

**WATER PURCHASE AGREEMENT, by and between
Johnson Water Improvement District and Newfield Production Company**

This Water Purchase Agreement ("Agreement") is entered into this ____ day of _____ 2014, by and between the Johnson Water Improvement District, a political subdivision of the State of Utah with its principal place of business at Route 3 Box 3188, Roosevelt, Utah 84066 ("Seller"), and Newfield Production Company, a Texas Corporation with its principal place of business at 1001 17th Street, Suite 2000, Denver, Colorado 80202 ("Buyer"). The Seller and Buyer are herein sometimes referred to individually as "Party" and collectively as the "Parties".

RECITALS

WHEREAS, Seller owns or controls quantities of water supplied by the Duchesne County Water Conservancy District, and is willing to deliver said quantities of water to Buyer for municipal, industrial and other uses, including use in oil and gas operations; and

WHEREAS, Buyer desires to purchase certain quantities of water from Seller, as set forth below, and Seller will deliver Water to certain distinct points of receipt for Buyer; and

NOW, THEREFORE, for and in consideration of the premises and mutual covenants herein contained, Seller and Buyer do hereby stipulate and agree as follows.

Article I. Definitions

1.1 "Contract Year" means the calendar year (beginning on the First Day of the Month subsequent to the Initial Delivery Date, or if the Initial Delivery Date occurs on the first Day of a Month, then such First Day, and each of the anniversaries thereafter.

1.2 "Day" means a period of twenty-four (24) consecutive hours, beginning at 8:00 AM MST on any Calendar Day.

1.3 "Interruptible" or "Interruptible Basis" as used herein means that Buyer, in its sole and discretion, shall have the right to take available volumes of water above the MDQ at any time and from time to time without increasing the MDQ.

1.4 "Minimum Daily Quantity" or "MDQ" means the volume of Water Seller agrees to deliver and Buyer agrees to accept on any given Day, as set out by Section 4.1 contained herein.

1.5 "Month" means a period beginning at 8:00 AM MST on the first Day of the calendar Month and ending at 8:00 AM MST on the first Day of the next succeeding calendar month.

1.6 "Receipt Point(s)" means the point(s) identified in Attachment 1 at which Seller is to deliver and Buyer is to receive Water into Buyers systems and operations.

1.7 "Water" means water sourced from any number of sources that Seller has legal access to and provided by Seller to Buyer on a daily and consistent basis.

Article II. Scope of Agreement / Availability of Water

2.1 Tender of Water. Seller shall tender Water to Buyer at the Receipt Points during the term of this Agreement. Buyer shall accept at the Receipt Point all Water that Seller delivers to such Receipt Points, up to the MDQ. In addition, Buyer shall accept at the Receipt Points quantities of Water above the MDQ on an Interruptible Basis.



2.2 Facilities. Except as set forth herein, Seller shall not be obligated to add or to modify its facilities to expand the capacity of the Water Delivery System in order to provide services to Buyer, including but not limited to providing conditioning and treating of the Water or other services or associated facilities in order to deliver Water at an existing or new Receipt Point(s). Buyer may request, in writing, that Seller expand facilities or add new Receipt Point(s) or provide additional services. Seller shall determine, in its sole discretion, whether it will construct facilities necessary to provide such requested services. In the event Seller agrees to provide such services, then Seller shall have the right to re-determine the fees to be charged hereunder and/or to establish fees for such additional services. Seller shall install and operate or cause the installation and operation of all facilities necessary to deliver the MDQ of Water to Buyer at the Receipt Point(s).

Article III. Water Purchase Fees

3.1 Water Purchase Fee(s). The Water Purchase Fee(s) to be paid by Buyer to Seller for the quantities of Water delivered by Seller and received and measured by Buyer hereunder shall be eight-and-one-quarter cents (\$0.0825) per barrel of water delivered.

