

EXHIBIT B

Form of Contract Operating Agreement

FORM OF CONTRACT OPERATING AGREEMENT

This Contract Operating Agreement (the "Agreement") is executed to be effective as of the [1st] day of [November], 2016 (the "Effective Date"), by and between [Purchaser] ("Buyer"), and Emerald Oil, Inc. ("Operator") (each a "Party," and collectively, the "Parties").

WHEREAS, Operator serves as Operator of the oil and gas wells named on Exhibit A attached hereto and made a part hereof (the "Wells") for and on behalf of the other working interest owners therein;

WHEREAS, pursuant to that certain Asset Purchase Agreement, dated as of October [__] 2016, by and among Buyer, Operator and the other parties thereto (the "Purchase Agreement"), Buyer acquired Operator's interest in the Wells and the leases under which such Wells are held (the "Leases");

WHEREAS, pursuant to Section 7.10 of the Purchase Agreement, Operator has agreed to perform certain services as operator with respect to the Wells on and subject to the terms of this Agreement; and

WHEREAS, this Agreement shall also cover any additional wells or leases drilled or acquired during the term of this Agreement in which Buyer has an interest.

NOW, THEREFORE, in consideration of the above premises and the agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the parties hereto, intending to be legally bound, do hereby agree as follows:

1. Buyer hereby engages, appoints and designates Operator to act for and on its behalf to perform certain acts and deeds and exercise certain of the operating rights and privileges with respect to the Wells and Leases (which terms shall include, and this Agreement shall cover, any additional wells or leases (as applicable) drilled on and/or acquired within the lands covered by the Leases in which Buyer has an interest pursuant to the Purchase Agreement), all as more particularly described in Paragraph 2 below.

2. (a) Operator shall perform the following rights, responsibilities and obligations with respect to the Wells and Leases (collectively, the "Services"), subject to the terms and provisions of any applicable joint or unit operating agreements ("Operating Agreements"), governmental orders, designations, or agreements establishing pools or units ("Orders"), drilling or operating permits ("Permits") and applicable laws and regulations that, in each case, govern ownership or operation of the Leases and Wells:

- (i) supervision of drilling, completion and production operations;
- (ii) filing of operational reports with appropriate governmental authorities;
- (iii) maintaining Well and Lease records;
- (iv) coordination of production sales and marketing;
- (v) submission of authorization for expenditures ("AFEs"), joint interest billings ("JIBs") and other invoices received from third parties to Buyer for payment by Buyer (and for which Operator shall have no liability or payment obligation);
- (vi) division order preparation and maintenance and revenue distribution;
- (vii) preparation and administration of JIBs; and
- (viii) such other activities as historically performed by Operator in its capacity as operator of the Wells and owner of the Leases, consistent with past practice;

and in performing such Services and other activities pursuant to this Agreement shall act hereunder at all times as an independent contractor, in accordance with Prudent Industry Practices, and shall determine the number and selection of any employees or contract workers ("Personnel") to be engaged by Operator or its affiliate(s) to perform the Services, as well as the hours of labor, and the compensation to be paid, all such Personnel, consistent with Operator's past practice. Such Personnel at all times shall be Personnel of Operator or its affiliate(s) (as applicable) and not Personnel of Buyer, *provided* that Buyer agrees to fund the compensation of all such Personnel in accordance with Paragraph 5.

(b) Notwithstanding the foregoing, the obligation of Operator to perform the Services from and after the date hereof shall be subject to Operator having available to it (either directly, through its affiliates, or through Buyer, as provided in Paragraph 5(a)) sufficient Personnel and funding to perform the Services and Operator shall have no obligation to procure any materials or third-party services in connection with the Services without adequate funding from Buyer (whether paid by Buyer directly to the applicable third parties or to Operator). Nor shall Operator have any obligation to retain the services of any additional or current Personnel in order to provide the Services; *provided* that Operator shall not voluntarily terminate the employment of any employee necessary for the performance of the Services other than for cause (as determined in Operator's sole discretion and consistent with past practices) unless, after giving effect to such termination, Operator shall have available to it (either directly, through its affiliates, or through Buyer) sufficient Personnel to perform the Services.

(c) Subject to Paragraph 2(b), Operator will perform the Services and perform its obligations under this Agreement in accordance with Prudent Industry Practices and the terms of this Agreement, and shall have no liability to Buyer or any third party arising from its operations

or activities hereunder except as result from its own willful misconduct. For purposes of this Agreement, “Prudent Industry Practices” means, at a particular time, any of the practices, methods, standards of care, skill, safety and diligence, as the same may change from time to time, but applied in light of the facts known, that are consistent with the general standards applied or utilized under comparable circumstances by a reasonably prudent operator, in a good and workmanlike manner, with due diligence and dispatch, in accordance with good upstream industry practice in the areas where the Wells are located. The term “Prudent Industry Practices” is not intended to be limited to the optimum practices, methods, techniques, standards, codes, specifications and acts to the exclusion of all others, but rather to be acceptable practices, methods, techniques, standards, codes, specifications and acts as applied having due regard for, among other things, the requirements of applicable laws, insurance policies, manufacturer’s warranties, and permits.

