

**IN THE CIRCUIT COURT OF PLEASANTS COUNTY, WEST VIRGINIA**

BB LAND, LLC, a West Virginia company,  
and JB EXPLORATION 1, LLC, a  
West Virginia company,

Plaintiffs,

v.

Civil Action No. 18C-2

BLACKROCK ENTERPRISES, LLC,  
a West Virginia company, and  
Michael L. Benedum,

Defendant.

**FILED IN OFFICE**

**JAN 11 2018**

MILLIE FARNSWORTH  
CIRCUIT COURT CLERK  
PLEASANTS CO WV

**Complaint**

Plaintiffs, BB Land, LLC (“BB Land”) and JB Exploration 1, LLC (“JB Exploration”), by counsel, hereby submit their Complaint against Blackrock Enterprises, LLC (“Blackrock”) and Michael L. Benedum (“Benedum”).

1. BB Land is a West Virginia limited liability company licensed to do business in West Virginia and during all times pertinent to this Complaint conducted business in Pleasants County, West Virginia. JB Exploration is a West Virginia limited liability company licensed to do business in West Virginia and during all times pertinent to this Complaint conducted business in Pleasants County, West Virginia. BB Land is a subsidiary of JB Exploration. Both are referred to collectively herein as “Plaintiffs.”

2. Blackrock is a West Virginia limited liability company licensed to do business in West Virginia and during all times pertinent to this Complaint conducted business in Pleasants County, West Virginia. On information and belief, Blackrock is owned and controlled by Benedum. Benedum is named as a party in his individual capacity and as principle owner of Blackrock. Blackrock and Benedum are referred to collectively herein as “Defendants.”

3. Benedum at all times pertinent to this Complaint owned property involved in this matter and located in Pleasants County, West Virginia.

4. Venue is appropriate in this Court pursuant to W. Va. Code § 56-1-1(a)(1). This Court has jurisdiction over this matter because, at all times pertinent to this Complaint, the transactions at issue involved property located in Pleasants County, West Virginia, and the acreage and oil and gas interests at issue are located in Pleasants County, West Virginia.

5. This Complaint seeks a declaration of termination of an agreement between Plaintiffs and Blackrock whereby the parties would lease property in Pleasants County, West Virginia, for the purpose of drilling exploratory wells for oil and/or gas, and the parties would jointly share in the risk and cost of developing the properties. Throughout the past four years, Plaintiffs have acquired leases and have expended large sums for development and drilling. Contrary to the agreement between the parties, Defendants have not shared in the risk of developing the leased property. Now, four years later, Defendants assert they are entitled to acquire an interest in the leased property and wells drilled and to be drilled and for which, Defendants have not paid.

### **Background Facts**

6. In January 2013, Plaintiffs and Defendants began discussing an agreement, whereby Plaintiff could obtain leases from Defendants and Plaintiffs could drill wells on the leases obtained in Pleasants County.

7. During the course of the discussions, the parties began drafting a written agreement.

8. After negotiating for approximately five months, on or about May 18, 2013, the parties met at the offices of Abstract WV in Pleasants County, West Virginia, to further discuss and finalize their agreement. Abstract WV is a title abstracting company and agent of Defendants. During that meeting, Defendants and/or Defendants' agents typed a new agreement containing 14 separately-numbered terms.

### **The Lease Exchange Agreement**

9. During the May 2013 meeting at Abstract WV, JB Exploration and Blackrock executed the written agreement prepared by Defendants and/or Defendants' agents, herein referred to as the Lease Exchange Agreement ("LEA"). The LEA is attached as Exhibit 1.

10. The LEA provided that either party could obtain leases, but would offer the other an opportunity to participate in any leases acquired. While not expressed in the terms of the LEA, the parties discussed and agreed that the Plaintiffs would offer Defendants the opportunity to participate in drilling wells on the leases in which Defendants acquired an interest. Benedum represented that Defendants would promptly pay their share of the cost to drill all wells. Plaintiffs relied upon Benedum's representation that Defendants would promptly pay their share of the costs in drilling wells as part of the consideration to accept leases assigned by Defendants.

11. The LEA represented an agreement between Blackrock and JB Exploration regarding the leases either party obtained of certain parcels situated in Pleasants County and Tyler County, West Virginia. The parties agreed they would proceed hand-in-hand to acquire and exchange leases and Plaintiffs would drill wells. The parties orally agreed they would enter into a Joint Operating Agreement ("JOA") that would provide more detailed terms for drilling, but left the negotiation of the terms of the JOA for a later day.

12. The LEA was negotiated by the parties, not drafted by an attorney, contradicts itself on its face, and was only part of the agreement, discussions and actions of the parties. The LEA is ambiguous and was modified by the conduct and communications of the parties and was ultimately terminated.

13. The LEA contains no expiration date or term as to the effective dates of the agreement, yet, it was not the intent of the parties to participate in the LEA ad infinitum.

14. In entering into the LEA, Blackrock agreed to furnish an up-to-date map to JB Exploration depicting the tracts that had been abstracted and were ready to lease “within 15 days prior to signing this agreement.” *Id.*

15. Plaintiffs communicated to Defendants that mapping was of paramount importance and Defendants agreed to update weekly the mapping on properties leased. Soon after the parties executed the LEA, Plaintiffs provided mapping software and training for Defendants’ agent, Abstract West Virginia, on how to use the mapping software.

16. In accordance with the LEA, Blackrock agreed to certain other material terms and conditions including, but not limited to, obtaining leases for certain parcels in the Area of Mutual Interest (“AMI”) established by the oral agreements and the LEA, situate in Pleasants County, West Virginia. *Id.*

17. Other material written terms agreed to by Blackrock include, but are not limited to: handling all abstracting, title work, heir-ship documentation, preparing lease packets and executing lease packets and providing all documentation to JB Exploration with regard to the leases Blackrock obtained within the AMI. *Id.*

18. As an additional material term expressed in the LEA, Blackrock also agreed to provide JB Exploration with copies of all work performed on leases, including but not limited to abstractor's notes and basically a complete copy of the lease file, which is referred to herein as the "Lease Packet Information." *Id.*

19. The LEA also provided that each party would obtain leases within the AMI and would offer the leases to the other party, "depending on who obtained the lease, purchase of land, acquisition of minerals or any other transactions completed within the AMI from the date of execution of the LEA with 'No exceptions.'" *Id.* [emphasis in original].

20. The form of lease was subsequently negotiated and agreed to by the parties. The parties agreed to take leases with a term of five years, which means that the lease would expire in five years, unless a well was drilled. Some leases provide that the lease could be extended by another large lease payment to the lessor before the lease expired. Some leases taken did not include the right to extend the lease, and thus, even though the amount paid to the lessor was often hundreds of thousands of dollars, those leases would be worthless unless drilled within five years.

### **The "Earned Interest" and "Buy-In Percentage"**

21. For leases acquired by Blackrock, Blackrock was also required to provide the Lease Packet Information and to obtain clear title before Plaintiffs would purchase the lease from Blackrock. When clear title and the Lease Packet Information was obtained, then for the services that Blackrock provided to complete the lease packets, the LEA provides that Blackrock would retain a percentage in each lease originally obtained by Blackrock (the "Blackrock Earned Interest"). The LEA is incomplete and ambiguous as to the computation of the "Blackrock Earned Interest" but was made clear by the dealings of the parties and modified by communications, the

written spreadsheet “Payment Form” which was the equivalent of a notice and invoice prepared subsequent to the LEA. The spreadsheet Payment Form shows that the Blackrock Earned Interest was calculated by crediting Blackrock in the amount of \$300.00 per net acre against the actual rental paid to the lessors to acquire the lease. For example, if the lease price was \$3,000.00 per net acre then Blackrock would receive an earned interest of 10% in that particular lease. *See*, Exhibit 1.

22. The LEA also provided Blackrock with the option to purchase an additional interest in each lease of “up to 25% of each lease by paying an additional purchase amount which will be figured at 25% of the actual cost of said Lease less any earned percentage” (the “Blackrock Buy-in Percentage”). For example, for a lease obtained by Blackrock, if the lease price was \$3,000.00 per net acre, and the lease contained 300 acres, then the total cost of the lease would be \$900,000.00, all of which would be paid by the Plaintiff. Blackrock’s earned interest was 10% so Blackrock could purchase an additional Buy-in Percentage of 15% in such lease for the price of \$450.00 per net acre, or a total payment from Blackrock to BB Land of \$135,000. *See*, Exhibit 1

23. In the event BB Land originally acquired a lease, Blackrock had the right to purchase an earned interest in such lease by paying \$178.60 per net acre. For example, if BB Land acquired a lease at the lease price of \$1,786.00 per net acre then Blackrock could acquire 10% of such lease by paying to BB Land \$178.60 per net acre (the “BB Land Earned Interest”). Blackrock was also granted the right to purchase additional interest, up to, but not exceeding, 25% by paying a proportionate share of the actual per net acre cost of the lease paid by BB Land (the “BB Land Lease Buy-in Percentage”).