3.2 Fee Escalator. The Water Purchase Fee(s) may be increased by Seller provided such increases are directly related to increases in Seller's cost of treating, operations or doing business. Should Seller wish to increase the Water Purchase Fee(s), Seller will meet with Buyer and provide documentation and data in sufficient quantity to allow Buyer to understand the factors behind the Water Purchase Fee increase. Upon Seller's provision of documentation and data to justify the Water Purchase Fee increase, Buyer shall have twenty one (21) days to provide written notice to Seller confirming the Water Purchase Fee increase, at which time the increase will become effective.

Article IV. Quantity and Quality of Water

4.1 Minimum Daily Quantity. The MDQ is the minimum daily volume of Water that Seller will deliver and Buyer will accept at the Receipt Point(s) each Day during a Contract Year. The MDQ is listed below for each Contract Year or portion of Contract Year.

January 1, 2014 – August 1, 2014	20,000 Barrels of water per Day
August 2, 2014 – December 31, 2014	25,000 Barrels of Water per Day
January 1, 2015 – December 31, 2023	25,000 Barrels of Water per Day
January 1, 2024 – December 31, 2038	20,000 Barrels of Water per Day

4.2 Buyer's Status. Seller and Buyer agree that Buyer is the primary non-residential customer of Seller. As such, in the event Seller does not have adequate volumes of water to supply its customer base, Buyer shall be the last non-residential customer to have a reduction in delivered volumes. For purposes of clarity, Seller will reduce water volume deliveries to other non-residential customers first before reducing the volume delivered to Buyer.

4.3 Seller's Deficiency. During any given Day, should the Seller not be able to meet ninety-five per cent (95%) of the MDQ for reasons other than a Force Majeure event as defined in Paragraph 9.1 ("Seller's Deficiency Status"), Seller shall expend best efforts to remedy any issues with their system or with adjoining systems in order to provide adequate volumes to Buyer to meet the MDQ. Should Seller

be in Seller's Deficiency Status for greater than seven (7) consecutive Days, Seller will endeavor to include Buyer and Buyer's personnel to help remedy any issues with the Seller's system and to help get Seller out of Seller's Deficiency Status; provided, however, that Buyer shall only pay for actual volumes delivered, not the MDQ, past the seven (7) day period. Should Seller be in Seller's Deficiency Status for greater than twenty-one (21) consecutive Days, Buyer shall have the right to seek relief through the renegotiation of the MDQ for this Agreement and by sourcing water from other sources and Buyer will only pay for the actual volume delivered, not the MDQ, past the twenty-one (21) day period. In this case, Buyer will give Seller written notice that Buyer wishes to renegotiate the MDQ, and Seller has thirty (30) Days from receipt of Buyer's notice to negotiate a new MDQ. In no circumstances should the new MDQ be any less than 90% of the current MDQ. If after thirty (30) days after Receipt of Buyer's notice the new MDQ has not been negotiated, the new MDQ shall default to 90% of the current MDQ unless both parties agree to continue negotiations beyond the thirty (30) days.

4.4 Buyer's Deficiency. During any given Day, should the Buyer not be able to accept ninety-five per cent (95%) of the MDQ for reasons other than a Force Majeure event as defined in Paragraph 9.1 ("Buyers Deficiency Status"), Buyer shall expend best efforts to remedy any issues with their system in order to allow Buyer to accept greater than 95% of the MDQ. Should the Buyer be in Buyer's Deficiency Status for greater than fourteen (14) consecutive Days, Seller may elect to demand from Buyer that they pay for the MDQ volumes each Day regardless of whether or not Buyer can actually accept that volume of water ("Minimum Fee Payment"). Seller's demand for Minimum Fee Payment shall take the form of a written notice delivered to Buyer. Once notice has been given to Buyer, Buyer will be obligated to pay Seller each day the MDQ times the current fee, regardless of the actual volume taken, until such time as the Buyer can accept at least 95% of the MDQ volumes.

4.5 Water Quality. Water received and delivered at each Receipt Point shall meet the following quality specifications.

4.5.1 Solids – Water shall be free of any noticeable solids, solid matter, gums or gum forming constituents.

4.5.2 Hydrocarbons – Water shall be free of accumulations of any hydrocarbon substances such as oil, grease, tar or condensate.

