MERIT ENERGY COMPANY

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February 9, 2021

Via Email

Northern Arapaho Tribe – Business Council
Eastern Shoshone Tribe – Business Council

Re: Transfer of NPDES Permit for Circle Ridge Surface Discharge and Circle Ridge Injection Permits

Dear Council Members:

As referenced in our letter, dated February 5, 2021, which addressed several items that require attention in anticipation of a possible transition, attached is the Transfer and Assumption Agreement that will need to be filed with the EPA on or before February 16, 2021 to transfer the NPDES Discharge permit and Injection Permits associated with Circle Ridge. This agreement, along with the request for transfer, must be submitted to the EPA on or prior to February 16, 2021, or else Merit will be required to submit a request for termination of these permits, which would require Merit to shut-in the field and cease all discharge operations until the Tribes have obtained their own permits. Similarly, if the EPA fails to approve the transfer of these permits, Merit will need to file a request for termination.

If you have any comments or questions, please let me know as soon as possible. Otherwise, please scan/email me an executed copy of this agreement no later than Friday, February 12, 2021. Time is certainly of the essence and we appreciate your attention to this matter.

Best Regards,

Chad Brister
Vice President

TRANSFER AND ASSUMPTION AGREEMENT

This Transfer and Assumption Agreement ("*Agreement*") sets forth the agreement as to the transfer of the permits identified on Exhibit A attached hereto (collectively, the "*Permits*") by Merit Energy Company, LLC ("*Existing Permittee*") to [_____] ("*New Permittee*") effective as of March 17, 2021 (the "*Effective Date*"). All capitalized terms used herein but not otherwise defined will have the meaning assigned to them in the Permit.

RECITALS

WHEREAS, Existing Permittee will not serve as operator of the Circle Ridge Field effective March 17, 2021 and New Permittee will assume operations; and

WHEREAS, Existing Permittee desires to transfer to New Permittee, and New Permittee desires to assume from Existing Permittee, the Permit and all of Existing Permittee's rights and obligations thereunder.

AGREEMENT

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Transfer. Subject to obtaining all requisite regulatory approvals, Existing Permittee hereby transfers all of Existing Permittee's rights and obligation in and to the Permit to New Permittee as of the Effective Date.

2. Assumption. New Permittee hereby agrees to pay, perform and discharge all obligations, responsibilities and liabilities required to be performed or discharged regardless of whether such obligations or liabilities arose prior to, on or after the Effective Date, relating to, arising out of, or incurred in connection with the terms, covenants and conditions of the Permit.

3. Ratification. New Permittee hereby acknowledges, agrees to, ratifies and adopts all of the terms, conditions, obligations, covenants or agreement contained in the Permit in all respect and the Permit shall continue in full force and effect.

4. Consent. The transfer of the Permit will be effective only upon the receipt of all required regulatory approval. If such approval is not received by March 1, 2021, Existing Permittee reserves the right to file for a termination of the Permit.

5. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas without regard to conflicts of law provisions hereof. This Agreement was prepared by all parties hereto and not by any party to the exclusion of the other or others.

This Agreement may be signed in multiple counterparts, each of which will constitute an original and all of which when construed together, will constitute one and the same instrument.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

EXISTING PERMITTEE:

Merit Energy Company, LLC

By:_____

Name:_____

Title:_____

NEW PERMITTEE:

[_____]

By:_____

Name:_____

Title:_____

EXHIBIT A

Discharge Permit

WY-000949

Injection Permits

Well Name (28)	EPA Permit Number	API
Shoshone 63-24-A	WY20000-02149	49-013-06793
Shoshone 63-27-A	WY20000-02150	49-013-20479
Shoshone 65-12-T	WY20000-02167	49-013-06837
Shoshone 65-20-E	WY20000-02169	49-013-06833
Shoshone 65-25-E	WY20000-02170	49-013-06830
Shoshone 65-26-T	WY20000-02171	49-013-06844
Shoshone 65-29-T	WY20000-02173	49-013-06852
Shoshone 65-38-T	WY20000-02177	49-013-06845
Shoshone 65-40-E	WY20000-02178	49-013-06846
Shoshone 65-41-E	WY20000-02179	49-013-06839
Shoshone 65-42-E	WY20000-02182	49-013-06851
Shoshone 66-46-A	WY20000-03089	49-013-06775
Shoshone 65-02	WY20969-06387	49-013-06766
Shoshone 65-03	WY20968-06386	49-013-06802
Shoshone 65-31-T	WY20828-04386	49-013-06847
Shoshone 65-32-T	WY20711-03776	49-013-06820
Shoshone 65-33-T	WY20707-02174	49-013-06855
Shoshone 65-50-ET	WY20856-04481	49-013-20590
Shoshone 65-68-T	WY20837-02175	49-013-21497
Shoshone 65-70-T	WY20708-02176	49-013-21498
Shoshone 65-77A-T	WY20521-02119	49-013-21637
Shoshone 66-66-A	WY20819-04366	49-013-20757