3. Unless terminated at a prior date as herein provided, this Agreement shall continue in effect until the earlier of (i) the later of (A) sixty (60) days after the date of this Agreement or (B) such later date as agreed to in writing by Buyer and Operator (the later of (A) and (B), the “End Date”); (ii) [5] business days following the date Buyer receives the necessary government approvals to commence operation of the Wells and Leases; or (iii) upon written notice by Buyer to Operator of Buyer’s termination of this Agreement. If Buyer terminates this Agreement prior to the End Date, the effective date of such termination shall be at the end of the last day of the month in which such notice of termination is delivered to Operator. Upon termination of this Agreement, a final accounting shall be made, and any amounts determined to be owed to Operator by Buyer hereunder shall be paid to Operator by Buyer, and this Agreement shall remain in effect for the purposes of such final accounting until all amounts to be paid by Buyer to Operator under this Agreement shall have been paid.

4. Operator shall use good faith efforts to consult with and keep Buyer informed on a regular basis about the Services provided hereunder. However, nothing herein shall limit Operator’s right and authority, without any consultation with Buyer, to make decisions in its capacity as Operator (and not with respect to Buyer’s interest in the Wells) as contemplated under or necessary to comply with any applicable Operating Agreement, Order, or Permit or which, according to the custom of the industry or because of emergency conditions, require a decision to be made within a brief period of time or which involve the methods and procedures to be employed by Operator in operations such as, but not limited to, completions, deepening, sidetracking, reworking, or plugging and abandoning, and the like.

5. (a) In exchange for Operator providing the Services, Buyer shall pay to Operator an amount equal to \$_____ for each month in which this Agreement is in effect (prorated for the first and last months based on the number of days from (and including) the date of this Agreement divided by 30); which amount shall be reduced (on a monthly basis) by (1) the amount set forth on Exhibit B opposite the names of any Personnel engaged by Buyer or its affiliates to assist in

providing Services during the term of this Agreement (which Personnel Buyer agrees to make available to Operator to begin work upon their retention by Buyer); or (2) in the case of any such Personnel whose engagement is terminated prior to the termination of this Agreement, reduced by the applicable amount set forth on Exhibit B during the period from and after the date such engagement is terminated (prorated on a daily basis for the month in which such termination of employment occurs) through the date this Agreement is terminated. **[NTD: this is intended to cover G&A for the Personnel engaged by Operator who perform the services. Exhibit B should be the monthly salary for salaried employees and the amount included in the G&A number for hourly employees/independent contractors].**

(b) On or before (1) the Effective Date, and (2) the first day of each subsequent calendar month during the term of this Agreement, Operator shall provide to Buyer an invoice for the amounts described in Paragraph 5(a) for the following calendar month (or portion thereof), and Buyer's payment shall be due to Operator within ten (10) business days after Buyer's receipt of such invoice (except for the first payment, which shall be due on or before the Effective Date) subject to reduction by the amount of any overpayment for any prior month resulting from the employment by Buyer or other termination of an employee.

(c) To the extent Operator receives the compensation due the operator under each of the Operating Agreements for acting as operator under such Operating Agreement, Buyer shall be entitled to all such amounts and Operator shall hold all such amounts in trust for Buyer and promptly deliver such amounts to Buyer after Operator's receipt thereof.

(d) Operator shall, to the extent reasonably practicable, cause Buyer to be invoiced directly (or, if Operator is invoiced, Operator shall forward such invoice to Buyer) for any third-party services or materials necessary or required by Operator in connection with the Services (as determined by Operator in its sole discretion exercised in accordance with Prudent Industry Practices) or that may be requested by Buyer for operations with respect to the Wells or Leases. Buyer shall timely pay all such invoices and Buyer shall be entitled to any amounts received from the other working interest owners in the Wells or Leases to the extent such payments constitute reimbursement of amounts already paid by Buyer or assumed by Buyer pursuant to the Purchase Agreement.

6. Operator shall at all times during the term of this Agreement carry insurance as required under each of the Operating Agreements, specifically naming Buyer as additional named insured on all such insurance outside of any applicable workers compensation policy(ies) and providing Buyer with a certificate of insurance evidencing same. The premiums for this insurance will be billed to the joint account under the applicable Operating Agreement to the extent permitted, but shall be paid (directly at Operator's request or by reimbursement to Operator) by Buyer (and Buyer shall be entitled to any amounts received from the other working interest owners in the

Wells and Leases to the extent such payments constitute reimbursement of amounts already paid or reimbursed by Buyer).

