



NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

OIL, GAS AND MINERAL LEASE (Paid-Up)

THIS LEASE AGREEMENT ("lease") is made as of the 25th day of April, 2016 between, Riley A. Armstrong ("Lessor"), whether one or more, whose address is PO Box 3243, Roswell, NM 88202 and Brigham Resources Operating, LLC, ("Lessee") whose address is 5914 W. Courtyard, Suite 200, Austin, TX 78730.

1. Description. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described land ("leased premises"):

SEE EXHIBIT "A" ATTACHED WHICH IS INCORPORATED BY REFERENCE

in the county of Pecos State of Texas, containing 3,167.66 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil, gas, and any hydrocarbon and nonhydrocarbon substances produced in association therewith. The term "Gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

2. Term of Lease. The lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of Three (3) years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof.

3. Depository Agent. All shut-in royalty payments shall be paid or tendered to Lessor or to Lessor's credit in _____ at _____, or its successors, which shall be Lessor's depository agent for receiving payments regardless of changes in the ownership in said land. All payments or tenders may be made in currency, by check or by draft, and such payments or tenders to Lessor or to the depository by deposit in the U.S. Mails on or before the rental due date in a stamped envelope addressed to the depository or to the Lessor at the last address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or for any reason fail or refuse to accept payment hereunder, Lessee shall not be held in default for failure to make such payment until 60 days after Lessor has delivered to Lessee a proper recordable instrument naming another institution as depository agent to receive payments.

4. Royalty Payment. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) for oil and other liquid hydrocarbons separated at Lessee's on-lease separator facilities, the royalty shall be 24% of the amount realized by Lessee at the well from the sale thereof, less a proportionate part of ad valorem taxes and production, severance or other excise taxes; (b) for gas (including casinghead gas) and all other substances covered hereby, the royalty shall be 24% of the amount realized by Lessee at the well from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and the reasonable costs incurred by Lessee, whether on or off the leased premises, in transporting, gathering, compressing, delivering, processing or otherwise marketing or rendering marketable and/or more valuable such gas or other substances covered hereby; and (c) if during or after the primary term one or more wells on the leased premises or lands pooled therewith are capable of producing in paying quantities, but such well or wells are either shut-in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purpose of maintaining this lease. If for a period of 120 consecutive days such well or wells are shut-in or production therefrom is not sold by Lessee, then Lessee shall pay an aggregate shut-in royalty of one dollar (\$1.00) per net mineral acre then covered by this lease, such payment to be made to Lessor or to Lessor's credit in the depository designated above, on or before the end of said 120 day period and thereafter on or before each anniversary of the end of said 120 day period while the well or wells are shut-in or production therefrom is not being sold by Lessee; provided that if this lease is otherwise being maintained no shut-in royalty shall be due until the end of the 120 day period next following

the date this lease ceases so being otherwise maintained. Lessee's failure to properly pay shut-in royalty shall render Lessee liable for the amount due.

5. Operations. If at the end of the primary term, oil, gas or other substances covered hereby are not being produced in paying quantities from the leased premises or lands pooled therewith, but Lessee is then engaged in drilling, reworking or any other operations reasonably calculated to obtain or restore production therefrom, this lease shall remain in force so long as such operations are prosecuted with no cessation of more than 90 consecutive days, and if any such operations result in the production of oil or gas or other substances covered hereby, and as long thereafter as there is production in paying quantities from the Leased Premises or lands pooled therewith. If Lessee drills a well that is incapable of producing in paying quantities (hereinafter called "dry hole") on the leased premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit boundaries or the delay, action or inaction of any governmental authority, then in the event this lease is not otherwise being maintained in force it shall nevertheless remain in force if Lessee commences operations for (a) drilling a well, (b) reworking, recompleting, deepening, plugging back, and/or sidetracking an existing well or (c) otherwise obtaining or restoring production on the leased premises or lands pooled therewith ("Operations") within 90 days after completion of operations on such dry hole or within 90 days after such cessation of all production.

6. Pooling. Lessee shall have the right, but not the obligation, to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of drilling or production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The creation of a unit by such pooling shall be based on the following criteria (hereinafter called "pooling criteria"): A unit for an oil well (other than a horizontal completion) shall not exceed 40 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion 640 acres plus a maximum tolerance of 10%; provided that a larger unit may be formed to (a) conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so and/or (b) authorize production from such well at a rate equal to the maximum legal allowable.

