5667	87.09	32.6867	87.63	32.8067	88.17	32.926668
86.02	32.4489	86.56	32.5689	87.10	32.6889	87.64	32.8089	88.18	32.928890
86.03	32.4511	86.57	32.5711	87.11	32.6911	87.65	32.8111	88.19	32.931112
86.04	32.4533	86.58	32.5733	87.12	32.6933	87.66	32.8133	88.20	32.933334
86.05	32.4556	86.59	32.5756	87.13	32.6956	87.67	32.8156	88.21	32.935557
86.06	32.4578	86.60	32.5778	87.14	32.6978	87.68	32.8178	88.22	32.937779
86.07	32.4600	86.61	32.5800	87.15	32.7000	87.69	32.8200	88.23	32.940001
86.08	32.4622	86.62	32.5822	87.16	32.7022	87.70	32.8222	88.24	32.942223
86.09	32.4644	86.63	32.5844	87.17	32.7044	87.71	32.8244	88.25	32.944445
86.10	32.4667	86.64	32.5867	87.18	32.7067	87.72	32.8267	88.26	32.946668
86.11	32.4689	86.65	32.5889	87.19	32.7089	87.73	32.8289	88.27	32.948890
86.12	32.4711	86.66	32.5911	87.20	32.7111	87.74	32.8311	88.28	32.951112
86.13	32.4733	86.67	32.5933	87.21	32.7133	87.75	32.8333	88.29	32.953334
86.14	32.4756	86.68	32.5956	87.22	32.7156	87.76	32.8356	88.30	32.955557
86.15	32.4778	86.69	32.5978	87.23	32.7178	87.77	32.8378	88.31	32.957779
86.16	32.4800	86.70	32.6000	87.24	32.7200	87.78	32.8400	88.32	32.960001
86.17	32.4822	86.71	32.6022	87.25	32.7222	87.79	32.8422	88.33	32.962223
86.18	32.4844	86.72	32.6044	87.26	32.7244	87.80	32.8444	88.34	32.964445
86.19	32.4867	86.73	32.6067	87.27	32.7267	87.81	32.8467	88.35	32.966668
86.20	32.4889	86.74	32.6089	87.28	32.7289	87.82	32.8489	88.36	32.968890
86.21	32.4911	86.75	32.6111	87.29	32.7311	87.83	32.8511	88.37	32.971112
86.22	32.4933	86.76	32.6133	87.30	32.7333	87.84	32.8533	88.38	32.973334
86.23	32.4956	86.77	32.6156	87.31	32.7356	87.85	32.8556	88.39	32.975557
86.24	32.4978	86.78	32.6178	87.32	32.7378	87.86	32.8578	88.40	32.977779
86.25	32.5000	86.79	32.6200	87.33	32.7400	87.87	32.8600	88.41	32.980001
86.26	32.5022	86.80	32.6222	87.34	32.7422	87.88	32.8622	88.42	32.982223
86.27	32.5044	86.81	32.6244	87.35	32.7444	87.89	32.8644	88.43	32.984445

# EXHIBIT "B"

(To that certain Operating Agreement by and between The Navajo Nation and The Navajo Nation Oil and Gas Company for the Desert Creek Area.)

## SCHEDULE 1 Oil Royalty Rates

Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %
88.44	32.9867	88.98	33.1067	89.52	33.2267	90.06	33.3467	90.60	33.466668
88.45	32.9889	88.99	33.1089	89.53	33.2289	90.07	33.3489	90.61	33.468890
88.46	32.9911	89.00	33.1111	89.54	33.2311	90.08	33.3511	90.62	33.471112
88.47	32.9933	89.01	33.1133	89.55	33.2333	90.09	33.3533	90.63	33.473335
88.48	32.9956	89.02	33.1156	89.56	33.2356	90.10	33.3556	90.64	33.475557
88.49	32.9978	89.03	33.1178	89.57	33.2378	90.11	33.3578	90.65	33.477779
88.50	33.0000	89.04	33.1200	89.58	33.2400	90.12	33.3600	90.66	33.480001
88.51	33.0022	89.05	33.1222	89.59	33.2422	90.13	33.3622	90.67	33.482223
88.52	33.0044	89.06	33.1244	89.60	33.2444	90.14	33.3644	90.68	33.484446
88.53	33.0067	89.07	33.1267	89.61	33.2467	90.15	33.3667	90.69	33.486668
88.54	33.0089	89.08	33.1289	89.62	33.2489	90.16	33.3689	90.70	33.488890
88.55	33.0111	89.09	33.1311	89.63	33.2511	90.17	33.3711	90.71	33.491112
88.56	33.0133	89.10	33.1333	89.64	33.2533	90.18	33.3733	90.72	33.493335
88.57	33.0156	89.11	33.1356	89.65	33.2556	90.19	33.3756	90.73	33.495557
88.58	33.0178	89.12	33.1378	89.66	33.2578	90.20	33.3778	90.74	33.497779
88.59	33.0200	89.13	33.1400	89.67	33.2600	90.21	33.3800	90.75	33.500001
88.60	33.0222	89.14	33.1422	89.68	33.2622	90.22	33.3822	90.76	33.502223
88.61	33.0244	89.15	33.1444	89.69	33.2644	90.23	33.3844	90.77	33.504446
88.62	33.0267	89.16	33.1467	89.70	33.2667	90.24	33.3867	90.78	33.506668
88.63	33.0289	89.17	33.1489	89.71	33.2689	90.25	33.3889	90.79	33.508890
88.64	33.0311	89.18	33.1511	89.72	33.2711	90.26	33.3911	90.80	33.511112
88.65	33.0333	89.19	33.1533	89.73	33.2733	90.27	33.3933	90.81	33.513335
88.66	33.0356	89.20	33.1556	89.74	33.2756	90.28	33.3956	90.82	33.515557
88.67	33.0378	89.21	33.1578	89.75	33.2778	90.29	33.3978	90.83	33.517779
88.68	33.0400	89.22	33.1600	89.76	33.2800	90.30	33.4000	90.84	33.520001
88.69	33.0422	89.23	33.1622	89.77	33.2822	90.31	33.4022	90.85	33.522223
88.70	33.0444	89.24	33.1644	89.78	33.2844	90.32	33.4044	90.86	33.524446
88.71	33.0467	89.25	33.1667	89.79	33.2867	90.33	33.4067	90.87	33.526668
88.72	33.0489	89.26	33.1689	89.80	33.2889	90.34	33.4089	90.88	33.528890
88.73	33.0511	89.27	33.1711	89.81	33.2911	90.35	33.4111	90.89	33.531112
88.74	33.0533	89.28	33.1733	89.82	33.2933	90.36	33.4133	90.90	33.533335
88.75	33.0556	89.29	33.1756	89.83	33.2956	90.37	33.4156	90.91	33.535557
88.76	33.0578	89.30	33.1778	89.84	33.2978	90.38	33.4178	90.92	33.537779
88.77	33.0600	89.31	33.1800	89.85	33.3000	90.39	33.4200	90.93	33.540001
88.78	33.0622	89.32	33.1822	89.86	33.3022	90.40	33.4222	90.94	33.542223
88.79	33.0644	89.33	33.1844	89.87	33.3044	90.41	33.4244	90.95	33.544446
88.80	33.0667	89.34	33.1867	89.88	33.3067	90.42	33.4267	90.96	33.546668
88.81	33.0689	89.35	33.1889	89.89	33.3089	90.43	33.4289	90.97	33.548890
88.82	33.0711	89.36	33.1911	89.90	33.3111	90.44	33.4311	90.98	33.551112
88.83	33.0733	89.37	33.1933	89.91	33.3133	90.45	33.4333	90.99	33.553335
88.84	33.0756	89.38	33.1956	89.92	33.3156	90.46	33.4356	91.00	33.555557
88.85	33.0778	89.39	33.1978	89.93	33.3178	90.47	33.4378	91.01	33.557779
88.86	33.0800	89.40	33.2000	89.94	33.3200	90.48	33.4400	91.02	33.560001
88.87	33.0822	89.41	33.2022	89.95	33.3222	90.49	33.4422	91.03	33.562223
88.88	33.0844	89.42	33.2044	89.96	33.3244	90.50	33.4444	91.04	33.564446
88.89	33.0867	89.43	33.2067	89.97	33.3267	90.51	33.4467	91.05	33.566668
88.90	33.0889	89.44	33.2089	89.98	33.3289	90.52	33.4489	91.06	33.568890
88.91	33.0911	89.45	33.2111	89.99	33.3311	90.53	33.4511	91.07	33.571112
88.92	33.0933	89.46	33.2133	90.00	33.3333	90.54	33.4533	91.08	33.573335
88.93	33.0956	89.47	33.2156	90.01	33.3356	90.55	33.4556	91.09	33.575557
88.94	33.0978	89.48	33.2178	90.02	33.3378	90.56	33.4578	91.10	33.577779
88.95	33.1000	89.49	33.2200	90.03	33.3400	90.57	33.4600	91.11	33.580001
88.96	33.1022	89.50	33.2222	90.04	33.3422	90.58	33.4622	91.12	33.582223
88.97	33.1044	89.51	33.2244	90.05	33.3444	90.59	33.4644	91.13	33.584446

# EXHIBIT "B"

(To that certain Operating Agreement by and between The Navajo Nation and The Navajo Nation Oil and Gas Company for the Desert Creek Area.)

## SCHEDULE 1 Oil Royalty Rates

Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %
91.14	33.5867	91.68	33.7067	92.22	33.8267	92.76	33.9467	93.30	34.066668
91.15	33.5889	91.69	33.7089	92.23	33.8289	92.77	33.9489	93.31	34.068890
91.16	33.5911	91.70	33.7111	92.24	33.8311	92.78	33.9511	93.32	34.071113
91.17	33.5933	91.71	33.7133	92.25	33.8333	92.79	33.9533	93.33	34.073335
91.18	33.5956	91.72	33.7156	92.26	33.8356	92.80	33.9556	93.34	34.075557
91.19	33.5978	91.73	33.7178	92.27	33.8378	92.81	33.9578	93.35	34.077779
91.20	33.6000	91.74	33.7200	92.28	33.8400	92.82	33.9600	93.36	34.080001
91.21	33.6022	91.75	33.7222	92.29	33.8422	92.83	33.9622	93.37	34.082224
91.22	33.6044	91.76	33.7244	92.30	33.8444	92.84	33.9644	93.38	34.084446
91.23	33.6067	91.77	33.7267	92.31	33.8467	92.85	33.9667	93.39	34.086668
91.24	33.6089	91.78	33.7289	92.32	33.8489	92.86	33.9689	93.40	34.088890
91.25	33.6111	91.79	33.7311	92.33	33.8511	92.87	33.9711	93.41	34.091113
91.26	33.6133	91.80	33.7333	92.34	33.8533	92.88	33.9733	93.42	34.093335
91.27	33.6156	91.81	33.7356	92.35	33.8556	92.89	33.9756	93.43	34.095557
91.28	33.6178	91.82	33.7378	92.36	33.8578	92.90	33.9778	93.44	34.097779
91.29	33.6200	91.83	33.7400	92.37	33.8600	92.91	33.9800	93.45	34.100001
91.30	33.6222	91.84	33.7422	92.38	33.8622	92.92	33.9822	93.46	34.102224
91.31	33.6244	91.85	33.7444	92.39	33.8644	92.93	33.9844	93.47	34.104446
91.32	33.6267	91.86	33.7467	92.40	33.8667	92.94	33.9867	93.48	34.106668
91.33	33.6289	91.87	33.7489	92.41	33.8689	92.95	33.9889	93.49	34.108890
91.34	33.6311	91.88	33.7511	92.42	33.8711	92.96	33.9911	93.50	34.111113
91.35	33.6333	91.89	33.7533	92.43	33.8733	92.97	33.9933	93.51	34.113335
91.36	33.6356	91.90	33.7556	92.44	33.8756	92.98	33.9956	93.52	34.115557
91.37	33.6378	91.91	33.7578	92.45	33.8778	92.99	33.9978	93.53	34.117779
91.38	33.6400	91.92	33.7600	92.46	33.8800	93.00	34.0000	93.54	34.120001
91.39	33.6422	91.93	33.7622	92.47	33.8822	93.01	34.0022	93.55	34.122224
91.40	33.6444	91.94	33.7644	92.48	33.8844	93.02	34.0044	93.56	34.124446
91.41	33.6467	91.95	33.7667	92.49	33.8867	93.03	34.0067	93.57	34.126668
91.42	33.6489	91.96	33.7689	92.50	33.8889	93.04	34.0089	93.58	34.128890
91.43	33.6511	91.97	33.7711	92.51	33.8911	93.05	34.0111	93.59	34.131113
91.44	33.6533	91.98	33.7733	92.52	33.8933	93.06	34.0133	93.60	34.133335
91.45	33.6556	91.99	33.7756	92.53	33.8956	93.07	34.0156	93.61	34.135557
91.46	33.6578	92.00	33.7778	92.54	33.8978	93.08	34.0178	93.62	34.137779
91.47	33.6600	92.01	33.7800	92.55	33.9000	93.09	34.0200	93.63	34.140001
91.48	33.6622	92.02	33.7822	92.56	33.9022	93.10	34.0222	93.64	34.142224
91.49	33.6644	92.03	33.7844	92.57	33.9044	93.11	34.0244	93.65	34.144446
91.50	33.6667	92.04	33.7867	92.58	33.9067	93.12	34.0267	93.66	34.146668
91.51	33.6689	92.05	33.7889	92.59	33.9089	93.13	34.0289	93.67	34.148890
91.52	33.6711	92.06	33.7911	92.60	33.9111	93.14	34.0311	93.68	34.151113
91.53	33.6733	92.07	33.7933	92.61	33.9133	93.15	34.0333	93.69	34.153335
91.54	33.6756	92.08	33.7956	92.62	33.9156	93.16	34.0356	93.70	34.155557
91.55	33.6778	92.09	33.7978	92.63	33.9178	93.17	34.0378	93.71	34.157779
91.56	33.6800	92.10	33.8000	92.64	33.9200	93.18	34.0400	93.72	34.160001
91.57	33.6822	92.11	33.8022	92.65	33.9222	93.19	34.0422	93.73	34.162224
91.58	33.6844	92.12	33.8044	92.66	33.9244	93.20	34.0444	93.74	34.164446
91.59	33.6867	92.13	33.8067	92.67	33.9267	93.21	34.0467	93.75	34.166668
91.60	33.6889	92.14	33.8089	92.68	33.9289	93.22	34.0489	93.76	34.168890
91.61	33.6911	92.15	33.8111	92.69	33.9311	93.23	34.0511	93.77	34.171113
91.62	33.6933	92.16	33.8133	92.70	33.9333	93.24	34.0533	93.78	34.173335
91.63	33.6956	92.17	33.8156	92.71	33.9356	93.25	34.0556	93.79	34.175557
91.64	33.6978	92.18	33.8178	92.72	33.9378	93.26	34.0578	93.80	34.177779
91.65	33.7000	92.19	33.8200	92.73	33.9400	93.27	34.0600	93.81	34.180001
91.66	33.7022	92.20	33.8222	92.74	33.9422	93.28	34.0622	93.82	34.182224
91.67	33.7044	92.21	33.8244	92.75	33.9444	93.29	34.0644	93.83	34.184446

