

~~#3458~~

TERMINATION
DATE 07/08/2019
LEASING JM
MAPS J
GIS SB

52.076

Rentals: MB

Lease J
Admin: J

Mineral J
Maps: J

STATE LEASE

MF103680

CONTROL	BASEFILE	COUNTY
01-3416	000 -	LOVING /151
01-3425	000 -	REEVES /195

SURVEY : PECOS RIVER
BLOCK :
TOWNSHIP : 00
SECTION/TRACT:
PART :
ACRES : 8.00
DEPTH LIMITS : ~~NO~~ 4000' To 6000' (CHERRY CANYON)

LESSEE : WOLF ENERGY CORP
LEASE DATE : Apr 06 2004
PRIMARY TERM :
BONUS (\$) : 0.00
RENTAL (\$) : 0.00
ROYALTY : 0.25000000
VAR ROYALTY :



CAUTION

Documents in this file have
been placed in Table of Contents
order and scanned.

Please help keep documents in
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Thank you for your assistance.

Archives and Records Staff

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CONTENTS OF FILE NO. NF103680

1. Pooling Committee Report
+ Pooling Agreement Pursuant
to TNRC 52,076. 5/11/04

2. Zero Production explanation 7/02/15

Scanned SM 9/21/15

See MF 066335#30 P/4 Demand letter 7/16.

scanned Pt 2-1-16

See MF 066335#31 FY15 Demand letter 6/13/16

scanned Pt 7-12-16

3. Notice of Intent to Plug API 42-301-30638 8/6/19

4. RRC Mainframe Showing P&A 8/6/19

scanned A 9-17-2019

DO NOT DESTROY



Texas General Land Office
UNIT AGREEMENT MEMO

PA04-43

Unit Number	3458		
Operator Name	WOLF ENERGY INC	Effective Date	4/6/2004
TaxID:		Unitized For	Oil & Gas
Unit Name	Curley Unit	Unit Term	0 Months
County1	Loving		
County 2	Reeves	<u>Old Unit Number</u>	<u>Inactive Status Date</u>
County 3		2975	1/30/2003
RRC District:	08	0	
Unit Type:	Permanent	0	
State Royalty Interest:	0.025	0	
State Part in Unit:	0.1		
Unit Depth		Well:	Unit
Below Depth	4000 TVD	Formation:	Cherry Canvon
Above Depth	6000 TVD	Participation Basis:	Surface Acreage
		[If Exclusions Apply: See Remarks]	

MF Number	MF103680	Tract Number	1
Lease Acres	8	Total Unit Acres	80 =
Tract Participation:	0.1000000	X	
Lease Royalty	0.25	=	
Tract Royalty Participation	0.0250000		

Manual Tract Participation:

0 See Remarks

Manual Tract Royalty:

0

Tract Royalty Reduction	No
Tract Royalty Rate	0
Tract On-Line Date:	

API Number

RRC Number

Remarks:

A part of the Pecos River is being pooled under T.N.R.C. 52.076.

Prepared By:

REW

GLO Base Updated By:

MS

RAM Approval By:

CL

GIS By:

Mineral Maps By:

JA

Prepared Date:

04/06/04

GLOBase Date:

5/7/04

RAM Approval Date:

5/10/04

GIS Date:

Mineral Maps Date:

5-29-04

Pooling Committee Report

To: School Land Board

PA04-43

Date of Board Meeting: April 6, 2004

Unit Number: 3458

Effective Date: 4/6/2004

Unit Expiration Date: Permanent

Applicant: WOLF ENERGY INC

Operator: WOLF ENERGY INC

County 1: Loving

County 2: Reeves

County 3:

Unit Name: Curley Unit

Field Name: Hubbard (Cherry Canyon)

<u>Lease Type</u>	<u>MF Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
UR	(MF103680)	0.25				8	0.0250000

A part of the Pecos River is being pooled pursuant to Texas Natural Resources Code 52.076 which gives the School Land Board the authority to pool unleased riverbeds and channels.

SF = State Fee RAL = Relinquishment Act FR = Free Royalty UR = Unleased River

Private Acres:	72
State Acres:	8
Total Unit Acres:	80

<u>Participation Basis:</u>	
Surface Acreage	
<u>State Acreage:</u>	10.00%
<u>State Unit Royalty:</u>	2.50%

<u>Unit Type:</u>	<u>Unitized for:</u>
Permanent	Oil & Gas
<u>Term:</u>	0 Months

<u>Well Location:</u>
Private Land

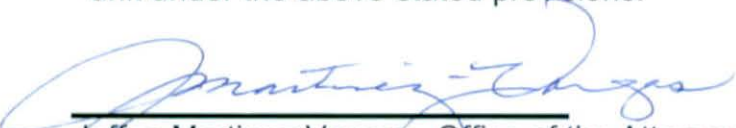
<u>RRC Rules:</u>	<u>Spacing Acres:</u>
Special Field Rule	80

