

DECLARATION OF POOLING AND UNITIZATION

COUNTY OF MORGAN)
) ss
STATE OF COLORADO)

Official Records of Morgan County, CO 860619
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R: 26.00 D: \$ Clerk - Connie Ingmire

KNOWN ALL MEN BY THESE PRESENTS:

WHEREAS, Esenjay Operating, Inc., 500 N. Water Street, Suite 1100S, Corpus Christi, TX, 78471, is the owner of certain oil and gas leases described in Exhibit "A", attached hereto and by this reference made a part hereof, insofar as said leases cover the following described lands herein, to-wit:

T 4N, R 60W, 6th PM
Sec. 5: Lot 3 (48.084), Lot 4 (48.0), SW/4NW/4, NW/4SW/4,
except ROW strips for the Jackson Lake inlet canal and Weldon Valley Ditch

T 5N, R 60W, 6TH PM
Sec. 1: Lot 1 (40.11), Lot 2 (40.34), S/2NE/4, SE/4

T 5N, R 59W, 6TH PM
Sec. 6: Lot 1 (39.95), Lot 2 (39.95), S/2NE/4
Sec. 18: S/2SE/4
Sec. 19: N/2NW/4, N/2NE/4
Sec. 20: NW/4

T 6N, R 59W, 6TH PM
Sec. 30: Lots 1 (39.10), 2 (38.79), E/2NW/4, NE, Lot 3(38.49), Lot 4 (38.19),
E/2SW/4, SE
Sec. 31: Lots 1 (37.89), 2 (37.60), 3 (37.32), 4 (37.04), E/2W/2, SE/4SE/4
Sec. 32: E/2SW/4, SW/4NW/4

Located in Morgan County, Colorado.

WHEREAS, each of the oil and gas leases so described in Exhibit "A" contains a pooling and unitization clause providing for the right and power of the Lessee to pool, unitize or combine the leasehold acreage covered by said lease with other lands, lease or leases when in Lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said leasehold premises so as to promote the conservation of oil, gas and other minerals in and under and that may be produced from said premises, and

WHEREAS, said pooling provisions for each lease are set out in Exhibit "B", attached hereto and by this reference made a part hereof, and

WHEREAS, said Operator desires to pool, unitize and combine all of the oil and gas leases described in Exhibit "A", insofar and only insofar as the same covers the following described lands, hereinafter referred to as the "The Pooled and Unitized Area", to-wit:

TOWNSHIP 6 NORTH, RANGE 59 WEST, 6TH P. M.
Section 30: W/2
containing 320.00 acres, more or less

for the operation and production of all oil and gas and other associated hydrocarbons from all zones from the surface to the stratographic equivalent of the base of the zone of the deepest depth drilled, and

WHEREAS, where the oil and gas leases so described in Exhibit "A" contain pooling provisions which require the Lessors' written approval, said Lessors hereby desire to ratify and join in said pooling.

NOW THEREFORE, the undersigned and Esenjay Operating, Inc., do hereby pool, unitize and combine the above-described lands and leases into one pooled and unitized area comprising the following lands, to-wit:

TOWNSHIP 6 NORTH, RANGE 59 WEST, 6TH P. M.
Section 30: W/2
containing 320.00 acres, more or less

for the operation and production of all oil and gas and other associated hydrocarbons from all zones from the surface to the stratographic equivalent of the base of the zone of the deepest depth drilled. The royalties accruing from any well located in said Pooled and Unitized Area shall be prorated and paid to the Lessors of the various tracts in the same proportion that each tract of said Lessor bears to the total of the Pooled and Unitized Area.

IN WITNESS WHEREOF, this Declaration of Pooling and Unitization was executed this 17th day of March, 2010.

Esenjay Operating, Inc.

By: [Signature]
James C Karo, CPL
Authorized Agent

Maybelle L. Wilson
Maybelle L. Wilson
Authorizing Lessor

STATE OF COLORADO)
) ss.
COUNTY OF DENVER)

On this ___ day of March, 2010, before me personally appeared James C Karo, to me personally known, who being by me duly sworn, did say that he is the Authorized Agent of Esenjay Operating, Inc., and that said instrument was signed and sealed in behalf of said corporation, and said James C Karo acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand and seal this 17th day of March, 2010.
(SEAL)
My Commission Expires:

1/3/2012

x Duane C. Russell
Notary Public



STATE OF COLORADO)
) ss.
COUNTY OF DENVER)

On this ___ day of March, 2010, before me personally appeared Maybelle L. Wilson, described in and who executed the foregoing instrument and acknowledged to me that she duly executed same as her free and voluntary act and deed for the uses and purposes therein set forth and in capacity stated therein.

Witness my hand and seal this 17th day of March, 2010.
(SEAL)
My Commission Expires:

1/3/2012

x Duane C. Russell
Notary Public

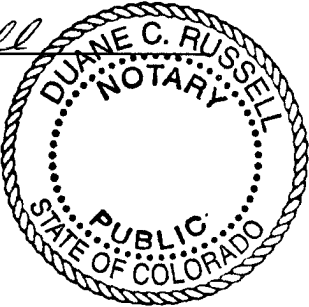


Exhibit "A"
Attached to and made a part of that certain Declaration of Pooling and Unitization dated March 17th, 2010, as executed by Esenjay Operating, Inc.