**EXHIBIT "B"**

**(To that certain Operating Agreement by and between The Navajo Nation and The Navajo Nation Oil and Gas Company for the Desert Creek Area.)**

**SCHEDULE 1  
Oil Royalty Rates**

Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %
93.84	34.1867	94.38	34.3067	94.92	34.4267	95.46	34.5467	96.00	34.666668
93.85	34.1889	94.39	34.3089	94.93	34.4289	95.47	34.5489	96.01	34.668891
93.86	34.1911	94.40	34.3111	94.94	34.4311	95.48	34.5511	96.02	34.671113
93.87	34.1933	94.41	34.3133	94.95	34.4333	95.49	34.5533	96.03	34.673335
93.88	34.1956	94.42	34.3156	94.96	34.4356	95.50	34.5556	96.04	34.675557
93.89	34.1978	94.43	34.3178	94.97	34.4378	95.51	34.5578	96.05	34.677779
93.90	34.2000	94.44	34.3200	94.98	34.4400	95.52	34.5600	96.06	34.680002
93.91	34.2022	94.45	34.3222	94.99	34.4422	95.53	34.5622	96.07	34.682224
93.92	34.2044	94.46	34.3244	95.00	34.4444	95.54	34.5644	96.08	34.684446
93.93	34.2067	94.47	34.3267	95.01	34.4467	95.55	34.5667	96.09	34.686668
93.94	34.2089	94.48	34.3289	95.02	34.4489	95.56	34.5689	96.10	34.688891
93.95	34.2111	94.49	34.3311	95.03	34.4511	95.57	34.5711	96.11	34.691113
93.96	34.2133	94.50	34.3333	95.04	34.4533	95.58	34.5733	96.12	34.693335
93.97	34.2156	94.51	34.3356	95.05	34.4556	95.59	34.5756	96.13	34.695557
93.98	34.2178	94.52	34.3378	95.06	34.4578	95.60	34.5778	96.14	34.697779
93.99	34.2200	94.53	34.3400	95.07	34.4600	95.61	34.5800	96.15	34.700002
94.00	34.2222	94.54	34.3422	95.08	34.4622	95.62	34.5822	96.16	34.702224
94.01	34.2244	94.55	34.3444	95.09	34.4644	95.63	34.5844	96.17	34.704446
94.02	34.2267	94.56	34.3467	95.10	34.4667	95.64	34.5867	96.18	34.706668
94.03	34.2289	94.57	34.3489	95.11	34.4689	95.65	34.5889	96.19	34.708891
94.04	34.2311	94.58	34.3511	95.12	34.4711	95.66	34.5911	96.20	34.711113
94.05	34.2333	94.59	34.3533	95.13	34.4733	95.67	34.5933	96.21	34.713335
94.06	34.2356	94.60	34.3556	95.14	34.4756	95.68	34.5956	96.22	34.715557
94.07	34.2378	94.61	34.3578	95.15	34.4778	95.69	34.5978	96.23	34.717779
94.08	34.2400	94.62	34.3600	95.16	34.4800	95.70	34.6000	96.24	34.720002
94.09	34.2422	94.63	34.3622	95.17	34.4822	95.71	34.6022	96.25	34.722224
94.10	34.2444	94.64	34.3644	95.18	34.4844	95.72	34.6044	96.26	34.724446
94.11	34.2467	94.65	34.3667	95.19	34.4867	95.73	34.6067	96.27	34.726668
94.12	34.2489	94.66	34.3689	95.20	34.4889	95.74	34.6089	96.28	34.728891
94.13	34.2511	94.67	34.3711	95.21	34.4911	95.75	34.6111	96.29	34.731113
94.14	34.2533	94.68	34.3733	95.22	34.4933	95.76	34.6133	96.30	34.733335
94.15	34.2556	94.69	34.3756	95.23	34.4956	95.77	34.6156	96.31	34.735557
94.16	34.2578	94.70	34.3778	95.24	34.4978	95.78	34.6178	96.32	34.737779
94.17	34.2600	94.71	34.3800	95.25	34.5000	95.79	34.6200	96.33	34.740002
94.18	34.2622	94.72	34.3822	95.26	34.5022	95.80	34.6222	96.34	34.742224
94.19	34.2644	94.73	34.3844	95.27	34.5044	95.81	34.6244	96.35	34.744446
94.20	34.2667	94.74	34.3867	95.28	34.5067	95.82	34.6267	96.36	34.746668
94.21	34.2689	94.75	34.3889	95.29	34.5089	95.83	34.6289	96.37	34.748891
94.22	34.2711	94.76	34.3911	95.30	34.5111	95.84	34.6311	96.38	34.751113
94.23	34.2733	94.77	34.3933	95.31	34.5133	95.85	34.6333	96.39	34.753335
94.24	34.2756	94.78	34.3956	95.32	34.5156	95.86	34.6356	96.40	34.755557
94.25	34.2778	94.79	34.3978	95.33	34.5178	95.87	34.6378	96.41	34.757779
94.26	34.2800	94.80	34.4000	95.34	34.5200	95.88	34.6400	96.42	34.760002
94.27	34.2822	94.81	34.4022	95.35	34.5222	95.89	34.6422	96.43	34.762224
94.28	34.2844	94.82	34.4044	95.36	34.5244	95.90	34.6444	96.44	34.764446
94.29	34.2867	94.83	34.4067	95.37	34.5267	95.91	34.6467	96.45	34.766668
94.30	34.2889	94.84	34.4089	95.38	34.5289	95.92	34.6489	96.46	34.768891
94.31	34.2911	94.85	34.4111	95.39	34.5311	95.93	34.6511	96.47	34.771113
94.32	34.2933	94.86	34.4133	95.40	34.5333	95.94	34.6533	96.48	34.773335
94.33	34.2956	94.87	34.4156	95.41	34.5356	95.95	34.6556	96.49	34.775557
94.34	34.2978	94.88	34.4178	95.42	34.5378	95.96	34.6578	96.50	34.777779
94.35	34.3000	94.89	34.4200	95.43	34.5400	95.97	34.6600	96.51	34.780002
94.36	34.3022	94.90	34.4222	95.44	34.5422	95.98	34.6622	96.52	34.782224
94.37	34.3044	94.91	34.4244	95.45	34.5444	95.99	34.6644	96.53	34.784446

**EXHIBIT "B"**

**(To that certain Operating Agreement by and between The Navajo Nation and The Navajo Nation Oil and Gas Company for the Desert Creek Area.)**

**SCHEDULE 1  
Oil Royalty Rates**

Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %
96.54	34.7867	97.08	34.9067	97.82	35.0267	98.16	35.1467	98.70	35.266669
96.55	34.7889	97.09	34.9089	97.83	35.0289	98.17	35.1489	98.71	35.268891
96.56	34.7911	97.10	34.9111	97.84	35.0311	98.18	35.1511	98.72	35.271113
96.57	34.7933	97.11	34.9133	97.85	35.0333	98.19	35.1533	98.73	35.273335
96.58	34.7956	97.12	34.9156	97.86	35.0356	98.20	35.1556	98.74	35.275557
96.59	34.7978	97.13	34.9178	97.87	35.0378	98.21	35.1578	98.75	35.277780
96.60	34.8000	97.14	34.9200	97.88	35.0400	98.22	35.1600	98.76	35.280002
96.61	34.8022	97.15	34.9222	97.89	35.0422	98.23	35.1622	98.77	35.282224
96.62	34.8044	97.16	34.9244	97.90	35.0444	98.24	35.1644	98.78	35.284446
96.63	34.8067	97.17	34.9267	97.91	35.0467	98.25	35.1667	98.79	35.286669
96.64	34.8089	97.18	34.9289	97.92	35.0489	98.26	35.1689	98.80	35.288891
96.65	34.8111	97.19	34.9311	97.93	35.0511	98.27	35.1711	98.81	35.291113
96.66	34.8133	97.20	34.9333	97.94	35.0533	98.28	35.1733	98.82	35.293335
96.67	34.8156	97.21	34.9356	97.95	35.0556	98.29	35.1756	98.83	35.295557
96.68	34.8178	97.22	34.9378	97.96	35.0578	98.30	35.1778	98.84	35.297780
96.69	34.8200	97.23	34.9400	97.97	35.0600	98.31	35.1800	98.85	35.300002
96.70	34.8222	97.24	34.9422	97.98	35.0622	98.32	35.1822	98.86	35.302224
96.71	34.8244	97.25	34.9444	97.99	35.0644	98.33	35.1844	98.87	35.304446
96.72	34.8267	97.26	34.9467	98.00	35.0667	98.34	35.1867	98.88	35.306669
96.73	34.8289	97.27	34.9489	98.01	35.0689	98.35	35.1889	98.89	35.308891
96.74	34.8311	97.28	34.9511	98.02	35.0711	98.36	35.1911	98.90	35.311113
96.75	34.8333	97.29	34.9533	98.03	35.0733	98.37	35.1933	98.91	35.313335
96.76	34.8356	97.30	34.9556	98.04	35.0756	98.38	35.1956	98.92	35.315557
96.77	34.8378	97.31	34.9578	98.05	35.0778	98.39	35.1978	98.93	35.317780
96.78	34.8400	97.32	34.9600	98.06	35.0800	98.40	35.2000	98.94	35.320002
96.79	34.8422	97.33	34.9622	98.07	35.0822	98.41	35.2022	98.95	35.322224
96.80	34.8444	97.34	34.9644	98.08	35.0844	98.42	35.2044	98.96	35.324446
96.81	34.8467	97.35	34.9667	98.09	35.0867	98.43	35.2067	98.97	35.326669
96.82	34.8489	97.36	34.9689	98.10	35.0889	98.44	35.2089	98.98	35.328891
96.83	34.8511	97.37	34.9711	98.11	35.0911	98.45	35.2111	98.99	35.331113
96.84	34.8533	97.38	34.9733	98.12	35.0933	98.46	35.2133	99.00	35.333335
96.85	34.8556	97.39	34.9756	98.13	35.0956	98.47	35.2156	99.01	35.335557
96.86	34.8578	97.40	34.9778	98.14	35.0978	98.48	35.2178	99.02	35.337780
96.87	34.8600	97.41	34.9800	98.15	35.1000	98.49	35.2200	99.03	35.340002
96.88	34.8622	97.42	34.9822	98.16	35.1022	98.50	35.2222	99.04	35.342224
96.89	34.8644	97.43	34.9844	98.17	35.1044	98.51	35.2244	99.05	35.344446
96.90	34.8667	97.44	34.9867	98.18	35.1067	98.52	35.2267	99.06	35.346669
96.91	34.8689	97.45	34.9889	98.19	35.1089	98.53	35.2289	99.07	35.348891
96.92	34.8711	97.46	34.9911	98.20	35.1111	98.54	35.2311	99.08	35.351113
96.93	34.8733	97.47	34.9933	98.21	35.1133	98.55	35.2333	99.09	35.353335
96.94	34.8756	97.48	34.9956	98.22	35.1156	98.56	35.2356	99.10	35.355557
96.95	34.8778	97.49	34.9978	98.23	35.1178	98.57	35.2378	99.11	35.357780
96.96	34.8800	97.50	35.0000	98.24	35.1200	98.58	35.2400	99.12	35.360002
96.97	34.8822	97.51	35.0022	98.25	35.1222	98.59	35.2422	99.13	35.362224
96.98	34.8844	97.52	35.0044	98.26	35.1244	98.60	35.2444	99.14	35.364446
96.99	34.8867	97.53	35.0067	98.27	35.1267	98.61	35.2467	99.15	35.366669
97.00	34.8889	97.54	35.0089	98.28	35.1289	98.62	35.2489	99.16	35.368891
97.01	34.8911	97.55	35.0111	98.29	35.1311	98.63	35.2511	99.17	35.371113
97.02	34.8933	97.56	35.0133	98.30	35.1333	98.64	35.2533	99.18	35.373335
97.03	34.8956	97.57	35.0156	98.31	35.1356	98.65	35.2556	99.19	35.375557
97.04	34.8978	97.58	35.0178	98.32	35.1378	98.66	35.2578	99.20	35.377780
97.05	34.9000	97.59	35.0200	98.33	35.1400	98.67	35.2600	99.21	35.380002
97.06	34.9022	97.60	35.0222	98.34	35.1422	98.68	35.2622	99.22	35.382224
97.07	34.9044	97.61	35.0244	98.35	35.1444	98.69	35.2644	99.23	35.384446