For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on a 24 hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof.

In order to evidence the exercise of its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit. Production or Operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production or Operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only when and to the extent such proportion of unit production is taken and sold by or on behalf of Lessee. In the event a unit is formed hereunder before the unit well is drilled and completed, so that the applicable pooling criteria are not yet known, the unit shall be based on the pooling criteria Lessee expects in good faith to apply upon completion of the well; provided that within a reasonable time after completion of the well, the unit shall be revised if necessary to conform to the pooling criteria that actually exist. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made, or allowable rate authorized, by such governmental authority. To evidence its revision of a unit hereunder, Lessee shall file of record a written declaration describing the revised unit. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. Lessee may at any time terminate a unit by filing of record a written declaration of termination. In the event this Lease now or hereafter covers separate tracts (i.e., tracts with royalty ownership differing, as to parties or amounts, from that as to any other part of the leased premises), no pooling, apportionment or other combination of royalty interests as between any such tracts, or royalty interests therein, is intended or shall be implied or result from the inclusion of such separate tracts within the same lease, but Lessee shall nevertheless have the right to pool or otherwise combine as provided above, with

consequent allocation of production as provided above. Notwithstanding any provision of this paragraph 6 or otherwise of this Lease to the contrary, the exercise of any pooling authority afforded Lessee under this Lease shall not be construed to effect an unauthorized pooling of a nonparticipating royalty interest or other nonexecutive interest that the named Lessor is not authorized to pool (a "Nonexecutive Interest"); however, ratification of this Lease by the owner of any Nonexecutive Interest shall serve to ratify both the pooling provisions hereof and the anti-entireties provisions.

7. Payment Reductions. If Lessor owns less than the full mineral estate in all or any part of the leased premises, payment of royalties and shut-in royalties hereunder shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises. To the extent any royalty or other payment attributable to and/or carved out of the mineral estate covered by this lease is payable to someone other than Lessor, such royalty or other payment shall be deducted from the corresponding amount otherwise payable to Lessor hereunder.

8. Ownership Changes. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred, in whole or in part, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder (e.g., no such change shall impose upon Lessee any obligation to install or maintain separate measuring or storage facilities), and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee. In the event of the death of any person entitled to the royalties or shut-in royalties hereunder, Lessee may pay or tender such royalties or shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to royalties or shut-in royalties hereunder, Lessee may pay or tender such royalties or shut-in royalties to such persons either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder, in whole or in part, Lessee shall be relieved of all express and implied obligations and liabilities, whether monetary or not, thereafter arising with respect to the transferred interest, and failure of the transferee to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred.

9. Release of Lease. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the leased premises or any depths or zones thereunder, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases less than all of the interest or area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

10. Ancillary Matters. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises without Lessor's consent. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises during the term of this lease and for a reasonable period of time thereafter.

11. Regulation and Delay. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction, including restrictions on the drilling and production of wells and regulation of the price or transportation of oil, gas and other substances covered hereby. When production or Operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carrier to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when production or Operations are prevented, delayed or interrupted.

12. Breach or Default. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder for a period of at least 60 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy or commence a good faith effort to remedy the breach or default within such period.

13. Warranty of Title. Lessor hereby warrants and agrees to defend title to the leased premises, and agrees that Lessee may, at its option, pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to-whom payment is made, and, in addition to its other rights, may reimburse itself out of any rentals, royalties or shut-in royalties otherwise payable to Lessor hereunder.