Lessor	Lessee	Lands	Lease Date	Reception
Maybelle L. Wilson	Context Energy Company	<u>T 4N, R 60W, 6th PM</u> Sec. 5: Lot 3 (48.084), Lot 4 (48.0), SW/4NW/4, NW/4SW/4, except ROW strips for the Jackson Lake inlet canal and Weldon Valley Ditch	6/12/2008	(Memo of OGL) #850419
		<u>T 5N, R 60W, 6th PM</u> Sec. 1: Lot 1 (40.11), Lot 2 (40.34), S/2NE/4, SE/4		
		<u>T 5N, R 59W, 6th PM</u> Sec. 6: Lot 1 (39.95), Lot 2 (39.95), S/2NE/4		
		<u>T 6N, R 59W, 6th PM</u> Sec. 30: Lot 1 (39.10), Lot 2 (38.79), E/2NW/4, NE/4 Sec. 31: Lot 1 (37.89), Lot 2 (37.60), Lot 3 (37.32), Lot 4 (37.04), E/2W/2, SE/4SE/4 Sec. 32: E/2SW/4, SW/4NW/4		
Estate of William Donald Wilson Representative	Baseline Minerals, Inc.	<u>T 6N, R 59W, 6th PM</u> Sec. 30: E/2NW/4, SW/4NE/4	11/18/2009	(Memo of OGL) #858832
Estate of William Donald Wilson Representative	Baseline Minerals, Inc.	<u>T 6N, R 59W, 6th PM</u> Sec.30: Lots 1 (39.10), 2 (38.79), a/k/a W/2NW/4	11/18/2009	(Memo of OGL) #858831
William Joseph O'Donnell	Context Energy Company	<u>T 5N, R 59W, 6th PM</u> Sec. 18: S/2SE/4 Sec. 19: N/2NW/4, N/2NE/4 Sec. 20: NW/4 <u>T 6N, R 59W, 6th PM</u> Sec. 30: S/2	5/10/2008	(Memo of OGL) #850420

Black River Royalties, LLC	Baseline Minerals, Inc.	<u>T 6N, R 59W, 6TH PM</u> Sec. 30: Lots 3 (38.49), 4 (38.19), E/2SW/4, SE/4	9/28/2009	#858201
White River Royalties, LLC	Baseline Minerals, Inc.	<u>T 6N, R 59W, 6TH PM</u> Sec. 30: Lots 3 (38.49), 4 (38.19), E/2SW/4, SE/4	9/28/2009	#858202
Diversified Operating Company	Baseline Minerals, Inc.	<u>T 6N, R 59W, 6TH PM</u> Sec. 30: Lots 3 (38.49), 4 (38.19), E/2SW/4, SE/4	10/5/2009	(Memo of OGL) #858531

Exhibit "B"

Attached to and made a part of that certain Declaration of Pooling and Unitization dated March 17th, 2010, as executed by Esenjay Operating, Inc.

Pooling rights as granted by lease(s) with Lessor(s):

**Diversified Operating Company
William Joseph O'Donnell
Maybelle L. Wilson
Estate of Donald Wilson, Maybelle L. Wilson, as Personal Representative
Black River Royalties, LLC
White River Royalties, LLC**

Lessee, at its option, is hereby given the right and power at any time and from time to time as a recurring right, either before or after production, as to all or any part of the land described herein and as to any one or more of the formations hereunder, to pool or unitize the leasehold estate and the mineral estate covered by this lease with other land, lease or leases in the immediate vicinity for the production of oil and gas, or separately for the production of either, when in Lessee's judgment it is necessary or advisable to do so, and irrespective of whether authority similar to this exists with respect to such other land, lease or leases. Likewise, units previously formed to include formations not producing oil or gas, may be reformed to exclude such non-producing formations. The forming or reforming of any unit shall be accomplished by Lessee executing and filing of record a declaration of such unitization or reformation, which declaration shall describe the unit. Any unit may include land upon which a well has theretofore been completed or upon which operations for drilling have theretofore been commenced. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all of a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties. Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total number of surface acres covered by this lease and included in the unit bears to the total number of surface acres in such unit. In addition to the foregoing, Lessee shall have the right to unitize, pool, or combine all or any part of the above described lands as to one or more of the formations there under with other lands in the same general area by entering into a cooperative or unit plan of development or operation approved by any governmental authority, and from time to time, with like approval, to modify, change or terminate any such plan or agreement and, in such event, the terms, conditions and provisions of this lease shall be deemed modified to conform to the terms, conditions, and provisions of such approved cooperative or unit plan of development or operation and, particularly, all drilling and development requirements of this lease, express or implied, shall be satisfied by compliance with the drilling and development requirements of such plan or agreement, and this lease shall not terminate or expire during the life of such plan or agreement. In the event that said above described lands or any part thereof, shall hereafter be operated under any such cooperative or unit plan of development or operation whereby the production there from is allocated to different portions of the land covered by said plan, then the production allocated to any particular tract of land shall, for the purpose of computing the royalties to be paid hereunder to Lessor, be regarded as having been produced from the particular tract of land to which it is allocated and not to any other tract of land; and the royalty payments to be made hereunder to Lessor shall be based upon production only as so allocated. Lessor shall formally express Lessors consent to any cooperative or unit plan of development or operation adopted by Lessee and approved by any governmental agency by executing the same upon request of Lessee.