**EXHIBIT "B"**

**(To that certain Operating Agreement by and between The Navajo Nation and The Navajo Nation Oil and Gas Company for the Desert Creek Area.)**

**SCHEDULE 1  
Oil Royalty Rates**

Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %
99.24	35.3867	99.78	35.5067	100.32	35.6267	100.86	35.7467	101.40	35.866669
99.25	35.3889	99.79	35.5089	100.33	35.6289	100.87	35.7489	101.41	35.868891
99.26	35.3911	99.80	35.5111	100.34	35.6311	100.88	35.7511	101.42	35.871113
99.27	35.3933	99.81	35.5133	100.35	35.6333	100.89	35.7533	101.43	35.873335
99.28	35.3956	99.82	35.5156	100.36	35.6356	100.90	35.7556	101.44	35.875558
99.29	35.3978	99.83	35.5178	100.37	35.6378	100.91	35.7578	101.45	35.877780
99.30	35.4000	99.84	35.5200	100.38	35.6400	100.92	35.7600	101.46	35.880002
99.31	35.4022	99.85	35.5222	100.39	35.6422	100.93	35.7622	101.47	35.882224
99.32	35.4044	99.86	35.5244	100.40	35.6444	100.94	35.7644	101.48	35.884447
99.33	35.4067	99.87	35.5267	100.41	35.6467	100.95	35.7667	101.49	35.886669
99.34	35.4089	99.88	35.5289	100.42	35.6489	100.96	35.7689	101.50	35.888891
99.35	35.4111	99.89	35.5311	100.43	35.6511	100.97	35.7711	101.51	35.891113
99.36	35.4133	99.90	35.5333	100.44	35.6533	100.98	35.7733	101.52	35.893335
99.37	35.4156	99.91	35.5356	100.45	35.6556	100.99	35.7756	101.53	35.895558
99.38	35.4178	99.92	35.5378	100.46	35.6578	101.00	35.7778	101.54	35.897780
99.39	35.4200	99.93	35.5400	100.47	35.6600	101.01	35.7800	101.55	35.900002
99.40	35.4222	99.94	35.5422	100.48	35.6622	101.02	35.7822	101.56	35.902224
99.41	35.4244	99.95	35.5444	100.49	35.6644	101.03	35.7844	101.57	35.904447
99.42	35.4267	99.96	35.5467	100.50	35.6667	101.04	35.7867	101.58	35.906669
99.43	35.4289	99.97	35.5489	100.51	35.6689	101.05	35.7889	101.59	35.908891
99.44	35.4311	99.98	35.5511	100.52	35.6711	101.06	35.7911	101.60	35.911113
99.45	35.4333	99.99	35.5533	100.53	35.6733	101.07	35.7933	101.61	35.913335
99.46	35.4356	100.00	35.5556	100.54	35.6756	101.08	35.7956	101.62	35.915558
99.47	35.4378	100.01	35.5578	100.55	35.6778	101.09	35.7978	101.63	35.917780
99.48	35.4400	100.02	35.5600	100.56	35.6800	101.10	35.8000	101.64	35.920002
99.49	35.4422	100.03	35.5622	100.57	35.6822	101.11	35.8022	101.65	35.922224
99.50	35.4444	100.04	35.5644	100.58	35.6844	101.12	35.8044	101.66	35.924447
99.51	35.4467	100.05	35.5667	100.59	35.6867	101.13	35.8067	101.67	35.926669
99.52	35.4489	100.06	35.5689	100.60	35.6889	101.14	35.8089	101.68	35.928891
99.53	35.4511	100.07	35.5711	100.61	35.6911	101.15	35.8111	101.69	35.931113
99.54	35.4533	100.08	35.5733	100.62	35.6933	101.16	35.8133	101.70	35.933335
99.55	35.4556	100.09	35.5756	100.63	35.6956	101.17	35.8156	101.71	35.935558
99.56	35.4578	100.10	35.5778	100.64	35.6978	101.18	35.8178	101.72	35.937780
99.57	35.4600	100.11	35.5800	100.65	35.7000	101.19	35.8200	101.73	35.940002
99.58	35.4622	100.12	35.5822	100.66	35.7022	101.20	35.8222	101.74	35.942224
99.59	35.4644	100.13	35.5844	100.67	35.7044	101.21	35.8244	101.75	35.944447
99.60	35.4667	100.14	35.5867	100.68	35.7067	101.22	35.8267	101.76	35.946669
99.61	35.4689	100.15	35.5889	100.69	35.7089	101.23	35.8289	101.77	35.948891
99.62	35.4711	100.16	35.5911	100.70	35.7111	101.24	35.8311	101.78	35.951113
99.63	35.4733	100.17	35.5933	100.71	35.7133	101.25	35.8333	101.79	35.953335
99.64	35.4756	100.18	35.5956	100.72	35.7156	101.26	35.8356	101.80	35.955558
99.65	35.4778	100.19	35.5978	100.73	35.7178	101.27	35.8378	101.81	35.957780
99.66	35.4800	100.20	35.6000	100.74	35.7200	101.28	35.8400	101.82	35.960002
99.67	35.4822	100.21	35.6022	100.75	35.7222	101.29	35.8422	101.83	35.962224
99.68	35.4844	100.22	35.6044	100.76	35.7244	101.30	35.8444	101.84	35.964447
99.69	35.4867	100.23	35.6067	100.77	35.7267	101.31	35.8467	101.85	35.966669
99.70	35.4889	100.24	35.6089	100.78	35.7289	101.32	35.8489	101.86	35.968891
99.71	35.4911	100.25	35.6111	100.79	35.7311	101.33	35.8511	101.87	35.971113
99.72	35.4933	100.26	35.6133	100.80	35.7333	101.34	35.8533	101.88	35.973335
99.73	35.4956	100.27	35.6156	100.81	35.7356	101.35	35.8556	101.89	35.975558
99.74	35.4978	100.28	35.6178	100.82	35.7378	101.36	35.8578	101.90	35.977780
99.75	35.5000	100.29	35.6200	100.83	35.7400	101.37	35.8600	101.91	35.980002
99.76	35.5022	100.30	35.6222	100.84	35.7422	101.38	35.8622	101.92	35.982224
99.77	35.5044	100.31	35.6244	100.85	35.7444	101.39	35.8644	101.93	35.984447

**EXHIBIT "B"**

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**SCHEDULE 1  
Oil Royalty Rates**

Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %
101.94	35.9867	102.48	36.1067	103.02	36.2267	103.56	36.3467	104.10	36.466669
101.95	35.9889	102.49	36.1089	103.03	36.2289	103.57	36.3489	104.11	36.468891
101.96	35.9911	102.50	36.1111	103.04	36.2311	103.58	36.3511	104.12	36.471113
101.97	35.9933	102.51	36.1133	103.05	36.2333	103.59	36.3533	104.13	36.473336
101.98	35.9956	102.52	36.1156	103.06	36.2356	103.60	36.3556	104.14	36.475558
101.99	35.9978	102.53	36.1178	103.07	36.2378	103.61	36.3578	104.15	36.477780
102.00	36.0000	102.54	36.1200	103.08	36.2400	103.62	36.3600	104.16	36.480002
102.01	36.0022	102.55	36.1222	103.09	36.2422	103.63	36.3622	104.17	36.482225
102.02	36.0044	102.56	36.1244	103.10	36.2444	103.64	36.3644	104.18	36.484447
102.03	36.0067	102.57	36.1267	103.11	36.2467	103.65	36.3667	104.19	36.486669
102.04	36.0089	102.58	36.1289	103.12	36.2489	103.66	36.3689	104.20	36.488891
102.05	36.0111	102.59	36.1311	103.13	36.2511	103.67	36.3711	104.21	36.491113
102.06	36.0133	102.60	36.1333	103.14	36.2533	103.68	36.3733	104.22	36.493336
102.07	36.0156	102.61	36.1356	103.15	36.2556	103.69	36.3756	104.23	36.495558
102.08	36.0178	102.62	36.1378	103.16	36.2578	103.70	36.3778	104.24	36.497780
102.09	36.0200	102.63	36.1400	103.17	36.2600	103.71	36.3800	104.25	36.500002
102.10	36.0222	102.64	36.1422	103.18	36.2622	103.72	36.3822	104.26	36.502225
102.11	36.0244	102.65	36.1444	103.19	36.2644	103.73	36.3844	104.27	36.504447
102.12	36.0267	102.66	36.1467	103.20	36.2667	103.74	36.3867	104.28	36.506669
102.13	36.0289	102.67	36.1489	103.21	36.2689	103.75	36.3889	104.29	36.508891
102.14	36.0311	102.68	36.1511	103.22	36.2711	103.76	36.3911	104.30	36.511113
102.15	36.0333	102.69	36.1533	103.23	36.2733	103.77	36.3933	104.31	36.513336
102.16	36.0356	102.70	36.1556	103.24	36.2756	103.78	36.3956	104.32	36.515558
102.17	36.0378	102.71	36.1578	103.25	36.2778	103.79	36.3978	104.33	36.517780
102.18	36.0400	102.72	36.1600	103.26	36.2800	103.80	36.4000	104.34	36.520002
102.19	36.0422	102.73	36.1622	103.27	36.2822	103.81	36.4022	104.35	36.522225
102.20	36.0444	102.74	36.1644	103.28	36.2844	103.82	36.4044	104.36	36.524447
102.21	36.0467	102.75	36.1667	103.29	36.2867	103.83	36.4067	104.37	36.526669
102.22	36.0489	102.76	36.1689	103.30	36.2889	103.84	36.4089	104.38	36.528891
102.23	36.0511	102.77	36.1711	103.31	36.2911	103.85	36.4111	104.39	36.531113
102.24	36.0533	102.78	36.1733	103.32	36.2933	103.86	36.4133	104.40	36.533336
102.25	36.0556	102.79	36.1756	103.33	36.2956	103.87	36.4156	104.41	36.535558
102.26	36.0578	102.80	36.1778	103.34	36.2978	103.88	36.4178	104.42	36.537780
102.27	36.0600	102.81	36.1800	103.35	36.3000	103.89	36.4200	104.43	36.540002
102.28	36.0622	102.82	36.1822	103.36	36.3022	103.90	36.4222	104.44	36.542225
102.29	36.0644	102.83	36.1844	103.37	36.3044	103.91	36.4244	104.45	36.544447
102.30	36.0667	102.84	36.1867	103.38	36.3067	103.92	36.4267	104.46	36.546669
102.31	36.0689	102.85	36.1889	103.39	36.3089	103.93	36.4289	104.47	36.548891
102.32	36.0711	102.86	36.1911	103.40	36.3111	103.94	36.4311	104.48	36.551113
102.33	36.0733	102.87	36.1933	103.41	36.3133	103.95	36.4333	104.49	36.553336
102.34	36.0756	102.88	36.1956	103.42	36.3156	103.96	36.4356	104.50	36.555558
102.35	36.0778	102.89	36.1978	103.43	36.3178	103.97	36.4378	104.51	36.557780
102.36	36.0800	102.90	36.2000	103.44	36.3200	103.98	36.4400	104.52	36.560002
102.37	36.0822	102.91	36.2022	103.45	36.3222	103.99	36.4422	104.53	36.562225
102.38	36.0844	102.92	36.2044	103.46	36.3244	104.00	36.4444	104.54	36.564447
102.39	36.0867	102.93	36.2067	103.47	36.3267	104.01	36.4467	104.55	36.566669
102.40	36.0889	102.94	36.2089	103.48	36.3289	104.02	36.4489	104.56	36.568891
102.41	36.0911	102.95	36.2111	103.49	36.3311	104.03	36.4511	104.57	36.571113
102.42	36.0933	102.96	36.2133	103.50	36.3333	104.04	36.4533	104.58	36.573336
102.43	36.0956	102.97	36.2156	103.51	36.3356	104.05	36.4556	104.59	36.575558
102.44	36.0978	102.98	36.2178	103.52	36.3378	104.06	36.4578	104.60	36.577780
102.45	36.1000	102.99	36.2200	103.53	36.3400	104.07	36.4600	104.61	36.580002
102.46	36.1022	103.00	36.2222	103.54	36.3422	104.08	36.4622	104.62	36.582225
102.47	36.1044	103.01	36.2244	103.55	36.3444	104.09	36.4644	104.63	36.584447



# **EXHIBIT "B"**

**(To that certain Operating Agreement by and between The Navajo Nation and The Navajo Nation Oil and Gas Company for the Desert Creek Area.)**