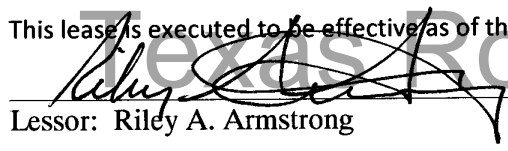
14. Top Lease. If at any time within the primary term of this lease or any continuation thereof, Lessor receives any bona fide offer, acceptable to Lessor, to grant an additional lease (top lease) covering all or a part of the afore described lands, Lessee shall have the continuing option by meeting any such offer to acquire such top lease. Any offer must be in writing and must set forth the proposed Lessee's name, bonus consideration and royalty consideration to be paid for such lease, and include a copy of the lease form to be utilized reflecting all pertinent and relevant terms and conditions of the top lease. Lessee shall have fifteen (15) days after receipt from Lessor of a complete copy of any such offer to advise Lessor in writing of its election to enter into an oil and gas lease with Lessor on equivalent terms and conditions. If Lessee fails to notify Lessor within the aforesaid fifteen (15) day period of its election to meet any such bona fide offer, Lessor shall have the right to accept said offer. Any top lease granted by Lessor in violation of this provision shall be null and void.

15. Extension. Lessee is hereby given the option to extend the primary term of this lease for an additional 2 years from the expiration of the original primary term hereof. This option may be exercised by Lessee at any time during the original primary term by paying the sum of five hundred fifty dollars (\$ 550.00) per acre to Lessor or to the credit of Lessor in the depository named above. This payment shall constitute notice to Lessor of exercise of the option. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a primary term of 5 years.

16. Counterparts. This instrument may be executed in multiple counterparts, all of which are identical; all of such counterparts together shall constitute one and the same instrument. This lease shall be binding upon each named Lessor executing same, whether or not executed by any one or more other named Lessor.

17. CHOICE OF LAW. THIS INSTRUMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE WHERE THE LEASED PREMISES ARE LOCATED.

This lease is executed to be effective as of the date first written above.

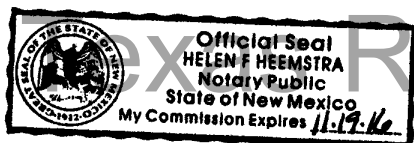

Lessor: Riley A. Armstrong

ACKNOWLEDGEMENT

STATE OF New Mexico }
COUNTY OF Chaves }

The foregoing instrument was acknowledged before me on this 23rd day of May, 2016, by Riley A. Armstrong.

My Commission Expires: 11-19-16



Notary Public: 

State of: New Mexico

EXHIBIT "A"

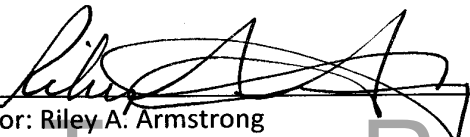
Attached to and made a part of that certain Oil, Gas and Mineral Lease dated April 25, 2016 by and between, **Riley A. Armstrong**, ("Lessor") and Brigham Resources Operating, LLC ("Lessee").