24. In accordance with the LEA for leases acquired by Plaintiffs, Blackrock agreed to tender any payments to JB Exploration for Blackrock's Buy-in Percentage in each lease assigned within 45 days of JB Exploration providing an invoice to Blackrock. *See*, Exhibit 1. Through the written spreadsheet Payment Form and the course of the parties' conduct, this agreement was later modified to require Blackrock to tender payment of the Buy-in Percentage within 60 days after the spreadsheet Payment Form was generated.

25. The LEA further provides that if Blackrock does not tender payment within 45 days of the invoice and/or notice of the lease, interest will accrue at a rate of 6% per year for a period of three months, and if Blackrock has not tendered payment at the expiration of the additional three-month period, then the interest "shall be unavailable for purchase." *See*, Exhibit 1.

26. The detailed information regarding leases acquired by both parties was maintained on the spreadsheet Payment Form that contained a section describing each lease. The spreadsheet was designed to generate a payment date once certain key information was input into certain key columns. Both parties had access to the spreadsheet and input information on the spreadsheet regarding the leases each party acquired. Once the information was input into the spreadsheet Payment Form, the spreadsheet then generated, among other things, the amount due from Blackrock for the Blackrock Buy-in Percentage, the amount due from Blackrock for the BB Land Lease Buy-in Percentage, the date that the buy-in periods expired and the expiration date of the interest accruing period. At this point, the spreadsheet Payment Form became an invoice and notice of the date payments were due. By way of example, the September 1, 2013 spreadsheet Payment Form and email sending a copy of the spreadsheet to Benedum is attached as Exhibit 2.

## **The Lease Assignments**

27. In addition to exchanging drafts of a written agreement to obtain leases of certain tracts and parcels and drill wells, during the month of May, 2013 (both before and after the execution of the LEA), the parties also negotiated a form Lease Agreement and Lease Packet (the "Lease Packet") that was acceptable to Plaintiffs and Blackrock. The Lease Packet included, among other documents, an "Assignment of Oil and Gas Leases" – a sample is attached as Exhibit 3.

28. Either party to the LEA could obtain leases in the AMI and was then required to offer the lease to the other party. If the party timely accepted the offer and paid, the parties would then enter into the Assignment in the Lease Packet agreed to by Blackrock.

29. The course of dealing of the parties indicates that over the next few years, Blackrock obtained leases in the AMI which were accepted by BB Land as Assignee.

30. Conversely, although Blackrock was offered leases obtained by Plaintiffs in the AMI, Blackrock did not accept all the leases in the AMI that were obtained by Plaintiffs. Thus, Blackrock failed to participate monetarily in those leases and failed to accept the risk to develop the leased property.

31. In accordance with the Assignments from Blackrock accepted by Plaintiffs, the Assignor [Blackrock] was to obtain leases, then assign "all of the Assignor's right, title and interest in and to the oil and gas leases, and leasehold estates created . . . and described in Exhibit A" to the Assignee. *See*, Exhibit 3.



32. In accordance with the Assignment, the Assignor “expressly reserve[d] unto itself, its successors and assigns, an interest in each lease set forth . . . in Exhibit A,” but the Assignor also expressly agreed that the Assignee would “*have full control* of the Assignors’ interest within the leases being assigned in Exhibit A.” *See*, Exhibit 3 [emphasis added]. Thus, with regard to the leases that Blackrock assigned to Plaintiffs, per the Assignments, Plaintiffs have full control over Blackrock’s interest in the leased property.

### **The Joint Operating Agreement**

33. The overall deal and ultimate goal of the parties was for BB Land to drill wells to extract oil and/or gas from the leased property. Both BB Land and Defendants agreed to share in the start-up costs in this endeavor. Once the leases were acquired in a contiguous area, the parties understood that they would enter into a Joint Operating Agreement and drilling would begin. Indeed, the LEA states that the parties will “execute any and all other documents necessary or that may be required at a later date.” *See* Exhibit 1.

34. The leases have five-year terms, so in order to realize any value from the leases, it was necessary to obtain permits, construct drilling pads and roads, and drilling had to occur quickly. Time was of the essence.

35. On or about March 17, 2017, BB Land provided Blackrock with a Model Form Operating Agreement (the “JOA”), and requested payment of \$3,143,476.60 for Blackrock’s participation in the wells based on Blackrock’s Earned Interest in the underlying leases. The March 17, 2017 correspondence and JOA are attached as Exhibit 4.

36. The JOA is a standard form used in the oil and gas industry and contains the same provisions as JOAs that have been previously approved and executed by others in the industry.

37. Blackrock objected to the JOA.

38. To date, Blackrock has failed to submit the required payment for participation in the wells.

### **Count I - Breach of Contract**

39. Plaintiffs incorporate by reference each and every allegation set forth in paragraphs 1 through 38 of this Complaint as if each were set out herein in their entirety.

40. The purpose of this deal was to develop oil and/or gas property in Pleasants County and the purpose for the LEA was for both parties to obtain leases in the AMI and have BB Land drill and develop the leased acreage. Defendants' failure to fulfill its obligations under the LEA and the spreadsheet Payment Form have delayed Plaintiffs or its affiliates from drilling and development of the leases and caused monetary damages.

41. Blackrock breached the LEA by failing to comply with material terms and conditions, including but not limited to, failing to provide the following: critical mapping, all documentation of abstracting, title work, heir-ship documentation and executed lease packets.

42. Blackrock continually failed to provide the necessary documentation over the course of several years since the inception of the LEA, thus creating a pattern and practice of breaching the LEA.

43. Plaintiffs provided Blackrock with notice of its failure to comply with the material terms of the LEA.

44. In addition to the material breaches of the LEA, Defendants also failed to timely tender payment for Defendants' Buy-in Percentage of leases to JB Exploration as required by the LEA and the invoice included in the spreadsheet Payment Form. Thus, Blackrock has failed to purchase the additional Buy-in Percentage in all of the leases acquired under the terms of the LEA.

45. Nevertheless, long after payment was required by the terms of the LEA, the invoice included in the spreadsheet Payment Form and the course and conduct of the parties, Blackrock has insisted on obtaining the Buy-in Percentage in the leases within the AMI. Yet, Blackrock has never tendered payment to Plaintiffs for certain leases.

46. Benedum breached the parties' agreement because he owns oil and gas property in Pleasants County that has not been leased by Plaintiffs or offered to Plaintiffs.

47. Plaintiffs have tried on several occasions to resolve reasonably the differences between the parties. Although Defendants have represented on several occasions that they want to purchase the Buy-in Percentage and although Plaintiffs have given Defendants several opportunities to complete the purchase, Defendants have not purchased the Buy-in Percentage and have not tendered any money for drilling.

48. Moreover, Blackrock refused to sign the JOA and has intentionally delayed Plaintiffs' efforts to drill and sell oil and/or gas.

49. Blackrock's actions in both failing to timely tender payments to JB Exploration and to enter into the JOA has significantly impeded or prevented Plaintiffs from drilling or otherwise acquiring oil and/or gas since the inception of the leases and as a result of these material breaches, the LEA is void and terminated.

50. Because Defendants breached both the spirit of the LEA and material terms of the LEA, the LEA and/or any modifications to the LEA are void and Defendants' right to any previously unpurchased Buy-in Percentage of leases in the AMI is terminated.

## **Count II - Declaratory Judgment**

51. Plaintiffs incorporate by reference each and every allegation set forth in paragraphs 1 through 50 of this Complaint as if each were set out herein in their entirety.

52. Pursuant to West Virginia Code § 55-13-1 *et seq.*, Plaintiffs seek a declaration as to the following: (i) that the LEA and/or any modifications of the LEA are void and/or terminated as a result of Blackrock's material breaches; and/or that Plaintiffs terminated the LEA by providing proper notice of termination to Blackrock including, but not limited to, correspondence dated November 1, 2017 and December 11, 2017; and/or void due to a mistake of fact; (ii) that other than the Buy-in Percentage purchased by Blackrock in October and November 2013, Blackrock missed its opportunity to purchase the Buy-in Percentage of the leases within the AMI, and failed to perform its obligations under the LEA as modified by the parties, and those leases are no longer available for the additional Buy-in Percentage; (iii) that Plaintiffs have the right to drill on the property leased by or transferred to them and Blackrock has no right to delay development or production of the leased acreage; and (iv) that by failing to execute a JOA and submit the payment for participation in the wells on the leased tracts, Defendants have forfeited

any rights to benefit from wells drilled on the leases for which Defendants have not paid, and (iv) that Defendants must pay its share of the drilling cost of wells yet to be drilled at the time drilling begins or forfeit all right to participate in such wells.