## **SCHEDULE 1** **Oil Royalty Rates**

Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %
104.64	36.5867	105.18	36.7067	105.72	36.8267	106.26	36.9467	106.80	37.066669
104.65	36.5889	105.19	36.7089	105.73	36.8289	106.27	36.9489	106.81	37.068891
104.66	36.5911	105.20	36.7111	105.74	36.8311	106.28	36.9511	106.82	37.071113
104.67	36.5933	105.21	36.7133	105.75	36.8333	106.29	36.9533	106.83	37.073335
104.68	36.5956	105.22	36.7156	105.76	36.8356	106.30	36.9556	106.84	37.075557
104.69	36.5978	105.23	36.7178	105.77	36.8378	106.31	36.9578	106.85	37.077780
104.70	36.6000	105.24	36.7200	105.78	36.8400	106.32	36.9600	106.86	37.080002
104.71	36.6022	105.25	36.7222	105.79	36.8422	106.33	36.9622	106.87	37.082224
104.72	36.6044	105.26	36.7244	105.80	36.8444	106.34	36.9644	106.88	37.084446
104.73	36.6067	105.27	36.7267	105.81	36.8467	106.35	36.9667	106.89	37.086668
104.74	36.6089	105.28	36.7289	105.82	36.8489	106.36	36.9689	106.90	37.088891
104.75	36.6111	105.29	36.7311	105.83	36.8511	106.37	36.9711	106.91	37.091113
104.76	36.6133	105.30	36.7333	105.84	36.8533	106.38	36.9733	106.92	37.093335
104.77	36.6156	105.31	36.7356	105.85	36.8556	106.39	36.9756	106.93	37.095557
104.78	36.6178	105.32	36.7378	105.86	36.8578	106.40	36.9778	106.94	37.097780
104.79	36.6200	105.33	36.7400	105.87	36.8600	106.41	36.9800	106.95	37.100002
104.80	36.6222	105.34	36.7422	105.88	36.8622	106.42	36.9822	106.96	37.102224
104.81	36.6244	105.35	36.7444	105.89	36.8644	106.43	36.9844	106.97	37.104446
104.82	36.6267	105.36	36.7467	105.90	36.8667	106.44	36.9867	106.98	37.106668
104.83	36.6289	105.37	36.7489	105.91	36.8689	106.45	36.9889	106.99	37.108891
104.84	36.6311	105.38	36.7511	105.92	36.8711	106.46	36.9911	107.00	37.111113
104.85	36.6333	105.39	36.7533	105.93	36.8733	106.47	36.9933	107.01	37.113335
104.86	36.6356	105.40	36.7556	105.94	36.8756	106.48	36.9956	107.02	37.115557
104.87	36.6378	105.41	36.7578	105.95	36.8778	106.49	36.9978	107.03	37.117780
104.88	36.6400	105.42	36.7600	105.96	36.8800	106.50	37.0000	107.04	37.120002
104.89	36.6422	105.43	36.7622	105.97	36.8822	106.51	37.0022	107.05	37.122224
104.90	36.6444	105.44	36.7644	105.98	36.8844	106.52	37.0044	107.06	37.124446
104.91	36.6467	105.45	36.7667	105.99	36.8867	106.53	37.0067	107.07	37.126668
104.92	36.6489	105.46	36.7689	106.00	36.8889	106.54	37.0089	107.08	37.128891
104.93	36.6511	105.47	36.7711	106.01	36.8911	106.55	37.0111	107.09	37.131113
104.94	36.6533	105.48	36.7733	106.02	36.8933	106.56	37.0133	107.10	37.133335
104.95	36.6556	105.49	36.7756	106.03	36.8956	106.57	37.0156	107.11	37.135557
104.96	36.6578	105.50	36.7778	106.04	36.8978	106.58	37.0178	107.12	37.137780
104.97	36.6600	105.51	36.7800	106.05	36.9000	106.59	37.0200	107.13	37.140002
104.98	36.6622	105.52	36.7822	106.06	36.9022	106.60	37.0222	107.14	37.142224
104.99	36.6644	105.53	36.7844	106.07	36.9044	106.61	37.0244	107.15	37.144446
105.00	36.6667	105.54	36.7867	106.08	36.9067	106.62	37.0267	107.16	37.146668
105.01	36.6689	105.55	36.7889	106.09	36.9089	106.63	37.0289	107.17	37.148891
105.02	36.6711	105.56	36.7911	106.10	36.9111	106.64	37.0311	107.18	37.151113
105.03	36.6733	105.57	36.7933	106.11	36.9133	106.65	37.0333	107.19	37.153335
105.04	36.6756	105.58	36.7956	106.12	36.9156	106.66	37.0356	107.20	37.155557
105.05	36.6778	105.59	36.7978	106.13	36.9178	106.67	37.0378	107.21	37.157780
105.06	36.6800	105.60	36.8000	106.14	36.9200	106.68	37.0400	107.22	37.160002
105.07	36.6822	105.61	36.8022	106.15	36.9222	106.69	37.0422	107.23	37.162224
105.08	36.6844	105.62	36.8044	106.16	36.9244	106.70	37.0444	107.24	37.164446
105.09	36.6867	105.63	36.8067	106.17	36.9267	106.71	37.0467	107.25	37.166668
105.10	36.6889	105.64	36.8089	106.18	36.9289	106.72	37.0489	107.26	37.168891
105.11	36.6911	105.65	36.8111	106.19	36.9311	106.73	37.0511	107.27	37.171113
105.12	36.6933	105.66	36.8133	106.20	36.9333	106.74	37.0533	107.28	37.173335
105.13	36.6956	105.67	36.8156	106.21	36.9356	106.75	37.0556	107.29	37.175557
105.14	36.6978	105.68	36.8178	106.22	36.9378	106.76	37.0578	107.30	37.177780
105.15	36.7000	105.69	36.8200	106.23	36.9400	106.77	37.0600	107.31	37.180002
105.16	36.7022	105.70	36.8222	106.24	36.9422	106.78	37.0622	107.32	37.182224
105.17	36.7044	105.71	36.8244	106.25	36.9444	106.79	37.0644	107.33	37.184446

# EXHIBIT "B"

(To that certain Operating Agreement by and between The Navajo Nation and The Navajo Nation Oil and Gas Company for the Desert Creek Area.)

## SCHEDULE 1 Oil Royalty Rates

Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %
107.34	37.1887	107.88	37.3067	108.42	37.4267	108.96	37.5467	109.50	37.666669
107.35	37.1889	107.89	37.3089	108.43	37.4289	108.97	37.5489	109.51	37.668891
107.36	37.1911	107.90	37.3111	108.44	37.4311	108.98	37.5511	109.52	37.671113
107.37	37.1933	107.91	37.3133	108.45	37.4333	108.99	37.5533	109.53	37.673335
107.38	37.1956	107.92	37.3156	108.46	37.4356	109.00	37.5556	109.54	37.675557
107.39	37.1978	107.93	37.3178	108.47	37.4378	109.01	37.5578	109.55	37.677780
107.40	37.2000	107.94	37.3200	108.48	37.4400	109.02	37.5600	109.56	37.680002
107.41	37.2022	107.95	37.3222	108.49	37.4422	109.03	37.5622	109.57	37.682224
107.42	37.2044	107.96	37.3244	108.50	37.4444	109.04	37.5644	109.58	37.684446
107.43	37.2067	107.97	37.3267	108.51	37.4467	109.05	37.5667	109.59	37.686669
107.44	37.2089	107.98	37.3289	108.52	37.4489	109.06	37.5689	109.60	37.688891
107.45	37.2111	107.99	37.3311	108.53	37.4511	109.07	37.5711	109.61	37.691113
107.46	37.2133	108.00	37.3333	108.54	37.4533	109.08	37.5733	109.62	37.693335
107.47	37.2156	108.01	37.3356	108.55	37.4556	109.09	37.5756	109.63	37.695557
107.48	37.2178	108.02	37.3378	108.56	37.4578	109.10	37.5778	109.64	37.697780
107.49	37.2200	108.03	37.3400	108.57	37.4600	109.11	37.5800	109.65	37.700002
107.50	37.2222	108.04	37.3422	108.58	37.4622	109.12	37.5822	109.66	37.702224
107.51	37.2244	108.05	37.3444	108.59	37.4644	109.13	37.5844	109.67	37.704446
107.52	37.2267	108.06	37.3467	108.60	37.4667	109.14	37.5867	109.68	37.706669
107.53	37.2289	108.07	37.3489	108.61	37.4689	109.15	37.5889	109.69	37.708891
107.54	37.2311	108.08	37.3511	108.62	37.4711	109.16	37.5911	109.70	37.711113
107.55	37.2333	108.09	37.3533	108.63	37.4733	109.17	37.5933	109.71	37.713335
107.56	37.2356	108.10	37.3556	108.64	37.4756	109.18	37.5956	109.72	37.715557
107.57	37.2378	108.11	37.3578	108.65	37.4778	109.19	37.5978	109.73	37.717780
107.58	37.2400	108.12	37.3600	108.66	37.4800	109.20	37.6000	109.74	37.720002
107.59	37.2422	108.13	37.3622	108.67	37.4822	109.21	37.6022	109.75	37.722224
107.60	37.2444	108.14	37.3644	108.68	37.4844	109.22	37.6044	109.76	37.724446
107.61	37.2467	108.15	37.3667	108.69	37.4867	109.23	37.6067	109.77	37.726669
107.62	37.2489	108.16	37.3689	108.70	37.4889	109.24	37.6089	109.78	37.728891
107.63	37.2511	108.17	37.3711	108.71	37.4911	109.25	37.6111	109.79	37.731113
107.64	37.2533	108.18	37.3733	108.72	37.4933	109.26	37.6133	109.80	37.733335
107.65	37.2556	108.19	37.3756	108.73	37.4956	109.27	37.6156	109.81	37.735557
107.66	37.2578	108.20	37.3778	108.74	37.4978	109.28	37.6178	109.82	37.737780
107.67	37.2600	108.21	37.3800	108.75	37.5000	109.29	37.6200	109.83	37.740002
107.68	37.2622	108.22	37.3822	108.76	37.5022	109.30	37.6222	109.84	37.742224
107.69	37.2644	108.23	37.3844	108.77	37.5044	109.31	37.6244	109.85	37.744446
107.70	37.2667	108.24	37.3867	108.78	37.5067	109.32	37.6267	109.86	37.746669
107.71	37.2689	108.25	37.3889	108.79	37.5089	109.33	37.6289	109.87	37.748891
107.72	37.2711	108.26	37.3911	108.80	37.5111	109.34	37.6311	109.88	37.751113
107.73	37.2733	108.27	37.3933	108.81	37.5133	109.35	37.6333	109.89	37.753335
107.74	37.2756	108.28	37.3956	108.82	37.5156	109.36	37.6356	109.90	37.755557
107.75	37.2778	108.29	37.3978	108.83	37.5178	109.37	37.6378	109.91	37.757780
107.76	37.2800	108.30	37.4000	108.84	37.5200	109.38	37.6400	109.92	37.760002
107.77	37.2822	108.31	37.4022	108.85	37.5222	109.39	37.6422	109.93	37.762224
107.78	37.2844	108.32	37.4044	108.86	37.5244	109.40	37.6444	109.94	37.764446
107.79	37.2867	108.33	37.4067	108.87	37.5267	109.41	37.6467	109.95	37.766669
107.80	37.2889	108.34	37.4089	108.88	37.5289	109.42	37.6489	109.96	37.768891
107.81	37.2911	108.35	37.4111	108.89	37.5311	109.43	37.6511	109.97	37.771113
107.82	37.2933	108.36	37.4133	108.90	37.5333	109.44	37.6533	109.98	37.773335
107.83	37.2956	108.37	37.4156	108.91	37.5356	109.45	37.6556	109.99	37.775557
107.84	37.2978	108.38	37.4178	108.92	37.5378	109.46	37.6578	110.00	37.777780
107.85	37.3000	108.39	37.4200	108.93	37.5400	109.47	37.6600	110.01	37.780002
107.86	37.3022	108.40	37.4222	108.94	37.5422	109.48	37.6622	110.02	37.782224
107.87	37.3044	108.41	37.4244	108.95	37.5444	109.49	37.6644	110.03	37.784446

# EXHIBIT "B"

(To that certain Operating Agreement by and between The Navajo Nation and The Navajo Nation Oil and Gas Company for the Desert Creek Area.)