4.5.3 Temperature – Water shall be delivered to the receipt points no less than forty five degrees Fahrenheit (45° F) and no greater than one hundred degrees Fahrenheit (100° F).

4.5.4 Hazardous Waste – Water shall not contain hazardous waste as defined in the Resources Conservation and Recovery Act of 1976.

4.5.5 Bacteria – Water shall not contain any material measure of bacteria, including but not limited to Sulphur Reducing Bacteria ("SRB's") or Acid Creating Bacteria ("ACB's").

4.6 Non-Spec Water. Should Seller deliver Water not meeting specifications, Buyer shall have the right to (a) cease accepting deliveries of such non-specification Water at the Receipt Point(s), or (b) Buyer may accept Water not meeting specifications and charge a commercially reasonable out-of-specification fee.

Article V. Measurement

5.1 Unit of Measurement. The Unit of Volume for measurement of Water delivered hereunder shall be one (1) barrel of water consisting of 42 U.S. gallons per barrel. Tests for water quality, including,

but not limited to, SRB content or ACB content of the Water delivered hereunder shall be made by approved standard methods from time to time as requested by any Party hereto.

5.2 Measurement Facilities. All measurement facilities hereunder shall be installed and operated in accordance with industry standards. Buyer shall own all measurement facilities currently attached or appurtenant to the System or associated with Receipt Point(s) listed in Attachment 1.

5.3 Inspection. Either Party shall have the right to be present at the time of any installing, reading, cleaning, changing, repairing, inspecting, calibrating or adjusting done in connection with the equipment used in measuring Water hereunder. The records from such measuring equipment shall remain the property of its owner, but upon request, either Party may review the records and charts together with calculations therefrom, subject to their return within fifteen (15) days after receipt thereof. Records and charts shall be retained by each Party for a period of two (2) years.

5.4 Calibration. At least once each six (6) month period, the Parties hereto shall calibrate their meters and instruments or cause the same to be calibrated. Either Party shall give the other seventy-two (72) hours notice in advance of such test so that Party may, at its election, be present in person or by its representative to observe adjustments, if any, which are made.

5.5 Remedial Action. If, upon any test, the metering equipment is found to be inaccurate, registration thereof and any payment based upon such registrations shall be corrected at the rate of such inaccuracy for any period of inaccuracy which is definitely known or agreed upon, or if not known or agreed upon, then for a period extending back one-half (1/2) of the time elapsed since the day last calibrated, not to exceed sixty (60) days. Following any test, any metering equipment found to be inaccurate to any degree shall be adjusted immediately to measure accurately, and previous volumes shall be corrected as provided in this Section 5.5, if such previous volumes are determined to be in error by greater than four percent (4%).

Article VI. Billing & Audit

6.1 Seller's Statement. Seller shall render a statement to Buyer on or about the fifteenth (15th) Day of each Month setting forth the amount due Seller for all Water Purchase Fees incurred by Buyer during the preceding month. Such statements shall contain reasonably detailed information showing the determination of total amounts owed to Seller from Buyer.

6.2 Payment. Buyer shall pay Seller the amount due in the form of immediately available federal funds by wire or electronic fund transfer to the bank account specified by Seller on or before the twentieth (20th) Day following the rendition of the statement described in Section 6.1 hereof. Any payment shall not prejudice the right of the paying Party to an adjustment of any statement to which it has taken written exception, provided such Party's written exception shall have been made before payment from the Buyer to Seller for any given Month. Late payments shall accrue interest at the rate of 1.5% per month until paid.

6.3 Audit. Either Party, on 30 days prior written notice, shall have the right at its expense, at reasonable times during business hours, to audit the books and records of the other Party to the extent necessary to verify the accuracy of any statement, measurement, computation, charge, or payment made under or pursuant to this Agreement. The scope of any audit shall be limited to transactions affecting the Water hereunder and shall be limited to the 24-month period immediately prior to the month in which the audit is requested. However, no audit may include any time period for which a prior audit hereunder was conducted, and no audit may occur more frequently than once each 12 months. All statements, measurements, computations, charges, or payments made in any period prior to the 24 month period

immediately prior to the month in which the audit is requested, or made in any 24 month period for which the audit is requested but for which a written claim for adjustments is not made within 90 days after the audit is requested, shall be conclusively deemed true and correct and shall be final for all purposes. To the extent that the foregoing varies from any applicable statute of limitations, the Parties expressly waive all such applicable statutes of limitations.