53. In additions to the reasons that support a declaration terminating and/or voiding the LEA, the Court should declare the LEA and/or any modifications to the LEA void and/or terminated due to frustration of purpose. The purpose of the LEA was to acquire leases and drill horizontal Marcellus and Utica oil and gas wells. Yet, Defendants have failed to participate, instructed Plaintiffs not to drill, and have caused expensive delays in completion of the process.

54. The leases must be drilled to realize any value from the five-year leases the parties agreed to exchange. Defendants' breaches of the agreements and failure to negotiate to reach a fair resolution regarding the drilling and completion of the wells totally frustrates the purposes of the agreements between the parties which, justifies termination of the LEA and/or any modifications to the LEA, and a declaration that Defendants are not entitled to receive any revenue or own any interest in any well Plaintiff causes to be drilled in the AMI area.

55. In the alternative to declaring the LEA and/or any modifications to the LEA void and/or terminated due to breach, notice of termination or frustration of purpose, the Court should declare that the LEA is void due to a mutual mistake of fact in that the LEA does not contain a term or termination clause. It was not the intent of the parties to participate in the LEA ad infinitum.

### **Count III - Reformation of Contract**

56. Plaintiffs incorporate by reference each and every allegation set forth in paragraphs 1 through 56 of this Complaint as if each were set out herein in their entirety.

57. As the dealings of the parties progressed, Plaintiffs notified Defendants that Plaintiffs had narrowed the scope of planned drilling in Pleasants County, and the AMI area, to McKim, Lafayette and Union Districts of Pleasants County. Defendants did not object to the notice, nor otherwise contend that other areas would continue to be subject to the AMI.

58. The parties agreed, pursuant to Plaintiff's rights under paragraph (7) of the LEA and/or the parties' course of dealing, to limit the AMI area under the LEA to a drilling area within McKim, Lafayette and Union Districts of Pleasants County.

59. Nevertheless, Defendants have taken the absurd position that the LEA places an obligation on Plaintiffs to purchase every lease acquired in the AMI, regardless of whether Plaintiff intends to drill on the leases or has any other use for the leases, and notwithstanding the course of dealings, notices to Defendants, nor the five-year term of the leases. Drilling all of the leases that could be obtained in Pleasants County within the five-year terms of those leases is impossible. If the Court is not inclined to void and/or terminate the LEA and/or any modifications to the LEA and to the extent the Court finds that the LEA is ambiguous, unconscionable and/or does support Defendants' position, the Court should reform the LEA to limit the AMI to McKim, Lafayette and Union Districts of Pleasants County and require Defendants to timely pay any share of drilling and exploration costs in wells in which Defendants may have an interest by virtue of partial lease ownership.

#### **Count IV – Tortious Interference with Contracts**

60. Plaintiffs incorporate by reference each and every allegation set forth in paragraphs 1 through 59 of this Complaint as if each were set out herein in their entirety.

61. As set forth above, Plaintiffs have acquired numerous leases for property in Pleasants County. Those leases are for a 5-year term and some will soon expire. Defendants' notice to Plaintiffs not to drill, and failure to execute a JOA, are intentional acts of interference by Defendants that have caused harm and damage to Plaintiffs because leases for which Plaintiffs paid substantial consideration will expire.

62. Defendants have taken the absurd position that Plaintiffs can't drill on the leased property despite the fact that the Lease Assignments (agreed to and executed by Defendants) specifically grant Plaintiffs with "full control" over Defendants' interest in the assigned leases. Defendants' absurd position has caused unnecessary delay in the development of the leased acreage and is another separate act of intentional interference with Plaintiffs' contractual relationship with lessors of the leased acreage.

63. As a result of Defendants' tortious interference with Plaintiffs' leases, Plaintiffs are entitled to damages for lost profits, interest on their investment, punitive damages and any other damages caused by such interference.

### **Count V – Fraud in the Inducement**

64. Plaintiffs incorporate by reference each and every allegation set forth in paragraphs 1 through 63 of this Complaint as if each were set out herein in their entirety.

65. Defendants fraudulently represented to Plaintiffs that Defendants would participate in the leases obtained by Plaintiffs. Defendants also fraudulently represented to Plaintiffs that Defendants would contribute financially to develop wells on the leased property. Based on Defendants' fraudulent representations, Plaintiffs entered into the LEA and other

agreements with Defendants. However, as set forth above, Defendants consistently breached the LEA and other agreements and did not participate in leases or drilling and exploration as agreed. Thus, Defendants' representations were untrue.

66. Defendants' fraudulent representation that Defendants would share in the cost of the leases and the cost to acquire oil and/or gas from the leased acreage induced Plaintiffs to obtain leases on their own in the AMI.

67. As a result of Defendants' fraudulent representations, Plaintiffs have suffered damages including, but not limited to: the price of the leased acreage, lost profits and lost opportunities to obtain oil and/or gas, other consequential damages incurred in obtaining permits and taking all steps to develop the leased acreage only to be blocked by Defendants' demands to participate (without payment) and other antics. Plaintiffs are also entitled to punitive damages.

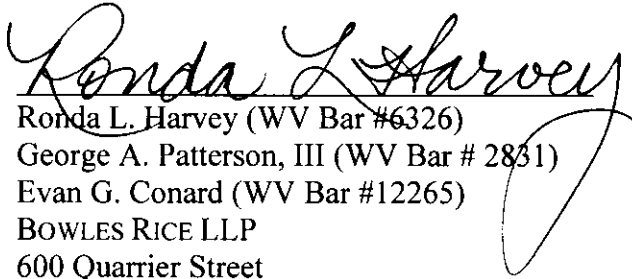
WHEREFORE, Plaintiffs request the following relief:

- a) Compensatory damages for past, present and future losses;
- b) A declaration that the Lease Exchange Agreement and/or any modifications to the Lease Exchange Agreement are void and/or terminated and the parties are released from all obligations under that Agreement; or in the alternative establish a reasonable termination date for the Lease Exchange Agreement;
- c) Punitive damages;
- d) Prejudgment and post-judgment interests;



- e) Any further general or specific relief as may become apparent through this litigation.

**BB LAND, LLC and  
JB EXPLORATION 1, LLC  
By Counsel**



Ronda L. Harvey (WV Bar #6326)

George A. Patterson, III (WV Bar # 2831)

Evan G. Conard (WV Bar #12265)

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600 Quarrier Street

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[rh Harvey@bowlesrice.com](mailto:rh Harvey@bowlesrice.com)



### AGREEMENT

This Lease Acquisition Agreement (this "Agreement"), executed May 18, 2013, (the "Execution Date"), effective as of 5/18/13, 2013 (the "Effective Date"), between Blackrock Enterprises, LLC, party of the first part, hereinafter referred to as "Blackrock", and JB Exploration 1, LLC, party of the second part, hereinafter referred to as "JB"

WHEREAS, party of the first part has completed significant abstracts on parcels outlined on the attached Exhibit "A", and referred to as the Area of Mutual Interest (AMI), situate in Pleasants County and Tyler County, West Virginia.

WHEREAS, party of the first part wishes to lease the tracts or parcels situate in the AMI; and, party of second part desires to participate in the leasing of said tracts or parcels.

