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## PRODUCTION PAYMENT PURCHASE AND SALE AGREEMENT

This **PRODUCTION PAYMENT PURCHASE AND SALE AGREEMENT** (the "Agreement") , executed as of February 21, 2017, and effective February 21, 2017 (the "Effective Date"), is between **HOCKLEY NEWCO, LLC** ("**Hockley**"), a Texas limited liability company, whose address is 8955 Katy Freeway, Suite 310, Houston, TX 77024, and **Acquiring Entity Crude Oil, S.L.** ("**Acquiring Entity**"), a Spanish Corporation, whose address is Gral. Díaz Porlier, 57, 28006 Madrid, Spain. Hockley and Acquiring Entity are sometimes referred to individually as a "Party" and collectively as the "Parties".

FOR AND IN CONSIDERATION of the payments and mutual covenants to be made in this Agreement by the Parties and the benefits derived by the Parties from this Agreement, the Parties agree as follows:

### RECITALS

- A. Hockley owns certain undivided oil, gas and mineral leasehold, royalty and mineral interests in and to those lands commonly referred to as the Hockley field, , as more particularly described in Exhibit A attached to the Assignment (as defined below).
- B. Hockley is currently engaged in a program with respect to the Subject Interests (as defined below) on the Subject Lands (as defined below) for the exploration, development, production and sale of crude oil and natural gas.
- C. Hockley desires to sell and convey and Acquiring Entity desires to purchase and pay for a series of volumetric production payment(s) in and to the crude oil and/or natural gas that is produced, saved and sold from the Subject Interests, in a cumulative volume up to 1 million barrels of crude oil and NO----- MCF of natural gas upon and subject to the terms and conditions provided in the Assignment and this Agreement.

### I.

### **CERTAIN DEFINITIONS**

1.1 For purposes of this Agreement, the following capitalized terms shall have the meanings herein ascribed to them and the capitalized terms defined in the opening paragraph and subsequent paragraphs by inclusion in quotation marks and parentheses shall have the meanings ascribed to them:

"Additional Volumes" shall have the meaning given to such term in Section 2.4.