

## DECLARATION OF POOLING AND UNITIZATION

COUNTY OF MORGAN     )  
  ) ss  
STATE OF COLORADO    )

KNOWN ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned and Esenjay Oil & Gas, Ltd., 500 North Water Street, Suite 1100 South, Corpus Christi, Texas 78471, and Prima Exploration, Inc., 100 Fillmore Street, Suite 450, Denver, Colorado 80206, are the owners 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:

TOWNSHIP 6 NORTH, RANGE 60 WEST, 6<sup>TH</sup> P. M.

Section 3: All

Containing 640.22 acres, more or less

Section 5: Lot 3 (39.77), SE4NW4, E2SW4; a/d/a E2W2

Containing 159.77 acres, more or less

TOWNSHIP 4 NORTH, RANGE 58 WEST, 6<sup>TH</sup> P.M.

Section 6: S2NW4 lying West of the Riverside Canal

Containing 47.00 acres, more or less

Section 6: S2N2 lying East of the Riverside Canal

Containing 105.00 acres, more or less

Section 6: N2SE

Containing 80.00 acres, more or less

TOWNSHIP 4 NORTH, RANGE 59 WEST, 6<sup>TH</sup> P.M.

Section 1: E2 of a parcel of land in the N2SE4 a/d/a that part of parcel #104301000006 that lies within the NE4SE4

Containing 40.00 acres, more or less

TOWNSHIP 5 NORTH, RANGE 60 WEST, 6<sup>TH</sup> P.M.

Section 5: SW4

Containing 160.00 acres, more or less

TOWNSHIP 6 NORTH, RANGE 59 WEST, 6<sup>TH</sup> P.M.

Section 33: W2

Containing 320.00 acres, more or less

TOWNSHIP 7 NORTH, RANGE 60 WEST, 6<sup>TH</sup> P.M.

Section 25: W2

Containing 320.00 acres, more or less

All containing 2,032.10 acres, more or less

Located in Weld and 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.

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, the undersigned and Esenjay Oil & Gas, Ltd. and Prima Exploration, Inc., desire 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, herein after referred to as the "The Pooled and Unitized Area", to-wit:

TOWNSHIP 6 NORTH, RANGE 60 WEST, 6<sup>TH</sup> P. M.

Section 3: All

Containing 640.22 acres, more or less

Located in Morgan County, Colorado

for the operation and production of all oil and gas and other associated hydrocarbons from all zones from the surface to the base of the Niobrara Formation.

NOW THEREFORE, the undersigned and Esenjay Oil & Gas, Ltd. and Prima Exploration, 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 60 WEST, 6<sup>TH</sup> P. M.

Section 3: All

Containing 640.22 acres, more or less

Located in Morgan County, Colorado

for the operation and production of all oil and gas and other associated hydrocarbons from all zones from the surface to the base of the Niobrara Formation. The royalties occurring 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.

This agreement may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

IN WITNESS WHEREOF, this Declaration of Pooling and Unitization was executed this \_\_\_\_ day of April, 2011.

ESENJAY OIL & GAS, LTD,  
By Esenjay Petroleum Corporation,  
Its general partner

By: Linda D. Schibi Date: 4/22/11  
Linda D. Schibi,  
Vice President Land

PRIMA EXPLORATION, INC. .

By: Donald J. Law Date: 4/29/2011  
Donald J. Law,  
President

ACKNOWLEDGEMENTS

STATE OF TEXAS )  
 ) ss.  
COUNTY OF NEUCES )

On this 2<sup>nd</sup> day of April, 2011, before me personally appeared Linda D. Schibi, to me personally known, who being by me duly sworn, did say that she is the Vice President Land and authorized agent of Esenjay Oil & Gas, Ltd., and that said instrument was signed and sealed in behalf of said corporation, and she acknowledged said instrument to be the free act and deed of said corporation.



Witness my hand and seal this 2<sup>nd</sup> day of April, 2011.

x Will Westover, Jr.  
Notary Public

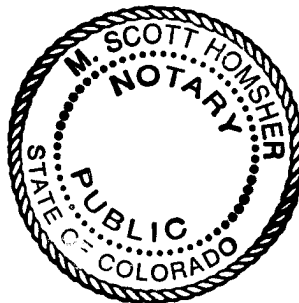
STATE OF COLORADO )  
 ) ss.  
COUNTY OF DENVER )

On this 29<sup>th</sup> day of April, 2011, before me personally appeared Donald J. Law, to me personally known, who being by me duly sworn, did say that he is the President and authorized agent of Prima Exploration, Inc., and that said instrument was signed and sealed in behalf of said corporation, and said he acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand and seal this 29<sup>th</sup> day of April, 2011.

(SEAL)  
My Commission Expires: 1/20/2013

x M. Scott Homsher  
Notary Public



## Exhibit "A"

Attached to and made a part of that certain Declaration of Pooling and Unitization dated April \_\_\_\_\_, 2011, as executed by Esenjay Operating, Inc. and Prima Exploration, Inc.