- Tract 1:** All of Section 512, Abstract No. 29, Certificate #4, Comanche Creek Irrigation Survey which lies North and West of that Railroad Right of Way more particularly described in that certain Right of Way Deed dated February 7, 1910, from Fort Stockton Irrigated Lands Company to Kansas City, Mexico & Orient Railway Company of Texas, recorded in Volume 24, Page 605 of the Deed Records of Pecos County, Texas, containing 299.80 acres, more or less;
- Tract 2:** All of Section 228, Abstract No. 759, Certificate #2644/2745, William Owens Survey, containing 266.50 acres, more or less;
- Tract 3:** E/2 of Section 207, Abstract No. 763, Certificate #165, Thomas J. Robinson Survey, containing 640.00 acres, more or less, **SAVE AND EXCEPT** from said 640.00-acre tract, 10.025 acres, more or less, being the E/2 of that 20.05-acre tract more particularly described in that certain Right of Way Deed dated February 7, 1910, from Fort Stockton Irrigated Lands Company to Kansas City, Mexico & Orient Railway Company of Texas, recorded in Volume 24, Page 605 of the Deed Records of Pecos County, Texas, leaving 629.975 acres, more or less;
- Tract 4:** W/2 of Section 207, Abstract No. 763, Certificate #165, Thomas J. Robinson Survey, containing 640.00 acres, more or less, **SAVE AND EXCEPT** from said 640.00-acre tract, 10.025 acres, more or less, being the W/2 of that 20.05-acre tract more particularly described in that certain Right of Way Deed dated February 7, 1910, from Fort Stockton Irrigated Lands Company to Kansas City, Mexico & Orient Railway Company of Texas, recorded in Volume 24, Page 605 of the Deed Records of Pecos County, Texas; **AND, SAVE AND EXCEPT**, from said 640.00-acre tract, 40.00 acres, being the same land held by the San Pedro Ranch 01R (API#4237138943) well more particularly described in that certain Partial Release of Oil and Gas Lease dated May 21, 2015, from XTO Energy Inc., Agent and Attorney-in-Fact for Exxon Mobil Corporation to Nyman Limited Partnership, recorded Volume 146, Page 554 (Instrument #15136316) of the Official Public Records of Pecos County, Texas, and being more specifically described as follows: beginning in the Northwest Corner of the Thomas J. Robinson Survey, A-763, the Southwest Corner of said 40 acre square bears S 59-13-34 E for 2,576.052 feet, being the point of beginning, Thence S 86-57-19 E 1,320 feet, Thence N 3-36-6 E 1,320 feet, Thence N 86-57-19 W 1,320 feet, Thence S 3-36-6 W 1,320 feet to POB; **AND, SAVE AND EXCEPT**, from said 640.00-acre tract, 40.00 acres, being the same land held by the San Pedro Ranch 02 (API#4237139133) well more particularly described in that certain Partial Release of Oil and Gas Lease dated May 21, 2015, from XTO Energy Inc., Agent and Attorney-in-Fact for Exxon Mobil Corporation to Nyman Limited Partnership, recorded Volume 146, Page 554 (Instrument #15136316) of the Official Public Records of Pecos County, Texas, and being more specifically described as follows: beginning in the Northwest Corner of the Thomas J. Robinson Survey, A-763, the Northwest Corner of said 40 acre square bears S 33-38-6 E for 3,715.17 feet, being the point of beginning, Thence S 3-36-6 W 1,320 feet, Thence S 86-57-19 E 1,320 feet, Thence N 3-36-6 W 1,320 feet, Thence N 86-57-19 W 1,320 feet to POB; leaving 549.975 acres, more or less;
- Tract 5:** All of Section 1, Abstract No. 4543, Certificate #548, A. Q. Clements Survey which lies North and West of that Railroad Right of Way more particularly described in that certain Right of Way Deed dated February 7, 1910, from Fort Stockton Irrigated Lands Company to Kansas City, Mexico & Orient Railway Company of Texas, recorded in Volume 24, Page 605 of the Deed Records of Pecos County, Texas, containing 572.80 acres, more or less;
- Tract 6:** All of Section 207 1/2, Abstract No. 4848, Certificate #1273, Mrs. Delany West Survey, containing 751.40 acres, more or less, **SAVE AND EXCEPT**, from said 751.40-acre tract, 40.00 acres, being the same land held by the San Pedro Ranch 12 (API#4237139134) well more particularly described in that certain Partial Release of Oil and Gas Lease dated May 21, 2015, from XTO Energy Inc., Agent and Attorney-in-Fact for Exxon Mobil Corporation to Nyman Limited Partnership, recorded in Volume 146, Page 554 (Instrument #15136316) of the Official Public Records of Pecos County, Texas, and being more specifically described as follows: beginning in the Southwest Corner of the Mrs. Delany West Survey, A-4848, the Southwest Corner of said 40 acre square bears N 52-53-25 W for 2,694.724 feet, being the point of beginning, Thence S 86-57-19 E 1,320 feet, Thence N 3-36-6 E 1,320 feet, Thence N 86-57-19 W 1,320 feet, Thence S 3-36-6 W 1,320 feet to POB; leaving 711.40 acres, more or less;

Tract 7: All of SF-15974, Abstract No. 9482, San Pedro Ranch Survey, containing 8.09 acres, more or less;

Tract 8: All of Section 1, Block 5, Abstract No. 3407, Certificate #1827 which lies North and West of that Railroad Right of Way more particularly described in that certain Right of Way Deed dated February 7, 1910, from Fort Stockton Irrigated Lands Company to Kansas City, Mexico & Orient Railway Company of Texas, recorded in Volume 24, Page 605 of the Deed Records of Pecos County, Texas, containing 129.12 acres, more or less.

SIGNED HERE FOR IDENTIFICATION ONLY:


Lessor: Riley A. Armstrong

Texas Royalty Brokers

Texas Royalty Brokers

Texas Royalty Brokers