NOW THEREFORE, in consideration of the sum of One Dollar (\$1.00) cash in hand paid and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, parties hereto agree to the following conditions, to-wit:

1. Blackrock shall furnish an up to date map to JB depicting the tracts that have been abstracted and ready to lease within 15 days prior to signing this agreement. Blackrock agrees to furnish an updated copy, electronically, of said map on a weekly basis. JB shall supply all components of the digital mapping system to Blackrock for information flow on a weekly basis.
2. Blackrock will begin to take leases on the tracts or parcels depicted on Exhibit "A" using a Lease Agreement that is approved by both Blackrock and JB. Any tract leased within the AMI will be subject to this Agreement and will be offered to JB or Blackrock, depending on who obtains the lease(s), purchase of land, acquisition of minerals or any other transactions completed within this area from the date of execution of this Agreement. No exceptions.
3. Blackrock shall provide certified title from an attorney acceptable to JB, and who shall have a title insurance policy with the minimum amount of \$4 million coverage and that will apply to each title opinion provided.
4. Blackrock shall handle all of the abstracting, title work, heir-ship documentation [when applicable], preparation of the Lease Packet, as depicted by JB, and getting said Leases executed. JB shall receive copies of all work performed on leases, including but not limited to abstractor's notes, work product, basically a complete copy of each file.
5. All mineral owners shall execute both a Memorandum of Lease and an Oil and Gas Lease, in duplicate, setting forth all terms and conditions. Mineral owners will be given \$10.00 and a receipt upon signing. The Memorandum of Lease shall be recorded in the proper County, once title is clear, and the original lease shall be sent to JB's New Jersey Office address along with the certified title, via United States Postal Service, or other arrangements as agreed upon by JB and Blackrock.
6. JB agrees to provide funding for payment of all rentals to mineral owners, once all information is received by JB.
7. Blackrock agrees to provide all information for rentals to be paid, as needed, to JB's New Jersey Office by using the Payment Form listed on Exhibit "B" attached hereto. These

requirements may change from time to time, as determined by JB. JB agrees to notify Blackrock via certified mail, of any requirement changes.

8. Blackrock agrees to assign unto JB all Lease Agreements obtained in the AMI after payment of rentals have been paid pursuant to item 6. herein. Blackrock shall be entitled to retain a percentage of each Lease Agreement, which will be calculated upon the price per acre paid to acquire said Lease which is more particularly described in item 9.
9. Blackrock shall be credited \$300.00 per net acre on mineral leases, regardless of price per net acre paid. This shall be accomplished by:
  - a. Memorandum of lease recorded in proper county
  - b. Title Opinion
  - c. Original lease sent to JB's NJ office with "rental request" as defined by JB.
  - d. Assignment from Blackrock to JB, done on a rental request period, for the appropriate amount of "earned" interest, as defined above. Net effect is that JB will receive an assignment of the net interest due to JB, and Blackrock will retain their "earned" interest.
10. Blackrock shall acquire an earned percentage in each lease for services referred to in item 4. Blackrock shall acquire up to 25% of each lease by paying an additional purchase amount which will be figured at 25% of the actual cost of said Lease less any earned percentage.
11. JB shall create an invoice within 30 days after receipt of the Payment Form, and after rentals are paid, listed on Exhibit "B" and referred to in item 7. herein. Blackrock shall have 45 days upon receipt of said invoice to tender payment to JB. Upon receipt of payment, JB will assign the additional "purchased" interest to Blackrock. Any payment due and owing to JB and not paid within 45 days shall accrue at 6% interest per year for a maximum of three (3) months. If the unpaid balance is not paid within the above time period (45 days from invoice receipt and 3 additional months) then the "purchased" interest shall be unavailable for purchase and JB shall retain all rights to the additional "purchased" interest, to forever hold, at JB's sole discretion. Blackrock agrees to notify JB in writing within said 45 day period if Blackrock desires not to exercise its right to acquire the Additional Percentage. Blackrock is not required to make said purchase; it is solely Blackrock's decision.
12. The AMI area is defined on exhibit "A". it is understood that JB may enter into this AMI area to obtain leases in the future. JB and Blackrock agree to work side by side. If JB does decide to obtain leases within the AMI area and does all of the required work, as defined in paragraph 4, then Blackrock will receive an invoice for \$178.60 per net acre leased, once rentals are paid, to obtain it's proportionate share of previous "earned" percentage. Blackrock will be furthered be allowed to purchase "additional" interests for up to 25%, based upon a calculation of dollars per net acre paid. Paragraph 11 shall dictate the payment terms for the payment. It shall be Blackrocks sole discretion to accept or reject these JB acquired interests.
13. JB or Blackrock may set up different companies to park these interests within.
14. This agreement does not constitute a partnership. JB and Blackrock, or their parking entities, will be considered separate and distinct entities.

Both Blackrock and JB agree to execute any and all other documents necessary or that may be required at a later date.

This agreement and all the provisions thereof shall apply to and be binding upon the successors and assigns of the respective parties.

Notices to JB:

JB Exploration LLC  
c/o DMRB  
1720 Route 22 East  
Union NJ 07083  
Debbie Morgan

Notices to Blackrock:

Blackrock Enterprises, LLC  
c/o Michael Benedum  
PO Box 342  
Salem WV 26426

WITNESS the following signatures:

**Blackrock Enterprises, LLC**

Michael Benedum MM 5-18-13  
Michael Benedum, Managing Member Date

Print Name: Michael Benedum

**JB Exploration 1, LLC**

Randy Broda  
Randy Broda, Managing Member

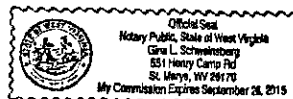
5/15/13  
Date

Print Name: Randy Broda

STATE OF WEST VIRGINIA,

COUNTY OF PLEASTANTS, TO-WIT;

The foregoing instrument was acknowledged before me this 18th day of May, 2013, by Michael Benedum, Managing Member of Blackrock Enterprises, LLC, on behalf of said company.



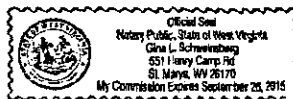
My Commission Expires: 9/26/2015

Gina L. Schweinsburg  
Notary Public

STATE OF WEST VIRGINIA,

COUNTY OF PLEASTANTS, TO-WIT;

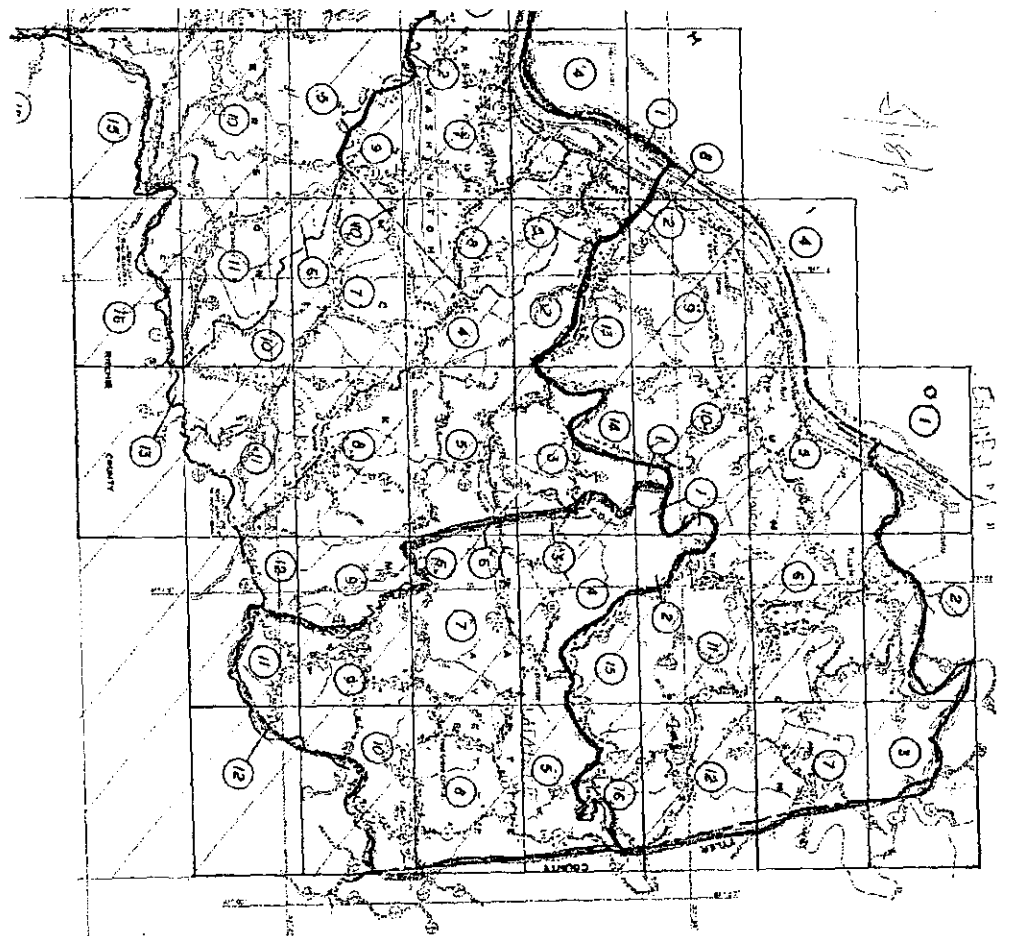
The foregoing instrument was acknowledged before me this 18th day of May, 2013, by Randy Broda, Managing Member of JB Exploration 1, LLC, on behalf of said company.