Article VII. Notices

7.1 **Notices.** Any notice, request, demand, statement, bill or payment provided for in this agreement or any notice which any Party may desire to give to the other, shall be in writing and shall be considered as duly delivered by facsimile, electronic mail, and/or when mailed by regular mail, certified or registered mail to the address of the Parties hereof as follows:

SELLER:

JOHNSON WATER DISTRICT

4033 Mortensen Lane
Roosevelt, UT 84066
Attn: Dallas Murray

Phone: (435) 722-2620
Fax: (435) 722-2620
Email: [JWDWater@stratanet.com]

BUYER:

NEWFIELD EXPLORATION COMPANY

1001 17th Street, Suite 2000
Denver, CO 80202
Attn: Gabriel Reyes or GMBU Facilities Lead

Phone: (303) 383-4173
Fax: (303) 893-0103
Email: [Greyes@Newfield.com]

Either Party may change its address or listed contact for the purpose of this Section by giving written notice of such change to the other Party within ten (10) days of said change.

Article XIII. Indemnifications

8.1 Buyer agrees to defend, indemnify and hold Seller, its parent, subsidiary and affiliate companies, its subcontractors, their agents, employees, directors, officers, servants, and invitees (the "Seller Group"), harmless from and against any and all losses, claims, demands, liabilities or causes of action of every kind and character, in favor of any person or party, for any Buyer Group's property casualty, and for injury to or illness or death of any employee of Buyer Group, which casualty, injury, illness or death relates to, arises out of or is incident to the work or services performed under this Agreement, and regardless of the cause of such casualty, injury, illness or death, even though caused in whole or in part by a pre-existing defect, indemnitees' negligence or strict liability, or other legal fault of indemnitees, whether sole, joint or concurrent; excluding, however, such liability, claims losses, damages, or expenses arising from Seller's sole negligence or willful acts. Buyer shall fully defend any such claim, demand or suit at its sole expense, even if the same is groundless. Buyer's indemnification of Seller Group hereunder includes any contractual liability under indemnity agreements that Seller may have with third parties concerning property casualty, bodily injury or death to any employee of Buyer Group. This indemnity shall be limited to the extent necessary for compliance with applicable State and Federal laws.

8.2 Seller agrees to defend, indemnify and hold Buyer, its joint interest owners, their parent, subsidiary and affiliate companies, its other contractors of every tier, agents, employees, directors, officers, servants, invitees (the "Buyer Group") harmless from and against any and all losses, claims, demands, liabilities or causes of action of every kind and character, in favor of any person or party, for

any Seller Group property casualty, and for injury to or illness or death of any employee of Seller or any employee of Seller Group, which casualty, injury, illness or death relates to, arises out of or is incident to the work or services performed under this Agreement, and regardless of the cause of such casualty, injury, illness or death, even though caused in whole or in part by a pre-existing defect, indemnitees' negligence or strict liability, or other legal fault of indemnitees, whether sole, joint or concurrent. Seller shall fully defend any such claim demand or suit at its sole expense, even if the same is groundless. Seller's indemnification of Buyer Group hereunder includes any contractual liability under indemnity agreements that Buyer may have with third parties concerning property casualty, bodily injury or death to any employee of Seller Group. This indemnity shall be limited to the extent necessary for compliance with applicable State and Federal laws.

8.3 EXPRESS NEGLIGENCE / CONSPICUOUS MANNER. WITH RESPECT TO THIS SECTION, BOTH PARTIES AGREE THAT THIS STATEMENT COMPLIES WITH THE REQUIREMENT KNOWN AS THE EXPRESS NEGLIGENCE RULE, TO EXPRESSLY STATE IN A CONSPICUOUS MANNER TO AFFORD FAIR AND ADEQUATE NOTICE THAT THIS SECTION HAS PROVISIONS REQUIRING ONE PARTY (THE INDEMNITOR) TO BE RESPONSIBLE FOR THE NEGLIGENCE, STRICT LIABILITY, OR OTHER FAULT OF ANOTHER PARTY (THE INDEMNITEE).

