

## BAREFOOT STATE WAIVER 318A.a 318A.c

NOW THEREFORE, in consideration of the covenants and mutual promises set forth in this Agreement, including in the recitals, the Parties agree as follows:

1. Oil and Gas Operations Areas. Kerr-McGee shall drill and operate oil and gas wells on the Property only within the locations depicted as an "Oil and Gas Operations Area" on Exhibit 5A for the Section 25 Property, Exhibit 5B for the Section 35 Property and Exhibit 5C for the Section 36 Property, all such locations being referred to hereinafter alone or collectively as an "Oil and Gas Operations Area" or the "Oil and Gas Operations Areas" and hereinafter referred to for each Section of land as the "Section 25 Oil and Gas Operations Areas," the "Section 35 Oil and Gas Operations Areas" and the "Section 36 Oil and Gas Operations Areas." Certain of the Oil Gas Operations Areas within each of the Sections of land are also more specifically depicted on the applicable Exhibit as a "Horizontal Well Location" and referred to hereinafter as such; however, except as otherwise specifically provided herein, a reference to the Oil and Gas Operation Areas includes the Horizontal Well Locations. The Oil and Gas Operations Areas for each Section of land are as follows:

a. The Section 25 Property. The Oil and Gas Operations Areas for the Section 25 Property include the thirteen locations for the Existing Wells, generally in the centers of the quarter section or quarter quarter sections in the NE/4, NE/4NE/4 and SE/4NE/4, the SE/4, NE/4SE/4 and SE/4SE/4, the NW/4, NE/4NW/4, SE/4NW/4 and SW/4NW/4, and the SW/4, NE/4SW/4 and SW/4SW/4, all as depicted on Exhibit 5A and subparts. The four Oil and Gas Operations Areas in the NE/4NE/4, SE/4NE/4, NE/4SE/4 and SE/4SE/4 are Horizontal Well Locations and depicted as such on the Exhibit and referred to hereinafter collectively as the "Section 25 Horizontal Well Locations."

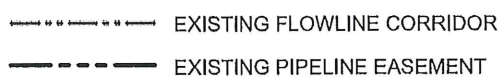
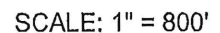
b. The Section 35 Property. The Oil and Gas Operations Areas for the Section 35 Property include the three locations for the Existing Wells, one generally in the center of the NE/4, another in the SW/4SW/4 and a third in the NW/4SW/4 as depicted on Exhibit 5B and subparts. The Oil and Gas Operations Areas in the NW/4SW/4 and the SW/4SW/4 are Horizontal Well Locations and depicted as such on the Exhibit and referred to hereinafter together as the "Section 35 Horizontal Well Locations."

c. The Section 36 Property.

i) The Oil and Gas Operations Areas for the Section 36 Property include the three locations for the Existing Wells, one generally in the center of each of the NE/4 and NW/4 and a third in the NW/4NW/4 as depicted on Exhibit 5C and subparts. In addition, a fourth Oil and Gas Operations Area in the NE/4NE/4 is a Horizontal Well Location and depicted as such on the Exhibit and referred to hereinafter as the "Section 36 Horizontal Well Location."

ii) Kerr-McGee agrees that in the event it enters into a final agreement with the surface owner who owns the surface estate in the NW/4 of Section 35, Township 3 North, Range 68 West, before it commences drilling operations within the Section 36 Horizontal Well Location in which Kerr-McGee reserves



 TEMPORARY OPERATIONS AREA PRODUCTION FACILITY LOCATION

1 OF 4