My Commission Expires: 9/26/2015

Gina L. Schweinsburg  
Notary Public











[illegible]



[illegible]



[illegible]

[illegible]

[illegible]





Brian Paugh

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From: Sarah Morrison-Hacker <hacker\_sarah@yahoo.com>  
Sent: Monday, September 09, 2013 4:59 PM  
To: Brian Paugh; Randy Broda; Mike Beredum  
Cc: Gina  
Subject: spreadsheet trial  
Attachments: 8BlairRentalrequest 9-6-13.xls

Brian,

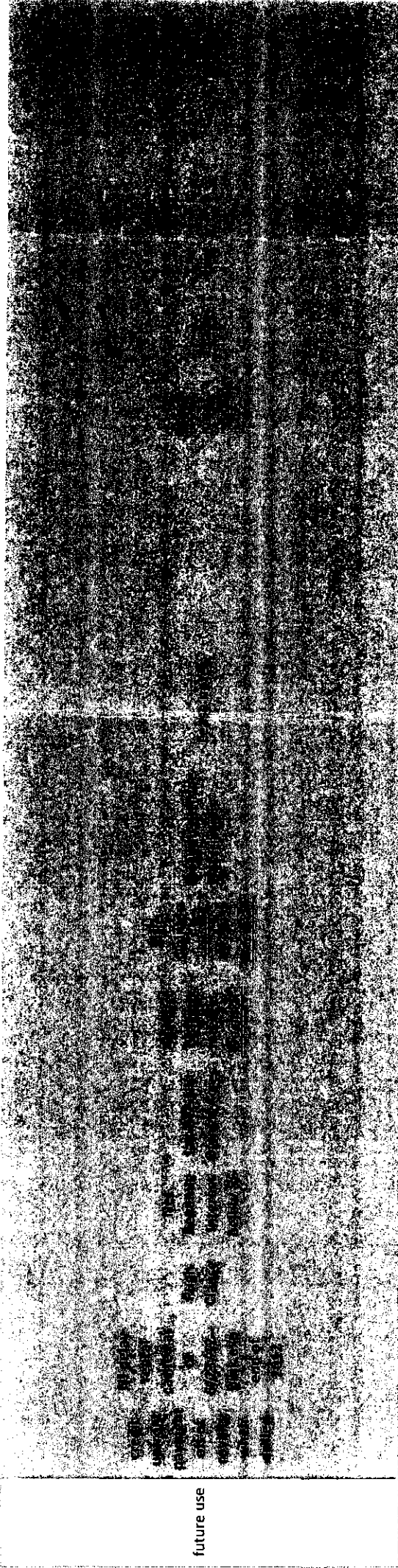
I have attached the spreadsheet with more entries. I have highlighted in green one of the deeds we have taken so you could easily review that entry, as well as the Shingleton leases. These were paid for by Mike. I am not sure there is a way to enter these so that he is credited with the full amount. This might be food for thought for our meeting next week. I have a couple deeds that he paid for as well that I will add to this as soon as I get all of the info. I believe this is my entire September rentals due.