## SCHEDULE 1 Oil Royalty Rates

Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %
110.04	37.7867	110.58	37.9067	111.12	38.0267	111.66	38.1467	112.20	38.266669
110.05	37.7889	110.59	37.9089	111.13	38.0289	111.67	38.1489	112.21	38.268891
110.06	37.7911	110.60	37.9111	111.14	38.0311	111.68	38.1511	112.22	38.271113
110.07	37.7933	110.61	37.9133	111.15	38.0333	111.69	38.1533	112.23	38.273335
110.08	37.7956	110.62	37.9156	111.16	38.0356	111.70	38.1556	112.24	38.275558
110.09	37.7978	110.63	37.9178	111.17	38.0378	111.71	38.1578	112.25	38.277780
110.10	37.8000	110.64	37.9200	111.18	38.0400	111.72	38.1600	112.26	38.280002
110.11	37.8022	110.65	37.9222	111.19	38.0422	111.73	38.1622	112.27	38.282224
110.12	37.8044	110.66	37.9244	111.20	38.0444	111.74	38.1644	112.28	38.284447
110.13	37.8067	110.67	37.9267	111.21	38.0467	111.75	38.1667	112.29	38.286669
110.14	37.8089	110.68	37.9289	111.22	38.0489	111.76	38.1689	112.30	38.288891
110.15	37.8111	110.69	37.9311	111.23	38.0511	111.77	38.1711	112.31	38.291113
110.16	37.8133	110.70	37.9333	111.24	38.0533	111.78	38.1733	112.32	38.293335
110.17	37.8156	110.71	37.9356	111.25	38.0556	111.79	38.1756	112.33	38.295558
110.18	37.8178	110.72	37.9378	111.26	38.0578	111.80	38.1778	112.34	38.297780
110.19	37.8200	110.73	37.9400	111.27	38.0600	111.81	38.1800	112.35	38.300002
110.20	37.8222	110.74	37.9422	111.28	38.0622	111.82	38.1822	112.36	38.302224
110.21	37.8244	110.75	37.9444	111.29	38.0644	111.83	38.1844	112.37	38.304447
110.22	37.8267	110.76	37.9467	111.30	38.0667	111.84	38.1867	112.38	38.306669
110.23	37.8289	110.77	37.9489	111.31	38.0689	111.85	38.1889	112.39	38.308891
110.24	37.8311	110.78	37.9511	111.32	38.0711	111.86	38.1911	112.40	38.311113
110.25	37.8333	110.79	37.9533	111.33	38.0733	111.87	38.1933	112.41	38.313335
110.26	37.8356	110.80	37.9556	111.34	38.0756	111.88	38.1956	112.42	38.315558
110.27	37.8378	110.81	37.9578	111.35	38.0778	111.89	38.1978	112.43	38.317780
110.28	37.8400	110.82	37.9600	111.36	38.0800	111.90	38.2000	112.44	38.320002
110.29	37.8422	110.83	37.9622	111.37	38.0822	111.91	38.2022	112.45	38.322224
110.30	37.8444	110.84	37.9644	111.38	38.0844	111.92	38.2044	112.46	38.324447
110.31	37.8467	110.85	37.9667	111.39	38.0867	111.93	38.2067	112.47	38.326669
110.32	37.8489	110.86	37.9689	111.40	38.0889	111.94	38.2089	112.48	38.328891
110.33	37.8511	110.87	37.9711	111.41	38.0911	111.95	38.2111	112.49	38.331113
110.34	37.8533	110.88	37.9733	111.42	38.0933	111.96	38.2133	112.50	38.333335
110.35	37.8556	110.89	37.9756	111.43	38.0956	111.97	38.2156	112.51	38.335558
110.36	37.8578	110.90	37.9778	111.44	38.0978	111.98	38.2178	112.52	38.337780
110.37	37.8600	110.91	37.9800	111.45	38.1000	111.99	38.2200	112.53	38.340002
110.38	37.8622	110.92	37.9822	111.46	38.1022	112.00	38.2222	112.54	38.342224
110.39	37.8644	110.93	37.9844	111.47	38.1044	112.01	38.2244	112.55	38.344447
110.40	37.8667	110.94	37.9867	111.48	38.1067	112.02	38.2267	112.56	38.346669
110.41	37.8689	110.95	37.9889	111.49	38.1089	112.03	38.2289	112.57	38.348891
110.42	37.8711	110.96	37.9911	111.50	38.1111	112.04	38.2311	112.58	38.351113
110.43	37.8733	110.97	37.9933	111.51	38.1133	112.05	38.2333	112.59	38.353335
110.44	37.8756	110.98	37.9956	111.52	38.1156	112.06	38.2356	112.60	38.355558
110.45	37.8778	110.99	37.9978	111.53	38.1178	112.07	38.2378	112.61	38.357780
110.46	37.8800	111.00	38.0000	111.54	38.1200	112.08	38.2400	112.62	38.360002
110.47	37.8822	111.01	38.0022	111.55	38.1222	112.09	38.2422	112.63	38.362224
110.48	37.8844	111.02	38.0044	111.56	38.1244	112.10	38.2444	112.64	38.364447
110.49	37.8867	111.03	38.0067	111.57	38.1267	112.11	38.2467	112.65	38.366669
110.50	37.8889	111.04	38.0089	111.58	38.1289	112.12	38.2489	112.66	38.368891
110.51	37.8911	111.05	38.0111	111.59	38.1311	112.13	38.2511	112.67	38.371113
110.52	37.8933	111.06	38.0133	111.60	38.1333	112.14	38.2533	112.68	38.373335
110.53	37.8956	111.07	38.0156	111.61	38.1356	112.15	38.2556	112.69	38.375558
110.54	37.8978	111.08	38.0178	111.62	38.1378	112.16	38.2578	112.70	38.377780
110.55	37.9000	111.09	38.0200	111.63	38.1400	112.17	38.2600	112.71	38.380002
110.56	37.9022	111.10	38.0222	111.64	38.1422	112.18	38.2622	112.72	38.382224
110.57	37.9044	111.11	38.0244	111.65	38.1444	112.19	38.2644	112.73	38.384447

**EXHIBIT "B"**

**(To that certain Operating Agreement by and between The Navajo Nation and The Navajo Nation Oil and Gas Company for the Desert Creek Area.)**

**SCHEDULE 1  
Oil Royalty Rates**

Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %
112.74	38.3867	113.28	38.5067	113.82	38.6267	114.36	38.7467	114.90	38.866669
112.75	38.3889	113.29	38.5089	113.83	38.6289	114.37	38.7489	114.91	38.868891
112.76	38.3911	113.30	38.5111	113.84	38.6311	114.38	38.7511	114.92	38.871113
112.77	38.3933	113.31	38.5133	113.85	38.6333	114.39	38.7533	114.93	38.873336
112.78	38.3956	113.32	38.5156	113.86	38.6356	114.40	38.7556	114.94	38.875558
112.79	38.3978	113.33	38.5178	113.87	38.6378	114.41	38.7578	114.95	38.877780
112.80	38.4000	113.34	38.5200	113.88	38.6400	114.42	38.7600	114.96	38.880002
112.81	38.4022	113.35	38.5222	113.89	38.6422	114.43	38.7622	114.97	38.882225
112.82	38.4044	113.36	38.5244	113.90	38.6444	114.44	38.7644	114.98	38.884447
112.83	38.4067	113.37	38.5267	113.91	38.6467	114.45	38.7667	114.99	38.886669
112.84	38.4089	113.38	38.5289	113.92	38.6489	114.46	38.7689	115.00	38.888891
112.85	38.4111	113.39	38.5311	113.93	38.6511	114.47	38.7711	115.01	38.891113
112.86	38.4133	113.40	38.5333	113.94	38.6533	114.48	38.7733	115.02	38.893336
112.87	38.4156	113.41	38.5356	113.95	38.6556	114.49	38.7756	115.03	38.895558
112.88	38.4178	113.42	38.5378	113.96	38.6578	114.50	38.7778	115.04	38.897780
112.89	38.4200	113.43	38.5400	113.97	38.6600	114.51	38.7800	115.05	38.900002
112.90	38.4222	113.44	38.5422	113.98	38.6622	114.52	38.7822	115.06	38.902225
112.91	38.4244	113.45	38.5444	113.99	38.6644	114.53	38.7844	115.07	38.904447
112.92	38.4267	113.46	38.5467	114.00	38.6667	114.54	38.7867	115.08	38.906669
112.93	38.4289	113.47	38.5489	114.01	38.6689	114.55	38.7889	115.09	38.908891
112.94	38.4311	113.48	38.5511	114.02	38.6711	114.56	38.7911	115.10	38.911113
112.95	38.4333	113.49	38.5533	114.03	38.6733	114.57	38.7933	115.11	38.913336
112.96	38.4356	113.50	38.5556	114.04	38.6756	114.58	38.7956	115.12	38.915558
112.97	38.4378	113.51	38.5578	114.05	38.6778	114.59	38.7978	115.13	38.917780
112.98	38.4400	113.52	38.5600	114.06	38.6800	114.60	38.8000	115.14	38.920002
112.99	38.4422	113.53	38.5622	114.07	38.6822	114.61	38.8022	115.15	38.922225
113.00	38.4444	113.54	38.5644	114.08	38.6844	114.62	38.8044	115.16	38.924447
113.01	38.4467	113.55	38.5667	114.09	38.6867	114.63	38.8067	115.17	38.926669
113.02	38.4489	113.56	38.5689	114.10	38.6889	114.64	38.8089	115.18	38.928891
113.03	38.4511	113.57	38.5711	114.11	38.6911	114.65	38.8111	115.19	38.931113
113.04	38.4533	113.58	38.5733	114.12	38.6933	114.66	38.8133	115.20	38.933336
113.05	38.4556	113.59	38.5756	114.13	38.6956	114.67	38.8156	115.21	38.935558
113.06	38.4578	113.60	38.5778	114.14	38.6978	114.68	38.8178	115.22	38.937780
113.07	38.4600	113.61	38.5800	114.15	38.7000	114.69	38.8200	115.23	38.940002
113.08	38.4622	113.62	38.5822	114.16	38.7022	114.70	38.8222	115.24	38.942225
113.09	38.4644	113.63	38.5844	114.17	38.7044	114.71	38.8244	115.25	38.944447
113.10	38.4667	113.64	38.5867	114.18	38.7067	114.72	38.8267	115.26	38.946669
113.11	38.4689	113.65	38.5889	114.19	38.7089	114.73	38.8289	115.27	38.948891
113.12	38.4711	113.66	38.5911	114.20	38.7111	114.74	38.8311	115.28	38.951113
113.13	38.4733	113.67	38.5933	114.21	38.7133	114.75	38.8333	115.29	38.953336
113.14	38.4756	113.68	38.5956	114.22	38.7156	114.76	38.8356	115.30	38.955558
113.15	38.4778	113.69	38.5978	114.23	38.7178	114.77	38.8378	115.31	38.957780
113.16	38.4800	113.70	38.6000	114.24	38.7200	114.78	38.8400	115.32	38.960002
113.17	38.4822	113.71	38.6022	114.25	38.7222	114.79	38.8422	115.33	38.962225
113.18	38.4844	113.72	38.6044	114.26	38.7244	114.80	38.8444	115.34	38.964447
113.19	38.4867	113.73	38.6067	114.27	38.7267	114.81	38.8467	115.35	38.966669
113.20	38.4889	113.74	38.6089	114.28	38.7289	114.82	38.8489	115.36	38.968891
113.21	38.4911	113.75	38.6111	114.29	38.7311	114.83	38.8511	115.37	38.971113
113.22	38.4933	113.76	38.6133	114.30	38.7333	114.84	38.8533	115.38	38.973336
113.23	38.4956	113.77	38.6156	114.31	38.7356	114.85	38.8556	115.39	38.975558
113.24	38.4978	113.78	38.6178	114.32	38.7378	114.86	38.8578	115.40	38.977780
113.25	38.5000	113.79	38.6200	114.33	38.7400	114.87	38.8600	115.41	38.980002
113.26	38.5022	113.80	38.6222	114.34	38.7422	114.88	38.8622	115.42	38.982225
113.27	38.5044	113.81	38.6244	114.35	38.7444	114.89	38.8644	115.43	38.984447

**EXHIBIT "B"**

**(To that certain Operating Agreement by and between The Navajo Nation and The Navajo Nation Oil and Gas Company for the Desert Creek Area.)**