REMARKS:

- Wolf Energy, Inc is requesting permanent oil and gas pooling of the Cherry Canyon Formation defined as the stratigraphic interval or its correlative equivalent occurring from 4,000 feet to 6,000 feet as seen in the proposed unit well log.
- The applicant re-entered the Curley State Unit # 1 well on 4/8/01. The well was shut in for evaluation on 7/15/02. Production was finally established in the Cherry Canyon Formation on 2/5/04.
- The School Land Board approved the Curley Unit during its January 30, 2001 meeting. The unit terminated on January 30, 2003 due to a failure to pay the annunal rental. Since a bonus was paid with the original unit, no additional compensation is recommended.
- The unit has been drilled to density with the completion of the Cherry Canyon Unit Well.
- Upon approval of the unit, the state's unit royalty participation will be 2.5%, based on 25% royalty and 10% net surface acreage.

POOLING COMMITTEE RECOMMENDATION:

- The Pooling Committee recommends Board approval of a permanent oil and gas unit under the above-stated provisions.



Jeffrey Martinez-Vargas - Office of the Attorney General



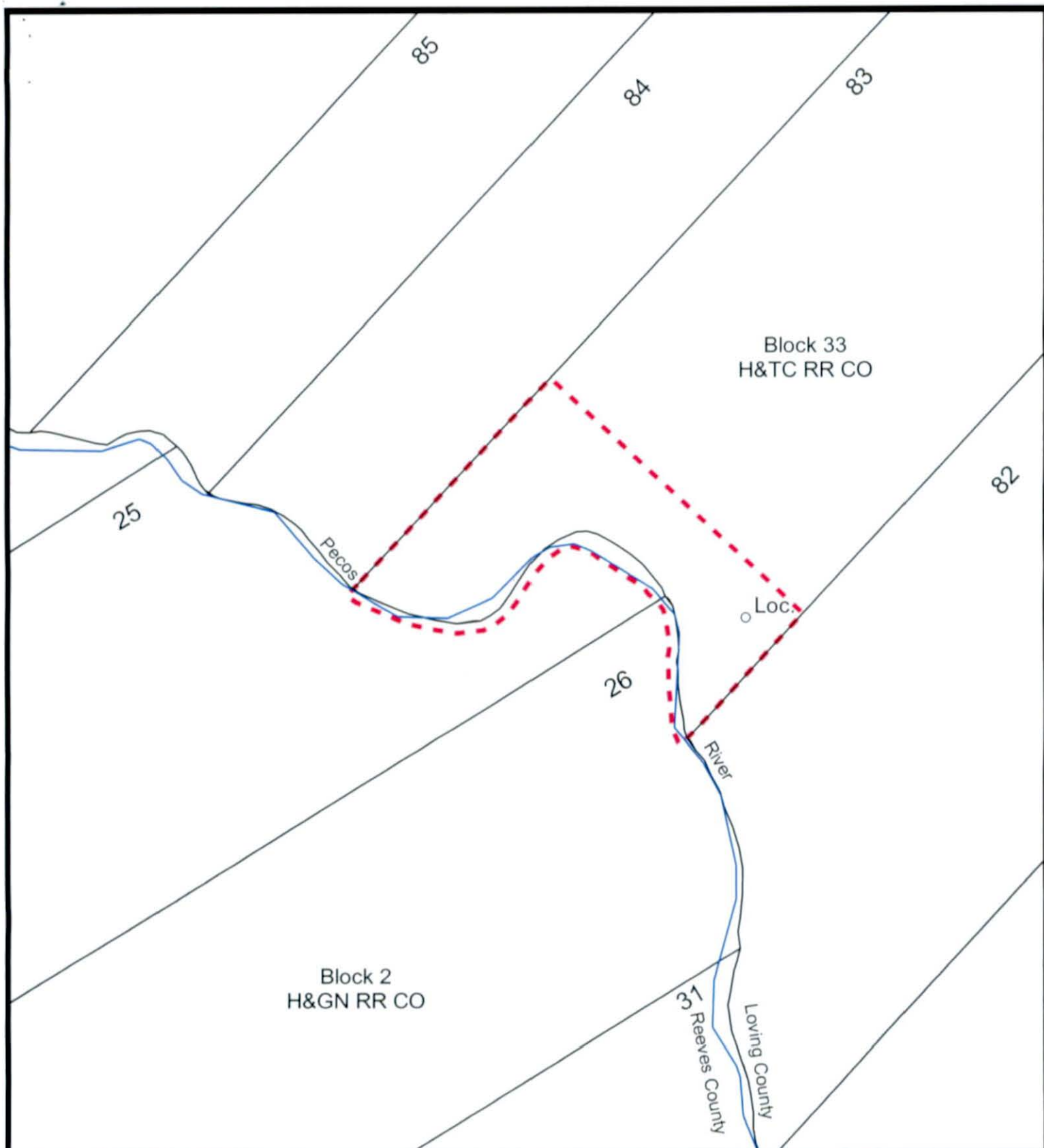
Peter A. Boone - General Land Office

Vacant - Office of the Governor

3-24-04
Date:

3-24-04
Date:

Date:



Wolf Energy, Inc.
Curley Unit
Hubbard (Cherry Canyon)
Unleased River Bed
Loving and Reeves Counties
PA04-43

PCS_Albers
GCS_North_American_1927

1 inch equals 1,000 feet

0 250 500 1,000 Feet

The Texas General Land Office
makes no representations or
warranties regarding the accuracy
or completeness of the information
depicted on the map or the data
from which it was produced.
This map is NOT suitable for
navigational purposes and does
not purport to depict or establish
boundaries between private
and public land.



Map Compiled By:
Ferrel Taylor
Energy Resources - GIS
April 6, 2004

POOLING AGREEMENT PURSUANT TO TNRC § 52.076
STATE OF TEXAS / WOLF ENERGY INC.
CURLEY UNIT
M-103680
LOVING AND REEVES COUNTIES, TEXAS

THIS AGREEMENT ("Agreement") is made and entered into this 6th day of April 2004, but effective from the date of first production from the unit well, by and between the Commissioner of the General Land Office of the State of Texas ("State"), and Wolf Energy Inc. ("Wolf").

WITNESSETH THAT:

WHEREAS, the State owns the minerals under 8 acres of the Pecos River contained within the boundaries of the 80 acre Curley Unit ("Unit"); and

WHEREAS, pursuant to Texas Natural Resources Code §52.076(a)(4), the School Land Board has authority to pool unleased river beds and channels owned by the State; and

WHEREAS, Wolf and the State desire to pool the above-referenced unleased interest into said Unit; and

WHEREAS, The School Land Board at its regular meeting on April 6, 2004, determined that pooling said unleased interest as to the Cherry Canyon Formation as defined in Exhibit "2" is in the best interest of the State.

NOW, THEREFORE, in consideration of the mutual agreements hereinafter set forth and together with other valuable consideration, the receipt and sufficiency of which are hereby acknowledged and confessed, and for the purposes and upon the terms and conditions contained herein, the parties hereto agree as follows:

1. This Agreement is entered into pursuant to the authority granted in Chapter 52, of the Texas Natural Resources Code and Chapter 9 of Title 31 of the Texas Administrative Code and is intended to be performed pursuant to and in compliance with all applicable statutes, decisions, regulations, rules, orders and directives of any governmental agency having jurisdiction over the production and conservation of minerals from the Unit and in the interpretation and application hereof this Agreement shall be, in all things, subject thereto.

2. The State and Wolf agree that nothing herein shall be construed as granting a leasehold interest to Wolf in the State's mineral interest under the Pecos River but rather this Agreement affects a contractual pooling of interests with the respective rights and duties of the parties defined in paragraph 3, below.

3. The rights and duties of the State and Wolf with respect to the State's unleased mineral interest beneath the Pecos River within the boundaries of the Unit shall be established, governed and controlled by the terms, conditions and covenants contained in Exhibit "1" and Exhibit "2" attached hereto and incorporated herein, wherein the State shall be considered the lessor and Wolf the lessee and the State shall receive its share of unit production in the form of a royalty as provided in Exhibit "1" and allocated to the State as provided in Exhibit "2" with no obligation to the State for operating costs of any kind, including but not limited to exploring, drilling, equipping, completion, treating, transporting, marketing, plugging, abandonment or restoration.

4. This Agreement shall remain in effect for a term of one year from the effective date and so long as the pooled mineral is being produced in paying quantities from the Unit, or so long as this Agreement is maintained in force by payment of shut-in oil or gas well royalties on a unit well, by drilling or rework operations on a unit well, or by other means in accordance with the terms of Exhibit "1" to this Agreement, or so long as the instrument creating the Unit remains in effect; provided that this Agreement shall automatically terminate on the date production of the pooled mineral ceases and there are no further operations on the unit to re-establish production of the pooled mineral, even though the instrument creating the pooled unit may remain in effect because a dissolution of unit has not been filed of record.

5. Inasmuch as the parties may not be able conveniently to execute one original hereof, it is agreed that a counterpart hereof may be executed by each party to this Agreement, each of which shall be considered an original, and all of said counterparts shall be construed together as one instrument.

6. The terms and provisions hereof shall extend to and be binding upon the heirs, legal representatives, successors, and assigns of the parties hereto.

H • O • O • E • H

7. This Agreement is to be performed in the State of Texas, and the substantive laws of the State of Texas will govern the validity, construction and enforcement of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement upon the respective dates indicated below.