Sarah

**Sarah J. Hacker**

**Abstract WV LLC**  
P. O. Box 444  
Belmont, WV 26134  
304-665-1100 phone  
304-665-1134 fax

姓名	性别	年龄	籍贯	民族	文化程度	职业	住址	电话	备注
王德胜	男	45	山东	汉族	高中	工人	济南市	1234	
李秀英	女	38	河北	汉族	初中	教师	石家庄市	5678	
张国强	男	52	河南	汉族	大学	医生	郑州市	9012	
刘小红	女	28	四川	汉族	高中	学生	成都市	3456	
陈为民	男	40	广东	汉族	初中	农民	广州市	7890	
赵子龙	男	35	湖南	汉族	高中	干部	长沙市	2345	
周大伟	男	50	湖北	汉族	大学	教授	武汉市	6789	
吴小芳	女	30	浙江	汉族	初中	售货员	杭州市	1011	
孙志刚	男	42	安徽	汉族	高中	工人	合肥市	1213	
郑晓琳	女	25	江西	汉族	初中	学生	南昌市	1415	
冯国强	男	48	山西	汉族	大学	工程师	太原市	1617	
马小梅	女	33	陕西	汉族	高中	教师	西安市	1819	
朱为民	男	55	甘肃	汉族	初中	农民	兰州市	2021	
周大平	男	40	宁夏	汉族	高中	干部	银川市	2223	
吴小华	女	28	内蒙古	汉族	初中	学生	呼和浩特市	2425	
孙志刚	男	45	新疆	汉族	大学	医生	乌鲁木齐市	2627	
郑晓琳	女	30	广西	汉族	高中	售货员	南宁市	2829	
冯国强	男	50	海南	汉族	初中	工人	海口市	3031	
马小梅	女	25	重庆	汉族	高中	学生	重庆市	3233	
朱为民	男	42	贵州	汉族	初中	农民	贵阳市	3435	
周大平	男	48	云南	汉族	大学	教授	昆明市	3637	
吴小华	女	33	四川	汉族	高中	教师	成都市	3839	
孙志刚	男	55	湖北	汉族	初中	工人	武汉市	4041	
郑晓琳	女	28	湖南	汉族	高中	学生	长沙市	4243	
冯国强	男	40	广东	汉族	初中	售货员	广州市	4445	
马小梅	女	35	浙江	汉族	大学	工程师	杭州市	4647	
朱为民	男	45	安徽	汉族	高中	工人	合肥市	4849	
周大平	男	50	江西	汉族	初中	学生	南昌市	5051	
吴小华	女	25	山西	汉族	高中	教师	太原市	5253	
孙志刚	男	30	陕西	汉族	初中	农民	西安市	5455	
郑晓琳	女	40	甘肃	汉族	大学	教授	兰州市	5657	
冯国强	男	45	宁夏	汉族	高中	干部	银川市	5859	
马小梅	女	35	内蒙古	汉族	初中	学生	呼和浩特市	6061	
朱为民	男	50	新疆	汉族	高中	售货员	乌鲁木齐市	6263	
周大平	男	25	广西	汉族	初中	工人	南宁市	6465	
吴小华	女	30	海南	汉族	高中	学生	海口市	6667	
孙志刚	男	40	重庆	汉族	初中	教师	重庆市	6869	
郑晓琳	女	45	贵州	汉族	高中	售货员	贵阳市	7071	
冯国强	男	50	云南	汉族	初中	工人	昆明市	7273	
马小梅	女	25	四川	汉族	高中	学生	成都市	7475	
朱为民	男	30	湖北	汉族	初中	教师	武汉市	7677	
周大平	男	40	湖南	汉族	高中	售货员	长沙市	7879	
吴小华	女	50	广东	汉族	初中	工人	广州市	8081	
孙志刚	男	25	浙江	汉族	高中	学生	杭州市	8283	
郑晓琳	女	30	安徽	汉族	初中	教师	合肥市	8485	
冯国强	男	40	江西	汉族	高中	售货员	南昌市	8687	
马小梅	女	50	山西	汉族	初中	工人	太原市	8889	
朱为民	男	25	陕西	汉族	高中	学生	西安市	9091	
周大平	男	30	甘肃	汉族	初中	教师	兰州市	9293	
吴小华	女	40	宁夏	汉族	高中	干部	银川市	9495	
孙志刚	男	45	内蒙古	汉族	初中	学生	呼和浩特市	9697	
郑晓琳	女	30	新疆	汉族	高中	售货员	乌鲁木齐市	9899	
冯国强	男	50	广西	汉族	初中	工人	南宁市	1011	
马小梅	女	25	海南	汉族	高中	学生	海口市	1012	
朱为民	男	30	重庆	汉族	初中	教师	重庆市	1013	
周大平	男	40	贵州	汉族	高中	售货员	贵阳市	1014	
吴小华	女	50	云南	汉族	初中	工人	昆明市	1015	
孙志刚	男	25	四川	汉族	高中	学生	成都市	1016	
郑晓琳	女	30	湖北	汉族	初中	教师	武汉市	1017	
冯国强	男	40	湖南	汉族	高中	售货员	长沙市	1018	
马小梅	女	50	广东	汉族	初中	工人	广州市	1019	
朱为民	男	25	浙江	汉族	高中	学生	杭州市	1020	
周大平	男	30	安徽	汉族	初中	教师	合肥市	1021	
吴小华	女	40	江西	汉族	高中	售货员	南昌市	1022	
孙志刚	男	50	山西	汉族	初中	工人	太原市	1023	
郑晓琳	女	25	陕西	汉族	高中	学生	西安市	1024	
冯国强	男	30	甘肃	汉族	初中	教师	兰州市	1025	
马小梅	女	40	宁夏	汉族	高中	售货员	银川市	1026	
朱为民	男	50	内蒙古	汉族	初中	工人	呼和浩特市	1027	
周大平	男	25	新疆	汉族	高中	学生	乌鲁木齐市	1028	
吴小华	女	30	广西	汉族	初中	教师	南宁市	1029	
孙志刚	男	40	海南	汉族	高中	售货员	海口市	1030	
郑晓琳	女	50	重庆	汉族	初中	工人	重庆市	1031	
冯国强	男	25	贵州	汉族	高中	学生	贵阳市	1032	
马小梅	女	30	云南	汉族	初中	教师	昆明市	1033	
朱为民	男	40	四川	汉族	高中	售货员	成都市	1034	
周大平	男	50	湖北	汉族	初中	工人	武汉市	1035	
吴小华	女	25	湖南	汉族	高中	学生	长沙市	1036	
孙志刚	男	30	广东	汉族	初中	教师	广州市	1037	
郑晓琳	女	40	浙江	汉族	高中	售货员	杭州市	1038	
冯国强	男	50	安徽	汉族	初中	工人	合肥市	1039	
马小梅	女	25	江西	汉族	高中	学生	南昌市	1040	
朱为民	男	30	山西	汉族	初中	教师	太原市	1041	
周大平	男	40	陕西	汉族	高中	售货员	西安市	1042	
吴小华	女	50	甘肃	汉族	初中	工人	兰州市	1043	
孙志刚	男	25	宁夏	汉族	高中	学生	银川市	1044	
郑晓琳	女	30	内蒙古	汉族	初中	教师	呼和浩特市	1045	
冯国强	男	40	新疆	汉族	高中	售货员	乌鲁木齐市	1046	
马小梅	女	50	广西	汉族	初中	工人	南宁市	1047	
朱为民	男	25	海南	汉族	高中	学生	海口市	1048	
周大平	男	30	重庆	汉族	初中	教师	重庆市	1049	
吴小华	女	40	贵州	汉族	高中	售货员	贵阳市	1050	
孙志刚	男	50	云南	汉族	初中	工人	昆明市	1051	
郑晓琳	女	25	四川	汉族	高中	学生	成都市	1052	
冯国强	男	30	湖北	汉族	初中	教师	武汉市	1053	
马小梅	女	40	湖南	汉族	高中	售货员	长沙市	1054	
朱为民	男	50	广东	汉族	初中	工人	广州市	1055	
周大平	男	25	浙江	汉族	高中	学生	杭州市	1056	
吴小华	女	30	安徽	汉族	初中	教师	合肥市	1057	
孙志刚	男	40	江西	汉族	高中	售货员	南昌市	1058	
郑晓琳	女	50	山西	汉族	初中	工人	太原市	1059	
冯国强	男	25	陕西	汉族	高中	学生	西安市	1060	
马小梅	女	30	甘肃	汉族	初中	教师	兰州市	1061	
朱为民	男	40	宁夏	汉族	高中	售货员	银川市	1062	
周大平	男	50	内蒙古	汉族	初中	工人	呼和浩特市	1063	
吴小华	女	25	新疆	汉族	高中	学生	乌鲁木齐市	1064	
孙志刚	男	30	广西	汉族	初中	教师	南宁市	1065	
郑晓琳	女	40	海南	汉族	高中	售货员	海口市	1066	
冯国强	男	50	重庆	汉族	初中	工人	重庆市	1067	
马小梅	女	25	贵州	汉族	高中	学生	贵阳市	1068	
朱为民	男	30	云南	汉族	初中	教师	昆明市	1069	
周大平	男	40	四川	汉族	高中	售货员	成都市	1070	
吴小华	女	50	湖北	汉族	初中	工人	武汉市	1071	
孙志刚	男	25	湖南	汉族	高中	学生	长沙市	1072	
郑晓琳	女	30	广东	汉族	初中	教师	广州市	1073	
冯国强	男	40	浙江	汉族	高中	售货员	杭州市	1074	
马小梅	女	50	安徽	汉族	初中	工人	合肥市	1075	
朱为民	男	25	江西	汉族	高中	学生	南昌市	1076	
周大平	男	30	山西	汉族	初中	教师	太原市	1077	
吴小华	女	40	陕西	汉族	高中	售货员	西安市	1078	
孙志刚	男	50	甘肃	汉族	初中	工人	兰州市	1079	
郑晓琳	女	25	宁夏	汉族	高中	学生	银川市	1080	
冯国强	男	30	内蒙古	汉族	初中	教师	呼和浩特市	1081	
马小梅	女	40	新疆	汉族	高中	售货员	乌鲁木齐市	1082	
朱为民	男	50	广西	汉族	初中	工人	南宁市	1083	
周大平	男	25	海南	汉族	高中	学生	海口市	1084	
吴小华	女	30	重庆	汉族	初中	教师	重庆市	1085	
孙志刚	男	40	贵州	汉族	高中	售货员	贵阳市	1086	
郑晓琳	女	50	云南	汉族	初中	工人	昆明市	1087	
冯国强	男	25	四川	汉族	高中	学生	成都市	1088	
马小梅	女	30	湖北	汉族	初中	教师	武汉市	1089	
朱为民	男	40	湖南	汉族	高中	售货员	长沙市	1090	
周大平	男	50	广东	汉族	初中	工人	广州市	1091	
吴小华	女	25	浙江	汉族	高中	学生	杭州市	1092	
孙志刚	男	30	安徽	汉族	初中	教师	合肥市	1093	
郑晓琳	女	40	江西	汉族	高中	售货员	南昌市	1094	
冯国强	男	50	山西	汉族	初中	工人	太原市	1095	
马小梅	女	25	陕西	汉族	高中	学生	西安市	1096	
朱为民	男	30	甘肃	汉族	初中	教师	兰州市	1097	
周大平	男	40	宁夏	汉族	高中	售货员	银川市	1098	
吴小华	女	50	内蒙古	汉族	初中	工人	呼和浩特市	1099	
孙志刚	男	25	新疆	汉族	高中	学生	乌鲁木齐市	1100	



Rockford Deals Listed Below--use as template for BB Land LLC acquired acreage

			Y	0.98000	530.00	0.898300	0.898300	Assignment	Assignor reserves 2% ORRI; This assignment was from Rockford Energy LLC	P3000	Rockford Energy LLC	
				0.87500	-	0.898300	0.898300	Governing Lease	This assignment was from Rockford Energy LLC	P3000	Frank	J.
			Y	0.98000	213.75	1.000000	1.000000	Assignment	Assignor reserves 2% ORRI; This assignment was from Rockford Energy LLC	P5000	Rockford Energy LLC	
			Y	0.85000	-	1.000000	1.000000	Governing Lease	This assignment was from Rockford Energy LLC	P5000	Paul	James & St
			Y	0.85000	-	1.000000	1.000000	Governing Lease	This assignment was from Rockford Energy LLC	P5000	Paul	James & St
			Y	0.85000	-	1.000000	1.000000	Governing Lease	This assignment was from Rockford Energy LLC	P5000	Patrick	
			Y	0.85000	-	1.000000	1.000000	Governing Lease	This assignment was from Rockford Energy LLC	P5000	Denzil	Larry

BB Land Deals Listed Below--use as template for Benedum acquired acreage

N	0.85000	111.28			1.000000	Lease	Benedum AMI: Leased on 'Blackrock' form pi	Provisions: Need to As William	C.
N	0.85000	16.86			0.500000	Lease	Benedum AMI: Leased on 'Blackrock' form pi	Provisions: Need to As William	C.
N	0.85000	1.60	1.000000		1.000000	Lease	Benedum AMI: No special conditions; nothin	No Special	
N	0.86500	23.11	0.500000		0.500000	Lease	Benedum AMI: No special conditions; nothin	No Special	H.
N	0.86500	12.64	1.000000		1.000000	Lease	Benedum AMI: Special Conditions: No Surfac	No Special	
N	1.00000	1.85	0.020800		0.020800	Deed	Benedum AMI: No Cert. Title Conf.	None	
N	0.86500	87.77	1.000000		1.000000	Lease	Benedum AMI: Leased on 'Blackrock' form prior to use c	Need to As Winnie M. and Phillip L.	
N	0.86500	0.37	1.000000		1.000000	Lease	Benedum AMI: Monies coming due hereund	None	