**SCHEDULE 1  
Oil Royalty Rates**

Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %
115.44	38.9867	115.98	39.1067	116.52	39.2267	117.06	39.3467	117.60	39.466669
115.45	38.9889	115.99	39.1089	116.53	39.2289	117.07	39.3489	117.61	39.468891
115.46	38.9911	116.00	39.1111	116.54	39.2311	117.08	39.3511	117.62	39.471114
115.47	38.9933	116.01	39.1133	116.55	39.2333	117.09	39.3533	117.63	39.473336
115.48	38.9956	116.02	39.1156	116.56	39.2356	117.10	39.3556	117.64	39.475558
115.49	38.9978	116.03	39.1178	116.57	39.2378	117.11	39.3578	117.65	39.477780
115.50	39.0000	116.04	39.1200	116.58	39.2400	117.12	39.3600	117.66	39.480003
115.51	39.0022	116.05	39.1222	116.59	39.2422	117.13	39.3622	117.67	39.482225
115.52	39.0044	116.06	39.1244	116.60	39.2444	117.14	39.3644	117.68	39.484447
115.53	39.0067	116.07	39.1267	116.61	39.2467	117.15	39.3667	117.69	39.486669
115.54	39.0089	116.08	39.1289	116.62	39.2489	117.16	39.3689	117.70	39.488891
115.55	39.0111	116.09	39.1311	116.63	39.2511	117.17	39.3711	117.71	39.491114
115.56	39.0133	116.10	39.1333	116.64	39.2533	117.18	39.3733	117.72	39.493336
115.57	39.0156	116.11	39.1356	116.65	39.2556	117.19	39.3756	117.73	39.495558
115.58	39.0178	116.12	39.1378	116.66	39.2578	117.20	39.3778	117.74	39.497780
115.59	39.0200	116.13	39.1400	116.67	39.2600	117.21	39.3800	117.75	39.500003
115.60	39.0222	116.14	39.1422	116.68	39.2622	117.22	39.3822	117.76	39.502225
115.61	39.0244	116.15	39.1444	116.69	39.2644	117.23	39.3844	117.77	39.504447
115.62	39.0267	116.16	39.1467	116.70	39.2667	117.24	39.3867	117.78	39.506669
115.63	39.0289	116.17	39.1489	116.71	39.2689	117.25	39.3889	117.79	39.508891
115.64	39.0311	116.18	39.1511	116.72	39.2711	117.26	39.3911	117.80	39.511114
115.65	39.0333	116.19	39.1533	116.73	39.2733	117.27	39.3933	117.81	39.513336
115.66	39.0356	116.20	39.1556	116.74	39.2756	117.28	39.3956	117.82	39.515558
115.67	39.0378	116.21	39.1578	116.75	39.2778	117.29	39.3978	117.83	39.517780
115.68	39.0400	116.22	39.1600	116.76	39.2800	117.30	39.4000	117.84	39.520003
115.69	39.0422	116.23	39.1622	116.77	39.2822	117.31	39.4022	117.85	39.522225
115.70	39.0444	116.24	39.1644	116.78	39.2844	117.32	39.4044	117.86	39.524447
115.71	39.0467	116.25	39.1667	116.79	39.2867	117.33	39.4067	117.87	39.526669
115.72	39.0489	116.26	39.1689	116.80	39.2889	117.34	39.4089	117.88	39.528891
115.73	39.0511	116.27	39.1711	116.81	39.2911	117.35	39.4111	117.89	39.531114
115.74	39.0533	116.28	39.1733	116.82	39.2933	117.36	39.4133	117.90	39.533336
115.75	39.0556	116.29	39.1756	116.83	39.2956	117.37	39.4156	117.91	39.535558
115.76	39.0578	116.30	39.1778	116.84	39.2978	117.38	39.4178	117.92	39.537780
115.77	39.0600	116.31	39.1800	116.85	39.3000	117.39	39.4200	117.93	39.540003
115.78	39.0622	116.32	39.1822	116.86	39.3022	117.40	39.4222	117.94	39.542225
115.79	39.0644	116.33	39.1844	116.87	39.3044	117.41	39.4244	117.95	39.544447
115.80	39.0667	116.34	39.1867	116.88	39.3067	117.42	39.4267	117.96	39.546669
115.81	39.0689	116.35	39.1889	116.89	39.3089	117.43	39.4289	117.97	39.548891
115.82	39.0711	116.36	39.1911	116.90	39.3111	117.44	39.4311	117.98	39.551114
115.83	39.0733	116.37	39.1933	116.91	39.3133	117.45	39.4333	117.99	39.553336
115.84	39.0756	116.38	39.1956	116.92	39.3156	117.46	39.4356	118.00	39.555558
115.85	39.0778	116.39	39.1978	116.93	39.3178	117.47	39.4378	118.01	39.557780
115.86	39.0800	116.40	39.2000	116.94	39.3200	117.48	39.4400	118.02	39.560003
115.87	39.0822	116.41	39.2022	116.95	39.3222	117.49	39.4422	118.03	39.562225
115.88	39.0844	116.42	39.2044	116.96	39.3244	117.50	39.4444	118.04	39.564447
115.89	39.0867	116.43	39.2067	116.97	39.3267	117.51	39.4467	118.05	39.566669
115.90	39.0889	116.44	39.2089	116.98	39.3289	117.52	39.4489	118.06	39.568891
115.91	39.0911	116.45	39.2111	116.99	39.3311	117.53	39.4511	118.07	39.571114
115.92	39.0933	116.46	39.2133	117.00	39.3333	117.54	39.4533	118.08	39.573336
115.93	39.0956	116.47	39.2156	117.01	39.3356	117.55	39.4556	118.09	39.575558
115.94	39.0978	116.48	39.2178	117.02	39.3378	117.56	39.4578	118.10	39.577780
115.95	39.1000	116.49	39.2200	117.03	39.3400	117.57	39.4600	118.11	39.580003
115.96	39.1022	116.50	39.2222	117.04	39.3422	117.58	39.4622	118.12	39.582225
115.97	39.1044	116.51	39.2244	117.05	39.3444	117.59	39.4644	118.13	39.584447

# EXHIBIT "B"

(To that certain Operating Agreement by and between The Navajo Nation and The Navajo Nation Oil and Gas Company for the Desert Creek Area.)

## SCHEDULE 1 Oil Royalty Rates

Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %	Oil Price \$/Barrel	Royalty %
118.14	39.5867	118.68	39.7067	119.22	39.8267	119.76	39.9467
118.15	39.5889	118.69	39.7089	119.23	39.8289	119.77	39.9489
118.16	39.5911	118.70	39.7111	119.24	39.8311	119.78	39.9511
118.17	39.5933	118.71	39.7133	119.25	39.8333	119.79	39.9533
118.18	39.5956	118.72	39.7156	119.26	39.8356	119.80	39.9556
118.19	39.5978	118.73	39.7178	119.27	39.8378	119.81	39.9578
118.20	39.6000	118.74	39.7200	119.28	39.8400	119.82	39.9600
118.21	39.6022	118.75	39.7222	119.29	39.8422	119.83	39.9622
118.22	39.6044	118.76	39.7244	119.30	39.8444	119.84	39.9644
118.23	39.6067	118.77	39.7267	119.31	39.8467	119.85	39.9667
118.24	39.6089	118.78	39.7289	119.32	39.8489	119.86	39.9689
118.25	39.6111	118.79	39.7311	119.33	39.8511	119.87	39.9711
118.26	39.6133	118.80	39.7333	119.34	39.8533	119.88	39.9733
118.27	39.6156	118.81	39.7356	119.35	39.8556	119.89	39.9756
118.28	39.6178	118.82	39.7378	119.36	39.8578	119.90	39.9778
118.29	39.6200	118.83	39.7400	119.37	39.8600	119.91	39.9800
118.30	39.6222	118.84	39.7422	119.38	39.8622	119.92	39.9822
118.31	39.6244	118.85	39.7444	119.39	39.8644	119.93	39.9844
118.32	39.6267	118.86	39.7467	119.40	39.8667	119.94	39.9867
118.33	39.6289	118.87	39.7489	119.41	39.8689	119.95	39.9889
118.34	39.6311	118.88	39.7511	119.42	39.8711	119.96	39.9911
118.35	39.6333	118.89	39.7533	119.43	39.8733	119.97	39.9933
118.36	39.6356	118.90	39.7556	119.44	39.8756	119.98	39.9956
118.37	39.6378	118.91	39.7578	119.45	39.8778	119.99	39.9978
118.38	39.6400	118.92	39.7600	119.46	39.8800	120.00	40.0000
118.39	39.6422	118.93	39.7622	119.47	39.8822	>\$120	40.0000
118.40	39.6444	118.94	39.7644	119.48	39.8844		
118.41	39.6467	118.95	39.7667	119.49	39.8867		
118.42	39.6489	118.96	39.7689	119.50	39.8889		
118.43	39.6511	118.97	39.7711	119.51	39.8911		
118.44	39.6533	118.98	39.7733	119.52	39.8933		
118.45	39.6556	118.99	39.7756	119.53	39.8956		
118.46	39.6578	119.00	39.7778	119.54	39.8978		
118.47	39.6600	119.01	39.7800	119.55	39.9000		
118.48	39.6622	119.02	39.7822	119.56	39.9022		
118.49	39.6644	119.03	39.7844	119.57	39.9044		
118.50	39.6667	119.04	39.7867	119.58	39.9067		
118.51	39.6689	119.05	39.7889	119.59	39.9089		
118.52	39.6711	119.06	39.7911	119.60	39.9111		
118.53	39.6733	119.07	39.7933	119.61	39.9133		
118.54	39.6756	119.08	39.7956	119.62	39.9156		
118.55	39.6778	119.09	39.7978	119.63	39.9178		
118.56	39.6800	119.10	39.8000	119.64	39.9200		
118.57	39.6822	119.11	39.8022	119.65	39.9222		
118.58	39.6844	119.12	39.8044	119.66	39.9244		
118.59	39.6867	119.13	39.8067	119.67	39.9267		
118.60	39.6889	119.14	39.8089	119.68	39.9289		
118.61	39.6911	119.15	39.8111	119.69	39.9311		
118.62	39.6933	119.16	39.8133	119.70	39.9333		
118.63	39.6956	119.17	39.8156	119.71	39.9356		
118.64	39.6978	119.18	39.8178	119.72	39.9378		
118.65	39.7000	119.19	39.8200	119.73	39.9400		
118.66	39.7022	119.20	39.8222	119.74	39.9422		
118.67	39.7044	119.21	39.8244	119.75	39.9444		



**EXHIBIT "B"**

**(To that certain Operating Agreement by and between The Navajo Nation and The Navajo Nation Oil and Gas Company for the Desert Creek Area)**

**SCHEDULE 2  
Gas Royalty Rates**

Gas Price * \$/Mmbtu	Royalty %	Gas Price * \$/Mmbtu	Royalty %	Gas Price * \$/Mmbtu	Royalty %	Gas Price * \$/Mmbtu	Royalty %	Gas Price * \$/Mmbtu	Royalty %
<\$6.50	20.00	7.03	21.63	7.57	23.29	8.11	24.95	8.65	26.62
6.50	20.00	7.04	21.66	7.58	23.32	8.12	24.98	8.66	26.65
6.51	20.03	7.05	21.69	7.59	23.35	8.13	25.02	8.67	26.68
6.52	20.06	7.06	21.72	7.60	23.38	8.14	25.05	8.68	26.71
6.53	20.09	7.07	21.75	7.61	23.42	8.15	25.08	8.69	26.74
6.54	20.12	7.08	21.78	7.62	23.45	8.16	25.11	8.70	26.77
6.55	20.15	7.09	21.82	7.63	23.48	8.17	25.14	8.71	26.80
6.56	20.18	7.10	21.85	7.64	23.51	8.18	25.17	8.72	26.83
6.57	20.22	7.11	21.88	7.65	23.54	8.19	25.20	8.73	26.86
6.58	20.25	7.12	21.91	7.66	23.57	8.20	25.23	8.74	26.89
6.59	20.28	7.13	21.94	7.67	23.60	8.21	25.26	8.75	26.92
6.60	20.31	7.14	21.97	7.68	23.63	8.22	25.29	8.76	26.95
6.61	20.34	7.15	22.00	7.69	23.66	8.23	25.32	8.77	26.98
6.62	20.37	7.16	22.03	7.70	23.69	8.24	25.35	8.78	27.02
6.63	20.40	7.17	22.06	7.71	23.72	8.25	25.38	8.79	27.05
6.64	20.43	7.18	22.09	7.72	23.75	8.26	25.42	8.80	27.08
6.65	20.46	7.19	22.12	7.73	23.78	8.27	25.45	8.81	27.11
6.66	20.49	7.20	22.15	7.74	23.82	8.28	25.48	8.82	27.14
6.67	20.52	7.21	22.18	7.75	23.85	8.29	25.51	8.83	27.17
6.68	20.55	7.22	22.22	7.76	23.88	8.30	25.54	8.84	27.20
6.69	20.58	7.23	22.25	7.77	23.91	8.31	25.57	8.85	27.23
6.70	20.62	7.24	22.28	7.78	23.94	8.32	25.60	8.86	27.26
6.71	20.65	7.25	22.31	7.79	23.97	8.33	25.63	8.87	27.29
6.72	20.68	7.26	22.34	7.80	24.00	8.34	25.66	8.88	27.32
6.73	20.71	7.27	22.37	7.81	24.03	8.35	25.69	8.89	27.35
6.74	20.74	7.28	22.40	7.82	24.06	8.36	25.72	8.90	27.38
6.75	20.77	7.29	22.43	7.83	24.09	8.37	25.75	8.91	27.42
6.76	20.80	7.30	22.46	7.84	24.12	8.38	25.78	8.92	27.45
6.77	20.83	7.31	22.49	7.85	24.15	8.39	25.82	8.93	27.48
6.78	20.86	7.32	22.52	7.86	24.18	8.40	25.85	8.94	27.51
6.79	20.89	7.33	22.55	7.87	24.22	8.41	25.88	8.95	27.54
6.80	20.92	7.34	22.58	7.88	24.25	8.42	25.91	8.96	27.57
6.81	20.95	7.35	22.62	7.89	24.28	8.43	25.94	8.97	27.60
6.82	20.98	7.36	22.65	7.90	24.31	8.44	25.97	8.98	27.63
6.83	21.02	7.37	22.68	7.91	24.34	8.45	26.00	8.99	27.66
6.84	21.05	7.38	22.71	7.92	24.37	8.46	26.03	9.00	27.69
6.85	21.08	7.39	22.74	7.93	24.40	8.47	26.06	9.01	27.72
6.86	21.11	7.40	22.77	7.94	24.43	8.48	26.09	9.02	27.75
6.87	21.14	7.41	22.80	7.95	24.46	8.49	26.12	9.03	27.78
6.88	21.17	7.42	22.83	7.96	24.49	8.50	26.15	9.04	27.82
6.89	21.20	7.43	22.86	7.97	24.52	8.51	26.18	9.05	27.85
6.90	21.23	7.44	22.89	7.98	24.55	8.52	26.22	9.06	27.88
6.91	21.26	7.45	22.92	7.99	24.58	8.53	26.25	9.07	27.91
6.92	21.29	7.46	22.95	8.00	24.62	8.54	26.28	9.08	27.94
6.93	21.32	7.47	22.98	8.01	24.65	8.55	26.31	9.09	27.97
6.94	21.35	7.48	23.02	8.02	24.68	8.56	26.34	9.10	28.00
6.95	21.38	7.49	23.05	8.03	24.71	8.57	26.37	9.11	28.03
6.96	21.42	7.50	23.08	8.04	24.74	8.58	26.40	9.12	28.06
6.97	21.45	7.51	23.11	8.05	24.77	8.59	26.43	9.13	28.09
6.98	21.48	7.52	23.14	8.06	24.80	8.60	26.46	9.14	28.12
6.99	21.51	7.53	23.17	8.07	24.83	8.61	26.49	9.15	28.15
7.00	21.54	7.54	23.20	8.08	24.86	8.62	26.52	9.16	28.18
7.01	21.57	7.55	23.23	8.09	24.89	8.63	26.55	9.17	28.22
7.02	21.60	7.56	23.26	8.10	24.92	8.64	26.58	9.18	28.25