Lessor	Lessee	Lands	Lease Date	Morgan County Reception No.
Phillip Andrew Koenig, Sole Surviving Trustee of the Lee Nora Koenig Revocable Trust	Context Energy Company	<u>TOWNSHIP 6 NORTH, RANGE 60 WEST, 6<sup>TH</sup> P.M.</u> Section 3: S2, N2 of Lot 3, N2 of Lot 4 Containing 360.25 acres, more or less	7/28/2008	851670
Betty K. Smith, a/k/a Betty Lou Smith, a single woman	Baseline Minerals, Inc.	<u>TOWNSHIP 6 NORTH, RANGE 60 WEST, 6<sup>TH</sup> P.M.</u> Section 3: N2 of Lots 1 (19.975), 2 (20.01), and N2S2N2 Containing 119.985 acres, more or less	10/31/2008	854136 (Memorandum of Oil and Gas Lease)
The Alonzo Petteys Trust, represented herein by The Farmers State Bank of Brush, Trustee, Robert C. Gunnon, Chairman and Susan V. Coronado, Trust Officer	Baseline Minerals, Inc.	<u>TOWNSHIP 4 NORTH, RANGE 58 WEST, 6<sup>TH</sup> P.M.</u> Section 6: S2NW4 lying West of the Riverside Canal; S2N2 lying East of the Riverside Canal; N2SE4 Containing 232.00 acres, more or less  <u>TOWNSHIP 4 NORTH, RANGE 59 WEST, 6<sup>TH</sup> P.M.</u> Section 1: E2 of a parcel of land in the N2SE4 a/d/a that part of parcel #104301000006 that lies within the NE4SE4 Containing 40.00 acres, more or less  <u>TOWNSHIP 5 NORTH, RANGE 60 WEST, 6<sup>TH</sup> P.M.</u> Section 5: SW4 Containing 160.00 acres, more or less  <u>TOWNSHIP 6 NORTH, RANGE 59 WEST, 6<sup>TH</sup> P.M.</u> Section 33: W2 Containing 320.00 acres, more or less  <u>TOWNSHIP 6 NORTH, RANGE 60 WEST, 6<sup>TH</sup> P.M.</u> Section 3: S2 of Lot 1s (19.975), Lot 2 (20.01), Lot 3 (20.045), Lot 4 (20.08); S2S2N2 Containing 160.11 acres, more or less  Section 5: Lot 3 (39.77), SE4NW4, E2SW4; a/d/a E2W2 Containing 159.77 acres, more or less  Containing a total of 1,071.88 acres, more or less	8/12/2010	864173

Arthur D. Johnson and Barbara Lea Johnson, individually, and as husband and wife	Prima Exploration, Inc.	<u>TOWNSHIP 6 NORTH, RANGE 60 WEST, 6<sup>TH</sup> P.M.</u> Section 3: S2 of Lot 1 (39.95), 2 (40.02) 3 (40.09), 4 (40.16), S2S2N2	9/1/2010	864837
		<u>TOWNSHIP 7 NORTH, RANGE 60 WEST, 6<sup>TH</sup> P.M.</u> Section 25: W2		
		Containing 480.53 acres, more or less		
John Thomas Mosier and Patricia G. Mosier, husband and wife	Baseline Minerals, Inc.	<u>TOWNSHIP 6 NORTH, RANGE 60 WEST, 6<sup>TH</sup> P.M.</u> Section 3: S2 Lot 1, S2 Lot 2, S2 Lot 3, S2 Lot 4, S2S2N2	7/30/2008	851650 (Memorandum of Oil and Gas Lease)
		Containing 160.11 acres, more or less		
Richard VanDyke, a widower	Contex Energy Company	<u>TOWNSHIP 6 NORTH, RANGE 60 WEST, 6<sup>TH</sup> P.M.</u> Section 3: Lot 3 (40.09), Lot 4 (40.16), S2NW4	7/3/2008	851675
		Containing 160.25 acres, more or less		

**Exhibit "B"**

**Attached to and made a part of that certain Declaration of Pooling and Unitization dated April \_\_\_\_, 2011, as executed by Esenjay Operating, Inc., and Prima Exploration, Inc.**

Pooling rights, in pertinent part, as granted by leases from the following Lessors:

1. Phillip Andrew Koenig, Sole Surviving Trustee of the Lee Nora Koenig Revocable Trust
2. Richard VanDyke, a widower

Lessee 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 above 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 heretofore been completed or upon which drilling operations have been commenced. Production, drilling or reworking operations or a well shut-in for any reason anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut-in under this lease. In lieu of the royalties elsewhere herein specified, 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 his lease and included in the unit bears to the total number of surface acres in such unit.

Pooling rights, in pertinent part, as granted by leases from the following Lessors:

1. Betty K. Smith, a/k/a Betty Lou Smith, a/k/a Betty Smith, a single woman
2. The Alonzo Petteys Trust, represented herein by The Farmers State Bank of Brush, Trustee, Robert C. Gunnon, Chairman and Susan V. Coronado, Trust Officer
3. John Thomas Mosier and Patricia G. Mosier, husband and wife

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 or 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.

Pooling rights, in pertinent part, as granted by leases from the following Lessors:

1. Arthur D. Johnson and Barbara Lea Johnson, individually, and as husband and wife

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, stratum or strata 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, or by pressure maintenance, repressuring or secondary recovery purposes, 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. Any such unit may be enlarged or diminished by filing an instrument so declaring. 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 or 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 but his lease and included in the unit bears to the total number of surface acres in such unit.