Last	Address	Address 2	City	State	Zip	Telephone Number	Date Started	Date	County	Balance
	P.O. Box 457		Lost Creek	WV	26385		7/10/2013			
Barron and the First National Bank of St. Marys	P.O. Box 457		Lost Creek	WV	26385		9/27/1963	113/123		
Hooper	1701 Hebron Road		Saint Mary's	WV	26170-7004		8/12/2013			
Hooper	1701 Hebron Road		Saint Mary's	WV	26170-7004		4/6/2012	286/147		
Hooper	312 Morgan Avenue		Saint Mary's	WV	26170-7004		7/6/2012	287/77		4/17/2012
Hooper	P.O. Box 5176		Vienna	WV	26105-5176		4/6/2012	286/145		7/6/2012
							4/6/2012	286/149		4/17/2012
Winland	391 Federal Ridge Rd.		St. Mary's	WV	26170	304-684-2391	5/30/2013			
Winland	391 Federal Ridge Rd.		St. Mary's	WV	26170	304-684-2391	5/30/2013			
Satterfield	8685 Hebron Road		St. Mary's	WV	26170	304-684-3741	6/12/2013			
Renner	2578 Cedar Run Road		Friendly	WV	26146	304-684-7803	6/25/2013			
Ritchea	8735 Hebron Road		St. Mary's	WV	26170	304-684-5650	6/24/2013			
Howell	40 Dora Drive		Martinsburg	WV	25405		8/31/2013			
Shingleton	313 Shingleton Ridge Road		St. Mary's	WV	26170	304-684-7895	4/24/2013			
Shingleton	313 Shingleton Ridge Road		St. Mary's	WV	26170	304-684-7895	6/24/2013			

Jefferson	Pleasants	10	31, 32	590.00
Jefferson	Pleasants	10	31, 32	590.00
McKim	Pleasants	5	5.1, 46, 47,	213.75
McKim	Pleasants	5	45, 47, 48,	160.9052
McKim	Pleasants	5	46	20
McKim	Pleasants	5	47.1	14.606
McKim	Pleasants	5	42, 45.1	18.23884
Lafayette	Pleasants	4 & 7	25.1, 27.6, :	134.307
Lafayette	Pleasants	4	26, 26.2,	40.693
Lafayette	Pleasants	7	51	2
Union	Pleasants	3	22	55.44
Lafayette	Pleasants	4 & 7	8 & 5.3, 5.4, :	16.084
McKim	Pleasants	11	6, 6.1	103.18
Lafayette	Pleasants	7	21	125.385
Lafayette	Pleasants	7	48	0.53



the  
members  
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moving to  
advised  
the  
the  
member  
organization  
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to  
6/2/2013

Benedum- date for BB Land to make rental payments	Benedum earned % no payment	Benedum additional %-requires payment	Benedum payment for additional % in 45 days from rental request	Benedum due date for additional interest at 45 days	Benedum check #- when received by NJ	Benedum payment for additional % in 135 days from rental request	Benedum due date for additional interest at 135 days	Benedum check #- when received by NJ	Benedum total %	Total net owned acres	Benedum Net owned acres	Jay Bee Net owned acres	Date of assignment from Benedum to BB Land,LLC
8/28/2013	17.14286%	7.85714%	\$18,467.21	10/12/2013		\$18,877.03	1/10/2014		17.14%	134.307	23.024057	111.282943	8/28/2013
8/28/2013	17.14286%	7.85714%	\$2,797.64	10/12/2013		\$2,859.73	1/10/2014		17.14%	20.3465	3.4879714	16.8585286	8/28/2013
9/10/2013	20.00000%	5.00000%	\$150.00	10/25/2013		\$153.33	1/23/2014		20.00%	2	0.4	1.6	9/10/2013
9/23/2013	16.63192%	8.36808%	\$4,184.06	11/7/2013		\$4,276.91	2/5/2014		16.63%	27.72	4.6103695	23.1096305	9/23/2013
9/22/2013	21.42857%	3.57143%	\$804.20	11/6/2013		\$822.05	2/4/2014		21.43%	16.084	3.4465714	12.6374286	9/22/2013
9/30/2013	13.71899%	11.28101%	\$529.43	11/14/2013		\$541.18	2/12/2014		13.72%	2.146144	0.2944293	1.85171473	9/30/2013
9/30/2013	30.00000%	-5.00000%	-\$6,269.25			-\$6,408.38			30.00%	125.385	37.6155	87.7695	9/30/2013
	30.00000%	-5.00000%	-\$26.50			-\$27.09			30.00%	0.53	0.159	0.371	

% in assignment from Benedum to BB Land LLC	book/page #	Date of assignment for additional interest from BB Land LLC to Benedum	% in assignment from BB Land LLC to Benedum-IF PAID	book/page #	[REDACTED]				Date rentals paid by BB Land LLC	ami area-BB Land LLC acquires amount of net acres	ami area-BB Land LLC acquires --- % of lease to Benedum at 178.60 per net acre	ami area-BB Land LLC acquires--- payment amount from benedum to BB Land LLC within 60 days-title plus rentals for 178.60 plus rentals	Benedum check #-when received by NJ	Due Date for ALL Benedum payments	ami area-BB Land LLC acquires--- payment amount from benedum to BB Land LLC within 60 days-title plus rentals for 25%--title plus rentals
---	-------------	--	---	-------------	------------	--	--	--	----------------------------------	---	--	---	-------------------------------------	-----------------------------------	---

7/10/2013	530.00	11.9066%	\$ 105,927.94	0.0000%	13.0934%	\$ 116,486.63	9/8/2013
8/12/2013	213.75	8.9300%	\$ 79,446.48	0.0000%	16.0700%	\$ 142,968.08	10/11/2013

82.85714%	30 days from	7.8571%
82.85714%	30 days from	7.8571%
80.00000%	30 days from	5.0000%
83.36808%	30 days from	8.3681%
78.57143%	30 days from	3.5714%
86.28101%	30 days from	11.2810%
70.00000%	30 days from	-5.0000%
70.00000%		-5.0000%



after payment % for additional % allowed	Benedum total %	Total net owned acres	Benedum Net owned acres	Jay Bee Net owned acres	Date of assignment from Benedum to BB Land,LLC	% in assignment from Benedum to BB Land LLC	book/pag e #
0.0000%	0.0000%	530.00	0.00	530.00	30 days from	0.0000%	
0.0000%	0.0000%	213.75	0.00	213.75	30 days from	0.0000%	



## ASSIGNMENT OF OIL AND GAS LEASES

This Assignment of Oil and Gas Leases ("Assignment") is made this \_\_\_\_ day of \_\_\_\_\_, 2013, by and between BLACKROCK ENTERPRISES, LLC, a West Virginia limited liability company ("Assignor"), and BB LAND, LLC, a West Virginia limited liability company ("Assignee").

NOW WITNESSETH THAT for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, Assignor hereby ASSIGNS, TRANSFERS AND SETS OVER unto Assignee all of the Assignor's right, title and interest, in and to the oil and gas leases, and the leasehold estates created thereby ("Leases"), set forth and described on Exhibit "A" attached hereto and made a part hereof by reference.

This Assignment is made by the Assignor and accepted by the Assignee upon and subject to the following terms and conditions:

1. The Assignor expressly reserves unto itself, its successors and assigns, an interest in each lease, set forth and further described in Exhibit "A" attached hereto and made a part hereof by reference. Assignor agrees that the Assignee shall have full control of the Assignors interest within the leases being assigned in "Exhibit A".
2. The Assignee assumes and agrees to pay, subject to its right of surrender, as and when due from and after the date hereof, all delay rentals and other payments due to lessors in the Leases for so long as the Assignee shall have the right to drill for, extract, remove or market oil and/or gas from the lands described in such Leases.
3. This Assignment shall be construed in accordance with the laws of the State of West Virginia.
4. This Assignment shall be binding upon the respective parties hereto, their respective successors and assigns.