AS AN "INDEMNIFYING PARTY", SELLER REPRESENTS TO BUYER, AS THE "INDEMNIFIED PARTY" (1) THAT IT, CONTRACTOR, HAS CONSULTED AN ATTORNEY CONCERNING THIS SECTION OR, IF IT HAS NOT CONSULTED AN ATTORNEY, THAT IT WAS PROVIDED THE OPPORTUNITY AND HAD THE ABILITY TO SO CONSULT, BUT MADE AN INFORMED DECISION NOT TO DO SO, AND (2) THAT IT FULLY UNDERSTANDS ITS OBLIGATIONS UNDER THIS SECTION. AS AN "INDEMNIFYING PARTY", BUYER REPRESENTS TO SELLER, AS THE "INDEMNIFIED PARTY" (1) THAT IT, BUYER, HAS CONSULTED AN ATTORNEY CONCERNING THIS SECTION OR, IF IT HAS NOT CONSULTED AN ATTORNEY, THAT IT WAS PROVIDED THE OPPORTUNITY AND HAD THE ABILITY TO SO CONSULT, BUT MADE AN INFORMED DECISION NOT TO DO SO AND (2) THAT IT FULLY UNDERSTANDS ITS OBLIGATIONS UNDER THIS SECTION.

8.4 Each party shall notify the other party immediately of any claim, demand, or suit that may be presented to or served upon it by any party arising out of or as a result of work performed pursuant hereto, affording such other party full opportunity to assume the defense of such claim, demand, or suit and to protect itself under the obligations of this Section VII. A party assuming control of defense of such claim may not later dispute its indemnification obligation as to that claim.

8.5 Seller advises that it is a governmental entity in the State of Utah and is bound by the provisions of the Utah Governmental Immunity Act (Title 63G, Chapter 7, Utah Code Annotated, 1953, as amended) and does not waive any procedural or substantive defense or benefit provided or to be provided by the Governmental Immunity Act or comparable legislative enactment, including without limitation, the provisions of Section 63G-7-604 regarding limitation of judgments. Any indemnity and insurance obligations incurred by Seller under this contract are expressly limited to the amounts identified in the Act to the extent and only to the extent the Act applies to this Agreement.

Article IX. Force Majeure

9.1 With the exception of Buyer's duty to make timely payment for services provided prior to the commencement of the event of force majeure, each party hereto shall be excused from the performance of any of the obligations herein imposed, for the time and extent such failure is occasioned by, whether foreseeable or unforeseeable, the acts of God or federal, state or municipal order, rule, legislation, or

regulation, or by war, acts of the public enemy, strikes, lockouts, insurrection, rebellion, riots, floods, hurricanes, fire, storm, explosion, destruction from any involuntary cause of the facilities involved herein, or any other cause or causes of any kind or character reasonably beyond the control of the Party failing to perform (each, an "Event of Force Majeure"). Neither Party shall be required to settle or resolve any type of labor disturbances.

Article X. Representations and Warranties

10.1 Buyer represents and warrants that it has, or will have, the financial capacity to meet each and every financial obligations imposed by this Agreement at the time required.

10.2 Buyer represents and warrants that it has obtained any necessary permission(s), authorization(s) and approval from its corporate officers and/or board of directors, that it is legally authorized to enter into this Agreement and to fulfill any and all obligations imposed hereby, and that this Agreement constitutes the legal, valid and binding Agreement of Buyer; Buyer represents and warrants that the individual signing this agreement for Buyer is fully authorized to enter into this Agreement in the name of Buyer, and that he or she suffers no incapacity or infirmity which would invalidate the commitments herein.

10.3 Seller represents and warrants that it has the authority to sell the water supplied as committed herein; and Seller has the capacity to deliver said quantities of water to Buyer.