# EXHIBIT "B"

(To that certain Operating Agreement by and between The Navajo Nation and The Navajo Nation Oil and Gas Company for the Desert Creek Area)

## SCHEDULE 2 Gas Royalty Rates

Gas Price * \$/Mmbtu	Royalty %	Gas Price * \$/Mmbtu	Royalty %	Gas Price * \$/Mmbtu	Royalty %	Gas Price * \$/Mmbtu	Royalty %	Gas Price * \$/Mmbtu	Royalty %
9.19	28.28	9.73	29.94	10.27	31.60	10.81	33.26	11.35	34.92
9.20	28.31	9.74	29.97	10.28	31.63	10.82	33.29	11.36	34.95
9.21	28.34	9.75	30.00	10.29	31.66	10.83	33.32	11.37	34.98
9.22	28.37	9.76	30.03	10.30	31.69	10.84	33.35	11.38	35.02
9.23	28.40	9.77	30.06	10.31	31.72	10.85	33.38	11.39	35.05
9.24	28.43	9.78	30.09	10.32	31.75	10.86	33.42	11.40	35.08
9.25	28.46	9.79	30.12	10.33	31.78	10.87	33.45	11.41	35.11
9.26	28.49	9.80	30.15	10.34	31.82	10.88	33.48	11.42	35.14
9.27	28.52	9.81	30.18	10.35	31.85	10.89	33.51	11.43	35.17
9.28	28.55	9.82	30.22	10.36	31.88	10.90	33.54	11.44	35.20
9.29	28.58	9.83	30.25	10.37	31.91	10.91	33.57	11.45	35.23
9.30	28.62	9.84	30.28	10.38	31.94	10.92	33.60	11.46	35.26
9.31	28.65	9.85	30.31	10.39	31.97	10.93	33.63	11.47	35.29
9.32	28.68	9.86	30.34	10.40	32.00	10.94	33.66	11.48	35.32
9.33	28.71	9.87	30.37	10.41	32.03	10.95	33.69	11.49	35.35
9.34	28.74	9.88	30.40	10.42	32.06	10.96	33.72	11.50	35.38
9.35	28.77	9.89	30.43	10.43	32.09	10.97	33.75	11.51	35.42
9.36	28.80	9.90	30.46	10.44	32.12	10.98	33.78	11.52	35.45
9.37	28.83	9.91	30.49	10.45	32.15	10.99	33.82	11.53	35.48
9.38	28.86	9.92	30.52	10.46	32.18	11.00	33.85	11.54	35.51
9.39	28.89	9.93	30.55	10.47	32.22	11.01	33.88	11.55	35.54
9.40	28.92	9.94	30.58	10.48	32.25	11.02	33.91	11.56	35.57
9.41	28.95	9.95	30.62	10.49	32.28	11.03	33.94	11.57	35.60
9.42	28.98	9.96	30.65	10.50	32.31	11.04	33.97	11.58	35.63
9.43	29.02	9.97	30.68	10.51	32.34	11.05	34.00	11.59	35.66
9.44	29.05	9.98	30.71	10.52	32.37	11.06	34.03	11.60	35.69
9.45	29.08	9.99	30.74	10.53	32.40	11.07	34.06	11.61	35.72
9.46	29.11	10.00	30.77	10.54	32.43	11.08	34.09	11.62	35.75
9.47	29.14	10.01	30.80	10.55	32.46	11.09	34.12	11.63	35.78
9.48	29.17	10.02	30.83	10.56	32.49	11.10	34.15	11.64	35.82
9.49	29.20	10.03	30.86	10.57	32.52	11.11	34.18	11.65	35.85
9.50	29.23	10.04	30.89	10.58	32.55	11.12	34.22	11.66	35.88
9.51	29.26	10.05	30.92	10.59	32.58	11.13	34.25	11.67	35.91
9.52	29.29	10.06	30.95	10.60	32.62	11.14	34.28	11.68	35.94
9.53	29.32	10.07	30.98	10.61	32.65	11.15	34.31	11.69	35.97
9.54	29.35	10.08	31.02	10.62	32.68	11.16	34.34	11.70	36.00
9.55	29.38	10.09	31.05	10.63	32.71	11.17	34.37	11.71	36.03
9.56	29.42	10.10	31.08	10.64	32.74	11.18	34.40	11.72	36.06
9.57	29.45	10.11	31.11	10.65	32.77	11.19	34.43	11.73	36.09
9.58	29.48	10.12	31.14	10.66	32.80	11.20	34.46	11.74	36.12
9.59	29.51	10.13	31.17	10.67	32.83	11.21	34.49	11.75	36.15
9.60	29.54	10.14	31.20	10.68	32.86	11.22	34.52	11.76	36.18
9.61	29.57	10.15	31.23	10.69	32.89	11.23	34.55	11.77	36.22
9.62	29.60	10.16	31.26	10.70	32.92	11.24	34.58	11.78	36.25
9.63	29.63	10.17	31.29	10.71	32.95	11.25	34.62	11.79	36.28
9.64	29.66	10.18	31.32	10.72	32.98	11.26	34.65	11.80	36.31
9.65	29.69	10.19	31.35	10.73	33.02	11.27	34.68	11.81	36.34
9.66	29.72	10.20	31.38	10.74	33.05	11.28	34.71	11.82	36.37
9.67	29.75	10.21	31.42	10.75	33.08	11.29	34.74	11.83	36.40
9.68	29.78	10.22	31.45	10.76	33.11	11.30	34.77	11.84	36.43
9.69	29.82	10.23	31.48	10.77	33.14	11.31	34.80	11.85	36.46
9.70	29.85	10.24	31.51	10.78	33.17	11.32	34.83	11.86	36.49
9.71	29.88	10.25	31.54	10.79	33.20	11.33	34.86	11.87	36.52
9.72	29.91	10.26	31.57	10.80	33.23	11.34	34.89	11.88	36.55



# EXHIBIT "B"

(To that certain Operating Agreement by and between The Navajo Nation and The Navajo Nation Oil and Gas Company for the Desert Creek Area)

## SCHEDULE 2 Gas Royalty Rates

Gas Price * \$/Mmbtu	Royalty %	Gas Price * \$/Mmbtu	Royalty %	Gas Price * \$/Mmbtu	Royalty %
11.89	36.58	12.42	38.22	12.95	39.85
11.90	36.62	12.43	38.25	12.96	39.88
11.91	36.65	12.44	38.28	12.97	39.91
11.92	36.68	12.45	38.31	12.98	39.94
11.93	36.71	12.46	38.34	12.99	39.97
11.94	36.74	12.47	38.37	13.00	40.00
11.95	36.77	12.48	38.40	>\$13.00	40.00
11.96	36.80	12.49	38.43		
11.97	36.83	12.50	38.46		
11.98	36.86	12.51	38.49		
11.99	36.89	12.52	38.52		
12.00	36.92	12.53	38.55		
12.01	36.95	12.54	38.58		
12.02	36.98	12.55	38.62		
12.03	37.02	12.56	38.65		
12.04	37.05	12.57	38.68		
12.05	37.08	12.58	38.71		
12.06	37.11	12.59	38.74		
12.07	37.14	12.60	38.77		
12.08	37.17	12.61	38.80		
12.09	37.20	12.62	38.83		
12.10	37.23	12.63	38.86		
12.11	37.26	12.64	38.89		
12.12	37.29	12.65	38.92		
12.13	37.32	12.66	38.95		
12.14	37.35	12.67	38.98		
12.15	37.38	12.68	39.02		
12.16	37.42	12.69	39.05		
12.17	37.45	12.70	39.08		
12.18	37.48	12.71	39.11		
12.19	37.51	12.72	39.14		
12.20	37.54	12.73	39.17		
12.21	37.57	12.74	39.20		
12.22	37.60	12.75	39.23		
12.23	37.63	12.76	39.26		
12.24	37.66	12.77	39.29		
12.25	37.69	12.78	39.32		
12.26	37.72	12.79	39.35		
12.27	37.75	12.80	39.38		
12.28	37.78	12.81	39.42		
12.29	37.82	12.82	39.45		
12.30	37.85	12.83	39.48		
12.31	37.88	12.84	39.51		
12.32	37.91	12.85	39.54		
12.33	37.94	12.86	39.57		
12.34	37.97	12.87	39.60		
12.35	38.00	12.88	39.63		
12.36	38.03	12.89	39.66		
12.37	38.06	12.90	39.69		
12.38	38.09	12.91	39.72		
12.39	38.12	12.92	39.75		
12.40	38.15	12.93	39.78		
12.41	38.18	12.94	39.82		

\* NOTE: Gas Prices for determining associated gases royalty % will substitute \$/MCF for \$/Mmbtu.

## **Exhibit "C"**

### **NAVAJO NATION PROCEDURES FOR THE REVIEW AND APPROVAL OF APPLICATIONS FOR PERMIT TO DRILL OIL AND GAS WELLS AND SUNDRY NOTICES TO CONSTRUCT ASSOCIATED ANCILLARY FACILITIES ON NAVAJO NATION LANDS**

#### **1.0 Introduction**

Procedures for the review and approval of Applications for Permit to Drill ("APDs") for oil and gas wells and Sundry Notices to construct associated ancillary facilities on Navajo Nation Lands were initially promulgated by the Resources Committee of the Navajo Nation Council by Resolution No. RCJY-157-94. These procedures were subsequently amended on August 10, 1995, by Resolution No. RCAU-187-95, to include procedures for review and processing of APDs on split estate lands (Navajo owned surface and non-Navajo owned minerals) and further amended by Resolution No. RCS-121-06 whereby the Resources Committee of the Navajo Nation Council delegated its approval authority for APDs/Sundry Notices to the Navajo Nation Minerals Department or to the Navajo Nation Land Department depending on site specific land status. The procedures described herein will apply to all Navajo Nation lands including split estate lands where the mineral estate is not owned by the Navajo Nation.

#### **2.0 Authority**

The Navajo Nation Minerals Department and Navajo Nation Land Department are authorized to approve APDs/Sundry Notices consistent with these procedures. In approving APDs/Sundry Notices, the Minerals Department and Land Department shall ensure compliance with all applicable laws, regulations, policies and procedures.

#### **3.0 Scope**

These APD review and approval procedures will govern the processing of all APDs, including but not limited to; injection wells, production wells, exploration wells, disposal wells, and Sundry Notices to construct their associated ancillary facilities on all Navajo Nation lands, including trust, fee, and split estate lands within lease boundaries.

#### **4.0 APD Review and Approval Procedures**

- 4.01 All APDs and Sundry Notices to construct associated ancillary facilities on Navajo Nation lands shall be filed by the applicant in duplicate with the Project Review Office (PRO) of the Land Department. Applications shall include a detailed project description, copies of all federal or state application forms, a

survey plat of all proposed construction, all archeological and cultural resource survey reports and clearance documents, all environmental analysis reports and clearance documents, surface land user consent forms, a reclamation plan, and any other documents necessary to support the APD/Sundry Notice application.

- 4.02 Upon receipt of a complete APD or Sundry Notice application including the required non-refundable filing and processing fee, PRO shall acknowledge receipt of same by date stamping the application.
- 4.03 PRO shall initiate the required surface land user(s) consent process and shall also submit the application to the following Navajo Nation departments and agency for their administrative review and acknowledgement:
  - A. Land Department
  - B. Minerals Department
  - C. Historic Preservation Department
  - D. Department of Water Resources
  - E. Fish and Wildlife Department
  - F. Navajo Nation Environmental Protection Agency
- 4.04 If a reviewing entity determines the APD/Sundry Notice application is deficient, the application shall be returned to PRO. The applicant shall then be notified of the deficiency by PRO and given the opportunity to correct the deficiency. Only after deficiency mitigation/resolution will PRO resume the administrative review process for the application.

At the conclusion of the administrative review process, the application shall be returned to the Minerals Department or to the Land Department, depending on site specific land status, for final action on behalf of the Navajo Nation. The Minerals Department will approve or disapprove applications over lands where the Navajo Nation owns the mineral estate. The Land Department will approve or disapprove applications over lands where the Navajo Nation does not own the mineral estate. Final Navajo Nation approval in either case will be implemented by submitting written notice of the approval along with the application to the Bureau of Indian Affairs (BIA), U.S. Department of the Interior. All approved applications submitted to the BIA shall include an attachment of the Navajo Nation site specific terms and conditions. Applications which are disapproved shall be returned to the applicant. The final decision of either the Minerals Department or the Navajo Land Department shall be the final action of the Navajo Nation on applications.