IN WITNESS WHEREOF, Assignor and Assignee have each caused their respective names to be hereunto signed by their proper officer thereunto duly authorized:

**ASSIGNOR:**

BLACKROCK ENTERPRISES, LLC

By: \_\_\_\_\_

Michael L. Benedum

Its: Managing Member

**ASSIGNEE:**

BB LAND, LLC

By: \_\_\_\_\_

Brian Paugh

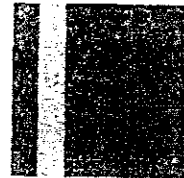
Its: Vice President of Land

**“Exhibit A”**

County	District	Map	Parcel(s)	Lease Date	Acres	Book	Page
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Randy Broda, President/Managing Member, BB Land, LLC.  
3570 Shields Hill road  
Cairo, Wv 26337  
304-628-3111



March 17, 2017

Blackrock Enterprises, LLC., c/o Michael Benedum  
1734 Raccoon Run Road  
Salem, WV 26426  
304-677-3750

Re: Pleasants County JOA

Dear Mr. Benedum,

It was good meeting with you the other day. The area under the AMI is being maintained as per this JOA, and both of our interests have been accounted for. We will need copies of all of your valid leases for our files. If any of your leases are unaccounted for, they will be reconciled after receipt.

I have enclosed (2) two original Joint Operating Agreements for your signature. I have attached paper clips (3 of them) to mark the Signature pages, 2 of which need notarized.

Please sign and return both documents along with a check in the amount of \$3,443,476.80 for your participation in the JOA. These documents need to be returned to the address above and the check received within thirty (30) days of receipt for your participation as a consenting party. We will execute them and return an original for your records.

We have 12 pad built and are in the construction process of 13 pad. Anticipated timing of the rig moving in will be April 23, 2017, so time is of the essence.

Sincerely,

Randy Broda, President/Managing Member, BB Land, LLC.

Fedex tracking number 8079 5709 7573



A.A.P.L. FORM 610 - 1989  
**MODEL FORM OPERATING AGREEMENT**

OPERATING AGREEMENT

DATED

January 31st , 2017\* ,

*\*Effective at start of Location December 1, 2016*

OPERATOR BB Land, LLC.

CONTRACT AREA Plesants County Master Agreement

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

COUNTY OR PARISH OF Plesants , STATE OF West Virginia

COPYRIGHT 1989 - ALL RIGHTS RESERVED  
AMERICAN ASSOCIATION OF PETROLEUM  
LANDMEN, 4100 FOSSIL CREEK BLVD.  
FORT WORTH, TEXAS, 76137, APPROVED FORM

A.A.P.L. NO. 610 - 1989

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A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT - 1989

1	<u>          </u> G. Exhibit "G," Tax Partnership.	Other: <u>          </u>
2	<u>          </u> <u>          </u> H. <u>Memorandum of Operating Agreement</u>	
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No well shall be drilled on the Contract Area until after (1) the title to the Drillsite or Drilling Unit, if appropriate, has been examined as above provided, and (2) the title has been approved by the examining attorney or title has been accepted by all of the Drilling Parties in such well. Approval time period for review of title by non-operating parties shall be 30 days from receipt of title, if no reply, then it will be deemed to be approved.

**B. Loss or Failure of Title:**

1. Failure of Title: Should any Oil and Gas Interest or Oil and Gas Lease be lost through failure of title, which results in a reduction of interest from that shown on Exhibit "A," the party credited with contributing the affected Lease or Interest (including, if applicable, a successor in interest to such party) shall have thirty (30) days from final determination of title failure to acquire a new lease or other instrument curing the entirety of the title failure, which acquisition will not be subject to Article VIII.B., and failing to do so, this agreement, nevertheless, shall continue in force as to all remaining Oil and Gas Leases and Interests; and,

(a) The party credited with contributing the Oil and Gas Lease or Interest affected by the title failure (including, if applicable, a successor in interest to such party) shall bear alone the entire loss and it shall not be entitled to recover from Operator or the other parties any development or operating costs which it may have previously paid or incurred, but there shall be no additional liability on its part to the other parties hereto by reason of such title failure;

(b) There shall be no retroactive adjustment of expenses incurred or revenues received from the operation of the Lease or Interest which has failed, but the interests of the parties contained on Exhibit "A" shall be revised on an acreage basis, as of the time it is determined finally that title failure has occurred, so that the interest of the party whose Lease or Interest is affected by the title failure will thereafter be reduced in the Contract Area by the amount of the Lease or Interest failed;

(c) If the proportionate interest of the other parties hereto in any producing well previously drilled on the Contract Area is increased by reason of the title failure, the party who bore the costs incurred in connection with such well attributable to the Lease or Interest which has failed shall receive the proceeds attributable to the increase in such interest (less costs and burdens attributable thereto) until it has been reimbursed for unrecovered costs paid by it in connection with such well attributable to such failed Lease or Interest;

(d) Should any person not a party to this agreement, who is determined to be the owner of any Lease or Interest which has failed, pay in any manner any part of the cost of operation, development, or equipment, such amount shall be paid to the party or parties who bore the costs which are so refunded;

(e) Any liability to account to a person not a party to this agreement for prior production of Oil and Gas which arises by reason of title failure shall be borne severally by each party (including a predecessor to a current party) who received production for which such accounting is required based on the amount of such production received, and each such party shall severally indemnify, defend and hold harmless all other parties hereto for any such liability to account;

(f) No charge shall be made to the joint account for legal expenses, fees or salaries in connection with the defense of the Lease or Interest claimed to have failed, but if the party contributing such Lease or Interest hereto elects to defend its title it shall bear all expenses in connection therewith; and

(g) If any party is given credit on Exhibit "A" to a Lease or Interest which is limited solely to ownership of an interest in the wellbore of any well or wells and the production therefrom, such party's absence of interest in the remainder of the Contract Area shall be considered a Failure of Title as to such remaining Contract Area unless that absence of interest is reflected on Exhibit "A."

2. Loss by Non-Payment or Erroneous Payment of Amount Due: If, through mistake or oversight, any rental, shut-in well payment, minimum royalty or royalty payment, or other payment necessary to maintain all or a portion of an Oil and Gas Lease or interest is not paid or is erroneously paid, and as a result a Lease or Interest terminates, there shall be no monetary liability against the party who failed to make such payment. Unless the party who failed to make the required payment secures a new Lease or Interest covering the same interest within ninety (90) days from the discovery of the failure to make proper payment, which acquisition will not be subject to Article VIII.B., the interests of the parties reflected on Exhibit "A" shall be revised on an acreage basis, effective as of the date of termination of the Lease or Interest involved, and the party who failed to make proper payment will no longer be credited with an interest in the Contract Area on account of ownership of the Lease or Interest which has terminated. If the party who failed to make the required payment shall not have been fully reimbursed, at the time of the loss, from the proceeds of the sale of Oil and Gas attributable to the lost Lease or Interest, calculated on an acreage basis, for the development and operating costs previously paid on account of such Lease or Interest, it shall be reimbursed for unrecovered actual costs previously paid by it (but not for its share of the cost of any dry hole previously drilled or wells previously abandoned) from so much of the following as is necessary to effect reimbursement:

(a) Proceeds of Oil and Gas produced prior to termination of the Lease or Interest, less operating expenses and lease burdens chargeable hereunder to the person who failed to make payment, previously accrued to the credit of the lost Lease or Interest, on an acreage basis, up to the amount of unrecovered costs;

(b) Proceeds of Oil and Gas, less operating expenses and lease burdens chargeable hereunder to the person who failed to make payment, up to the amount of unrecovered costs attributable to that portion of Oil and Gas thereafter produced and marketed (excluding production from any wells thereafter drilled) which, in the absence of such Lease or Interest termination, would be attributable to the lost Lease or Interest on an acreage basis and which as a result of such Lease or Interest termination is credited to other parties, the proceeds of said portion of the Oil and Gas to be contributed by the other parties in proportion to their respective interests reflected on Exhibit "A"; and,

(c) Any monies, up to the amount of unrecovered costs, that may be paid by any party who is, or becomes, the owner of the Lease or Interest lost, for the privilege of participating in the Contract Area or becoming a party to this agreement.

3. Other Losses: All losses of Leases or Interests committed to this agreement, other than those set forth in Articles IV.B.1. and IV.B.2. above, shall be joint losses and shall be borne by all parties in proportion to their interests shown on Exhibit "A." This shall include but not be limited to the loss of any Lease or Interest through failure to develop or because express or implied covenants have not been performed (other than performance which requires only the payment of money), and the loss of any Lease by expiration at the end of its primary term if it is not renewed or extended. There shall be no readjustment of interests in the remaining portion of the Contract Area on account of any joint loss.

4. Curing Title: In the event of a Failure of Title under Article IV.B.1. or a loss of title under Article IV.B.2. above, any Lease or Interest acquired by any party hereto (other than the party whose interest has failed or was lost) during the thirty (30) day period provided by Article IV.B.1. and Article IV.B.2. above covering all or a portion of the interest that has failed or was lost shall be offered at cost to the party whose interest has failed or was lost, and the provisions of Article VIII.B. shall not apply to such acquisition.