10.4 Seller represents and warrants that if, at any time preceding the expiration of this Agreement, Buyer discovers a breach by Seller of this Agreement, and notifies Seller of such breach, then Seller shall, pursuant to Section 4.3 of this Agreement, have the opportunity to cure said breach. If Seller is unable to cure said breach, then Buyer shall, at its sole discretion, terminate this agreement

10.5 Seller represents and warrants that it has obtained any necessary permission(s), authorization(s) and approval from its corporate officers and/or board of directors, that it is legally authorized to enter into this Agreement and to fulfill any and all obligations imposed hereby, and that this Agreement constitutes the legal, valid and binding Agreement of Seller; Seller represents and warrants that the individual signing this agreement for Seller is fully authorized to enter into this Agreement in the name of Seller, and that he or she suffers no incapacity or infirmity which would invalidate the commitments herein.

Article XI. Term and Terminations.

11.1 This Agreement shall become effective on the later of (i) June 1, 2014 or (ii) upon completion of the Victory Pipeline by the Duchesne County Water Conservancy District ("Effective Date") upon its execution by each Party. Unless previously terminated by the written mutual agreement of the Parties, this Agreement shall remain in full force and effect thereafter for a period of twenty five (25) years from the effective date of this Agreement.

11.2 **Termination:** Upon expiration of the primary term, unless terminated by either party with one hundred twenty (120) days notice, the Agreement shall continue for an initial extension period of five (5) years. Upon the expiration of the initial five (5) year extension period, the Newfield shall have the option, in its sole discretion, to renew for a second five (5) year period, and year to year thereafter, until such termination notice is provide by one of the Parties.

Article XII. Miscellaneous

12.1 **Assignment, Limited Successors and Assigns.** The provisions of this Agreement shall apply to and bind the successors and assigns of the Parties hereto.

12.2 **Governing Law.** This Agreement is governed by the laws of Utah, except for any provision of Utah that would require the application of the laws of another jurisdiction. Both Parties consent to the jurisdiction of the state and federal courts with jurisdiction in Salt Lake County, Utah, as the sole and exclusive forum for the resolution of all disputes or claims arising out of or relating to this agreement, and agree to waive all objections to venue being laid in those courts, including the defense of forum non conveniens and the like. **BOTH PARTIES WAIVE ANY RIGHT TO A JURY TRIAL IN ANY DISPUTE BETWEEN THEM REGARDING THE SUBJECT MATTER OF THIS AGREEMENT.**

12.3 **Amendment.** This Agreement constitutes the entire understanding between the Parties with respect to the information contained herein. No amendment or modification of this Agreement shall be valid or binding on the Parties unless made in writing and executed on behalf of each party by its duly authorized representative.

12.4 **Execution.** Each party represents that it has caused this Agreement to be executed on its behalf as of the date written below by a representative empowered to bind that Party with respect to the undertakings and obligations contained herein.

12.5 **Further Assurances.** The Parties shall provide cooperation and assistance to each other in order to implement and carry out the intent and water operations required under this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

Newfield Production Company

By: Matthew R. Yezza
Name: Matthew R. Yezza
Title: Vice President, Newfield Rocky Mountains *TKM*
Date: July 23, 2014 *AB*

Johnson Water Improvement District

By: Dallas E. Murray
Name: Dallas E. Murray
Title: Chairman of Bd
Date: ~~7-28-14~~ 7-28-14

ATTACHMENT 1 – RECEIPT POINTS

Newfield Pump Station #1

Section 8

T42-R2W

123 deg. South East, Duchesne Utah

Lat. 40 deg. 9' 9" North

Long. 110 deg. 7' 46" West

Newfield Pump Station #2

Section 10

T42-R2W

306 deg. North West Myton Utah

Lat. 40 deg. 9' 19" North

Long 110 deg. 6' 5" West

**WATER PURCHASE AGREEMENT AMENDMENT, by and between
Johnson Water Improvement District and Newfield Production Company**

This Water Purchase Agreement Amendment ("Amendment") is entered into this ___ day of January 2016, by and between the Johnson Water Improvement District, a political subdivision of the State of Utah with its principal state of business at Route 3 Box 3188, Roosevelt, Utah 84066 ("Seller"), and Newfield Production Company, a Texas Corporation with its principal place of business at 4 Waterway Square Place, Suite 100, The Woodlands, Texas 77380 ("Buyer"). The Seller and Buyer are herein sometimes referred to individually as "Party" and collectively as the "Parties."