7. Operator shall keep accurate books and records of all reports, expenditures, operations and transactions relating to its duties separately under each of the Operating Agreements, which shall be available for review by Buyer upon reasonable notice and request.

8. Buyer shall be responsible for the payment of all sums due for actions taken or authorized by Operator under this Agreement and shall be obligated to perform all reasonable and customary acts committed for by Operator in accordance with this Agreement.

9. Buyer hereby agrees to DEFEND, INDEMNIFY AND HOLD HARMLESS Operator and its members, partners and affiliates and each of their respective officers, managers, directors, employees and agents (each, an “Operator Indemnified Party”) from any and all liabilities, incurred by, imposed upon or rendered against one or more Operator Indemnified Parties, whether based on contract, or tort, or pursuant to any statute, rule or regulation, and regardless of whether the liabilities are foreseeable or unforeseeable, all to the extent that such liabilities are in respect of or arise from claims by a third party relating to any acts or omissions of any Operator Indemnified Parties in connection with acting or omitting to act in providing the Services, PROVIDED THAT BUYER SHALL NOT BE OBLIGATED TO INDEMNIFY OR HOLD HARMLESS OPERATOR INDEMNIFIED PARTIES FROM AND AGAINST ANY CLAIMS TO THE EXTENT THEY RESULT FROM THE WILLFUL MISCONDUCT OF ANY OPERATOR INDEMNIFIED PARTY. THE FOREGOING INDEMNIFICATION OBLIGATIONS IN THIS PARAGRAPH 9 SHALL APPLY WHETHER OR NOT SUCH DUTIES, OBLIGATIONS OR LIABILITIES, OR SUCH CLAIMS, ACTIONS, CAUSES OF ACTION, DAMAGES, LOSSES, COSTS OR EXPENSES ARISE OUT OF, ARE ATTRIBUTABLE OR RELATED TO, OR ARE IN CONNECTION WITH THE (I) GROSS NEGLIGENCE OR NEGLIGENCE (INCLUDING SOLE NEGLIGENCE, SIMPLE NEGLIGENCE, CONCURRENT NEGLIGENCE AND ACTIVE OR PASSIVE NEGLIGENCE) OR (II) STRICT LIABILITY OF OPERATOR.

1. This Agreement (a) shall be construed in accordance with the internal laws (but not the laws of conflicts) of the State of [Delaware], (b) may be executed in multiple counterparts (including by facsimile or pdf or other electronic transmission), all of which taken together shall constitute one and the same original Agreement, (c) may not be assigned by any party except with the prior written consent of the other party, (d) is for the benefit only of the parties hereto and may not be enforced by any other person or entity (other than the Operator Indemnified Parties, which are intended third party beneficiaries hereof entitled to enforce this Agreement as if a party hereto), (e) represents, along with Purchase Agreement and the documents contemplated hereby and thereby, the complete understanding and agreement between the parties hereto with respect to the subject matter hereof and supersedes any prior representations,

agreements, arrangements and understandings between the parties, whether oral or written, and (f) may be amended only by a written instrument executed by the parties hereto. No waiver of any rights under this Agreement shall be effective against any party to this Agreement unless set forth in a written instrument executed by such party. The parties agree that this Agreement was drafted by the parties hereto and the result of negotiation between sophisticated parties (each having received separate legal advice) and no rule of construction shall be applied against any party. In no event will this Agreement be deemed to create a partnership between Buyer or any of its affiliates, on the one hand, and Operator or any of its affiliates, on the other hand, and in no event will any fiduciary or similar duty be deemed owed by Operator or any of its affiliates to Buyer or any of its affiliates. The Bankruptcy Court shall retain exclusive jurisdiction to enforce the terms of this Agreement and to decide any claims or disputes which may arise or result from or be connected with, the Agreement, any breach or default under it, or the transactions contemplated by it, and (ii) any and all proceedings related to the foregoing shall be filed and maintained only in the Bankruptcy Court, and Buyer and Operator hereby expressly and irrevocably consent to and subject to the jurisdiction and venue of the Bankruptcy Court. EACH PARTY HEREBY WAIVES THE RIGHT TO ANY JURY TRIAL IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM BROUGHT BY EITHER PARTY AGAINST THE OTHER WITH RESPECT TO THIS AGREEMENT.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, this Agreement has been executed by the following duly authorized representatives of the Parties, to be effective as of the Effective Date.

OPERATOR

Emerald Oil, Inc.

By: _____
James Muchmore
General Counsel

BUYER

[*Purchaser*]

By: _____

EXHIBIT A
to Contract Operating Agreement
by and between [Purchaser] and Emerald Oil, Inc.

Wells

[Attached]

EXHIBIT B
to Contract Operating Agreement
by and between [Purchaser] and Emerald Oil, Inc.

Personnel Compensation Rates

[Attached]