- 4.05 In cases where the applicant is a wholly or majority owned entity of the Navajo Nation and the APD/Sundry Notice application is for drilling and/or

construction of associated ancillary facilities on lands where the Navajo Nation owns both the surface and mineral estate, the decision of the Minerals Department will be final. However, prior to the commencement of any surface disturbing activities and/or drilling, the applicant will obtain a Finding of No Significant Impact (FONSI) or other required environmental compliance document issued by BIA. The Navajo Nation will provide a courtesy copy of the APD/Sundry Notice with the Navajo Nation's approval determination to the U. S. Bureau of Land Management (BLM).

- 4.06 APDs/Sundry Notices not subject to Section 4.05 will require the final approval of the BLM after a FONSI or other required environmental compliance documents are issued by BIA.
- 4.07 An applicant may include in the APD, or separately through Sundry Notice, a request for approval to construct associated ancillary facilities within the lease (including access roads, power lines, well tie or gathering pipelines, compression facilities, etc.), provided, all required surveys, reports, clearances, documents and consents described above in Section 4.01 have been completed and are included for the affected lands.
- 4.08 Any amendments or proposed modification to an APD/Sundry Notice made after approval by the Minerals Department or the Land Department, including changes to the construction of associated ancillary facilities, must be reviewed and approved by the Minerals Department or the Land Department as it relates to their authority.
- 4.09 In addition to non-refundable filing and processing fees, the applicant shall compensate the surface land user(s) for surface damages. Where there is no designated surface land user, the surface damage compensation shall be paid to the Navajo Nation. Damage payments due for Navajo Agricultural Products Industry (NAPI) lands shall be paid directly to NAPI. In the event there are affected land users who possess valid grazing permits which cover lands within NAPI boundaries that have not been cancelled, surface damage compensation shall be deposited with the Land Department.
- 4.10 The applicant shall pay the assessed surface damage compensation for the total term of the APD/Sundry Notice no later than ten days after approval of the APD/Sundry Notice by the Navajo Nation. The payment for the assessed surface damage compensation to the surface land user(s) and/or Navajo Nation shall be determined, collected and distributed by the Land Department. The payment for assessed surface damages on NAPI land shall be determined by the Land Department in coordination with NAPI.

- 4.11 Applicants submitting APDs and/or Sundry Notices proposing construction of associated ancillary facilities on any lease where a portion of the construction is outside the lease will be assessed consideration for the portion outside the lease boundary in addition to surface damage compensation and be required to obtain a right-of-way for the portion of the construction outside the lease boundary.
- 4.12 For federal oil and gas leases approved after March 30, 1990, the Navajo Nation may also assess consideration in addition to surface damage compensation for the approval of an APD and/or Sundry Notices for construction of associated ancillary facilities within the lease premises.
- 4.13 The maximum term of surface use associated with the APD and/or Sundry Notice for construction of associated ancillary facilities shall be limited to either twenty (20) years from the date of approval of the APD/Sundry Notice or the abandonment of the well and/or ancillary facilities or the cancellation of the oil and gas lease for any reason, whichever occurs first. At the expiration of the term, if an applicant is still operating the well and/or ancillary facilities, they can apply for an additional term not to exceed twenty (20) years, which will be subject to the Navajo Nation approval. The applicant has the option of requesting an initial term or an additional term for less than twenty (20) years.
- 4.14 Any APD where the Navajo Nation owns the surface estate on lands with federal or state owned mineral estates which has not been drilled within one (1) year after final approval of the APD by the BLM or the state will be deemed to have expired, unless BLM or the state advises the PRO that an extension has been granted. Any APD on Navajo Nation surface and mineral estate lands approved for an applicant which is not a wholly or majority owned entity of the Navajo Nation will be deemed to have expired if the well has not been drilled within one (1) year following final approval of the APD, unless the BLM advises the PRO that an extension has been granted. Any APD on Navajo Nation surface and mineral estate land approved pursuant to Section 4.05 will be deemed to have expired if the well has not been drilled within one (1) year after final approval of the APD, unless a written extension has been granted by the Minerals Department.
- 4.15 Approval of the APD and/or Sundry Notice for construction of ancillary facilities by the Minerals Department or the Land Department on Navajo Nation fee lands constitutes the final approval by the Navajo Nation.
- 4.16 The term "applicant," as used in these procedures, includes lessee, sub lessee, operator, designated operator, farmee, trustee, and other business entities, their designated agent, their assignee, and successor.

- 4.17 The term “lease” as used in these procedures includes operating agreement, unitized and/or communitized areas only if the tract of land where the well is being drilled is participating in an approved designated unit or in an approved communitized area.
- 4.18 The term “surface land user(s)” as used in these procedures includes grazing permittees
- 4.19 Approval of an APD and/or Sundry Notice for construction of associated ancillary facilities must be subject to the most current Navajo Nation standard terms and conditions applicable to APD and/or Sundry Notices for construction of associated ancillary facilities.

## 5.0 Amendments

These procedures may be amended as necessary by the Resources and Development Committee of the Navajo Nation Council.

Document No. 015074

Date Issued: 09/17/2020



Title of Document: AmendmtOACContract-NNOGC (Desert Creek) Contact Name: PRINCE, STEVEN L

Program/Division: DIVISION OF NATURAL RESOURCES

Email: s\_prince@frontier.com Phone Number: (928) 871-7285

<input type="checkbox"/>				Sufficient	Insufficient
<input type="checkbox"/>	<b>Business Site Lease</b>				
	1. Division:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
	2. Office of the Controller:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
	(only if Procurement Clearance is not issued within 30 days of the initiation of the E.O. review)				
	3. Office of the Attorney General:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<b>Business and Industrial Development Financing, Veteran Loans, (i.e. Loan, Loan Guarantee and Investment) or Delegation of Approving and/or Management Authority of Leasing transactions</b>				
	1. Division:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
	2. Office of the Attorney General:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<b>Fund Management Plan, Expenditure Plans, Carry Over Requests, Budget Modifications</b>				
	1. Office of Management and Budget:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
	2. Office of the Controller:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
	3. Office of the Attorney General:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<b>Navajo Housing Authority Request for Release of Funds</b>				
	1. NNEPA:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
	2. Office of the Attorney General:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<b>Lease Purchase Agreements</b>				
	1. Office of the Controller:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
	(recommendation only)				
	2. Office of the Attorney General:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<b>Grant Applications</b>				
	1. Office of Management and Budget:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
	2. Office of the Controller:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
	3. Office of the Attorney General:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<b>Five Management Plan of the Local Governance Act, Delegation of an Approving Authority from a Standing Committee, Local Ordinances (Local Government Units), or Plans of Operation/Division Policies Requiring Committee Approval</b>				
	1. Division:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
	2. Office of the Attorney General:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<b>Relinquishment of Navajo Membership</b>				
	1. Land Department:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
	2. Elections:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
	3. Office of the Attorney General:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>



Sufficient Insufficient

☐ **Land Withdrawal or Relinquishment for Commercial Purposes**

1. Division:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
2. Office of the Attorney General:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>

☐ **Land Withdrawals for Non-Commercial Purposes, General Land Leases and Resource Leases**

1. NLD	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
2. F&W	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
3. HPD	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
4. Minerals	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
5. NNEPA	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
6. DNR	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
7. DOJ	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>

☐ **Rights of Way**

1. NLD	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
2. F&W	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
3. HPD	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
4. Minerals	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
5. NNEPA	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
6. Office of the Attorney General	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
7. OPVP	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>

☐ **Oil and Gas Prospecting Permits, Drilling and Exploration Permits, Mining Permit, Mining Lease**

1. Minerals	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
2. OPVP	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
3. NLD	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>

☐ **Assignment of Mineral Lease**

1. Minerals	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
2. DNR	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
3. DOJ	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>

☐ **ROW (where there has been no delegation of authority to the Navajo Land Department to grant the Nation's consent to a ROW)**

1. NLD	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
2. F&W	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
3. HPD	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
4. Minerals	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
5. NNEPA	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
6. DNR	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
7. DOJ	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
8. OPVP	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>

☒ **OTHER: NNOGC – Amendment to Operating Agreement – Contract No. NO-G-1301-1775 (Desert Creek)**

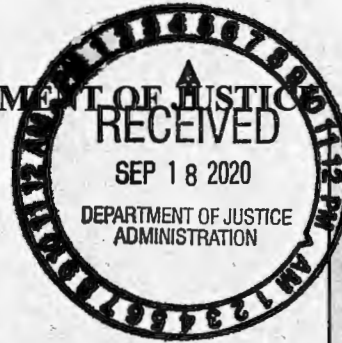
1. DNR	_____	Date: 9/17/20	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. DOJ	_____	Date: 9/23/20	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. OPVP	_____	Date: 9-30-20	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. RDC/Legislative	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
5. _____	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
6. _____	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>



☐ RESUBMITTAL

# NAVAJO NATION DEPARTMENT OF JUSTICE

## DOCUMENT REVIEW REQUEST FORM



DOJ
9/18/20 C 4
DATE / TIME
<input type="checkbox"/> 7 Day Deadline
DOC #: 015074
SAS #:
UNIT: NAM

\*\*\* FOR NNDJ USE ONLY - DO NOT CHANGE OR REVISE FORM. VARIATIONS OF THIS FORM WILL NOT BE ACCEPTED. \*\*\*

CLIENT TO COMPLETE			
DATE OF REQUEST: 9/18/2020		ENTITY/DIVISION: <del>A</del> NATURAL RESOURCES	
CONTACT NAME: STEVEN PRINCE		DEPARTMENT: MINERALS DEPT.	
PHONE NUMBER: (928) 871-7285		E-MAIL: slprince@navajo-nsn.gov	
TITLE OF DOCUMENT: EXECUTIVE OFFICIAL REVIEW - Amendment OA Contract - NNOGC (Desert Creek)			
DOJ SECRETARY TO COMPLETE			
DATE/TIME IN UNIT: <sup>Email</sup> 9/22/20 8:00 AM		REVIEWING ATTORNEY/ADVOCATE: Veronica Blackhat 10/01/20	
DATE/TIME OUT OF UNIT: 9/23/20 9:40 AM			
DOJ ATTORNEY / ADVOCATE COMMENTS			
legally sufficient			
REVIEWED BY: (PRINT)	DATE / TIME	SURNAMED BY: (PRINT)	DATE / TIME
		V Blackhat	9/23/20 8:44 AM
DOJ Secretary Called: <sup>Email</sup> Steven		for Document Pick Up on 9/23/20 at 9:40 AM By: CJ	
PICKED UP BY: (PRINT)		DATE / TIME:	

NNDJ/DRRF-July 2013

- Minerals Dept -

# THE NAVAJO NATION

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JONATHAN NEZ | PRESIDENT MYRON LIZER | VICE PRESIDENT



October 1, 2019

## **MEMORANDUM**

**TO:** ALL Department Managers  
DIVISION OF NATURAL RESOURCES

**FROM:**   
Rudolph R. Shebala, Division Director  
Division of Natural Resources

**SUBJECT:** DELEGATION OF AUTHORITY FOR FISCAL YEAR 2020

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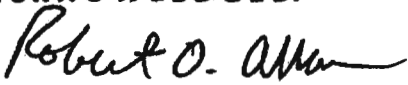
Please be advised that in the event that either I, Division Director of the Division of Natural Resources, or Ms. Evangeline Curley-Thomas, Deputy Director, Division of Natural Resources, are not in the office or otherwise unavailable, Mr. Robert O. Allan, Principal Attorney, Division of Natural Resources, shall be delegated authority as the Acting Division Director of the Division of Natural Resources. This is a standing delegation of authority until further notice.

Please cooperate with Mr. Allan in this standing delegation of authority. Should you have any questions, please contact me.

### **ACKNOWLEDGED:**

  
Evangeline Curley-Thomas, Deputy Director  
Division of Natural Resources

### **ACKNOWLEDGED:**

  
Robert O. Allan, Principal Attorney  
Division of Natural Resources



THE NAVAJO NATION

JONATHAN NEZ **PRESIDENT**  
MYRON LIZER **VICE PRESIDENT**

September 16, 2020

**MEMORANDUM**

**TO :** 164 Reviewers

**FROM :** Rowena Cheromiah  
Rowena Cheromiah, Minerals Royalty/Audit Manager  
Minerals Department

**SUBJECT :** **AMENDMENT TO OPERATING AGREEMENT –  
CONTRACT NO. NO-G-1301-1775**

The attached amendment is submitted for the review and signature of President Nez.

The attached amendment to the Operating Agreement (OA) between the Navajo Nation and Navajo Nation Oil and Gas Company for oil and gas exploration and production in the Desert Creek area is submitted for review and approval. The original agreement which was approved on February 23, 2012 is also attached for your reference. Navajo Nation Oil and Gas Company had some unavoidable setbacks during the primary term of the OA but is now able to proceed with their exploration efforts and therefore needs additional time on the primary term.

SLP:RC/kjg  
ATTACHMENT

# NAVAJO NATION

847

Navajo Nation Council Summer Session

7/22/2021

03:51:24 PM

Amd# to Amd#

Consent Agenda Items (D)

PASSED

MOT Brown

SEC Walker, T

**Yeas : 21**

**Nays : 0**

**Excused : 0**

**Not Voting : 2**

## **Yea : 21**

Begay, E

Daniels

Nez, R

Tso, D

Begay, K

Freeland, M

Slater, C

Tso, E

Begay, P

Halona, P

Smith

Walker, T

Brown

Henio, J

Stewart, W

Yazzie

Charles-Newton

James, V

Tso

Yellowhair

Crotty

## **Nay : 0**

## **Excused : 0**

## **Not Voting : 2**

Wauneka, E

Tso, C

**Presiding Speaker: Damon**