RECITALS

WHEREAS, Seller and Buyer entered into a Water Purchase Agreement dated July 28, 2014 ("Original Agreement"). Pursuant to the Original Agreement, Buyer agreed to buy quantities of water from the Seller supplied by the Duchesne County Water Conservancy District.

WHEREAS, Seller and Buyer desire to amend the Original Agreement to alter the Term and Quantity and Quality of Water sections.

NOW THEREFORE, for and in consideration of the mutual promises and obligations set forth herein, the parties agree to amend the Original Agreement as follows:

1. Article XI. Term and Termination. Subsection 11.1 shall be stricken in its entirety and amended to read:

This Agreement shall become effective on January ___, 2016 ("Effective Date"). Unless previously terminated by the written mutual agreement of the Parties, this Agreement shall remain in full force and effect thereafter for a period of twenty-five (25) years from the Effective Date of this Agreement.

2. Article IV. Quantity and Quality of Water. Sub-Section 4.1 shall be amended to remove the dates and volumes of water and replaced with the following:

January 1, 2016 – December 31, 2042 20,000 Barrels of Water per day

Sub-Section 4.4 shall be stricken in its entirety and amended to read:

During any given Day, should the Buyer not be able to accept ninety-five percent (95%) of the MDQ for reasons other than a Force Majeure event as defined in Paragraph 9.1 ("Buyers Deficiency Status"), Buyer shall expend best efforts to remedy any issues with their system in order to allow Buyer to accept greater than 95% of the MDQ, if it is a system issue. However, if Buyer's water needs in the Johnson Water District ("Water District") decrease for any reason, Buyer has the option to market any Shortfall Volumes ("Shortfall Volumes") within the same Water District. If Buyer is short to the contracted volume, and either

Buyer or Johnson Water is able to find a consumer for those barrels, any deficiency fees associated with the marketed barrels would be waived. Should a viable buyer not be found, and Buyer be in Deficiency Status for greater than fourteen (14) consecutive Days, Seller may then elect to demand from Buyer that they pay for the MDQ volumes each Day regardless of whether or not Buyer can accept that volume of water ("Minimum Fee Payment"). Seller's demand for Minimum Fee Payment shall take the form of a written notice delivered to Buyer. Once notice has been given to Buyer, Buyer will be obligated to pay Seller each day the MDQ times the current fee, regardless of the actual volume taken, until such time as the Buyer can accept at least 95% of the MDQ volumes.

3. Counterparts. This Amendment may be executed in several counterparts, each of which will be deemed an original, and all of such counterparts together will constitute one and the same instrument. Signature and acknowledgment pages, if any, may be detached from the counterparts and attached to a single copy of this document to physically form one document. Executed copies hereof may be delivered by telecopy or electronic delivery, and upon receipt, will be deemed originals and binding upon the parties hereto. Without limiting or otherwise affecting the validity of executed copies hereof that have been delivered by telecopy delivery, the parties will use best efforts to deliver originals as promptly as possible after execution.
4. Status of the Original Agreement. Except as specifically amended herein, none of the provisions of the Original Agreement shall be deemed or construed to have been modified, amended, or supplemented, unless otherwise so indicated by execution or approval of this Amendment, and the Original Agreement, as amended, is and shall continue in full force and effect.

IN WITNESS WHEREOF, the duly authorized representatives of the Parties have caused this Amendment to be executed on the date first written above.

Newfield Production Company

By: [Signature]

Name: MATTHEW R. VEZINA

Title: V. CE. PRESIDENT

Date: 1/27/24, 2016

Johnson Water Improvement District

By: [Signature]

Name: Dallas F. Murray

Title: Chairman

Date: 5-16-16