Date Executed 5/5/04

STATE OF TEXAS

legal MFC
leas. TH
cont. du
exec. JA

Jerry E. Patterson
Jerry E. Patterson, Commissioner
General Land Office

Date Executed 4/28/04

WOLF ENERGY INC.

By: [Signature]
Its: President

STATE OF TEXAS

COUNTY OF Midland

This instrument was acknowledged before me on April 28, 2004, by Larry R. Wollschlager as President for Wolf Energy Inc., a Texas corporation, on behalf of said corporation.

[Signature]
Notary Public in and for the State of Texas



CERTIFICATE

I, Stacy B. De Leon, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on April 6, 2004, the foregoing instrument was approved by said Board under the provisions of Chapter 52 of the Natural Resources Code all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the 6 day of May, 2004.

[Signature]
Secretary of the School Land Board

40.00.4

EXHIBIT "1"

§52.076 Form
Revised 3/04

1. RESERVATION AND GRANT: There is hereby excepted and reserved to Lessor the full use of the property covered hereby and all rights with respect to the surface and subsurface thereof for any and all purposes except those granted to Lessee, being the right to explore for, drill and produce the pooled mineral from the pooled area, and Lessor further reserves the rights of ingress and egress and use of said lands by Lessor and its mineral lessees, for purposes of exploring for and producing the minerals and zones which are not covered by this Agreement. All of the rights in and to the pooled area retained by Lessor and all of the rights in and to the pooled area granted to Lessee herein shall be exercised in such a manner that neither shall unduly interfere with the operations of the other.

2. PRODUCTION ROYALTIES: Upon production of the pooled mineral Lessee agrees to pay or cause to be paid to the Commissioner of the General Land Office in Austin, Texas, for the use and benefit of the State of Texas, during the term hereof:

(A) **OIL:** As a royalty on oil, which is defined as including all hydrocarbons produced in a liquid form at the mouth of the well and also all condensate, distillate, and other liquid hydrocarbons recovered from oil or gas run through a separator or other equipment, as hereinafter provided, $\frac{1}{4}$ part of the gross production or the market value thereof, at the option of the Lessor, such value to be determined by 1) the highest posted price, plus premium, if any, offered or paid for oil, condensate, distillate, or other liquid hydrocarbons, respectively, of a like type and gravity in the general area where produced and when run, or 2) the highest market price thereof offered or paid in the general area where produced and when run, or 3) the gross proceeds of the sale thereof, whichever is the greater. Lessee agrees that before any gas produced from the land hereby pooled is sold, used or processed in a plant, it will be run free of cost to Lessor through an adequate oil and gas separator of conventional type or other equipment at least as efficient to the end that all liquid hydrocarbons recoverable from the gas by such means will be recovered. Upon written consent of Lessor, the requirement that such gas be run through such a separator or other equipment may be waived upon such terms and conditions as prescribed by Lessor.

(B) **NON-PROCESSED GAS:** As a royalty on any gas (including flared gas), which is defined as all hydrocarbons and gaseous substances not defined as oil in subparagraph (A) above, produced from any well on said land (except as provided herein with respect to gas processed in a plant for the extraction of gasoline, liquid hydrocarbons or other products) $\frac{1}{4}$ part of the gross production or the market value thereof, at the option of the Lessor, such value to be based on the highest market price paid or offered for gas of comparable quality in the general area where produced and when run, or the gross price paid or offered to the producer, whichever is greater provided that the maximum pressure base in measuring the gas under this agreement contract shall not at any time exceed 14.65 pounds per square inch absolute, and the standard base temperature shall be sixty (60) degrees Fahrenheit, correction to be made for pressure according to Boyle's Law, and for specific gravity according to test made by the Balance Method or by the most approved method of testing being used by the industry at the time of testing.

(C) **PROCESSED GAS:** As a royalty on any gas processed in a gasoline plant or other plant for the recovery of gasoline or other liquid hydrocarbons, $\frac{1}{4}$ part of the residue gas and the liquid hydrocarbons extracted or the market value thereof, at the option of the Lessor. All royalties due herein shall be based on one hundred percent (100%) of the total plant production of residue gas attributable to gas produced from this agreement, and on fifty percent (50%) or that percent accruing to Lessee, whichever is the greater, of the total plant production of liquid hydrocarbons, attributable to the gas produced from this agreement; provided that if liquid hydrocarbons are recovered from gas processed in a plant in which Lessee (or its parent, subsidiary or affiliate) owns an interest, then the percentage applicable to liquid hydrocarbons shall be fifty percent (50%) or the highest percent accruing to a third party processing gas through such plant under a processing agreement negotiated at arms' length (or if there is no such third party, the highest percent then being specified in processing agreements or contracts in the industry), whichever is the greater. The respective royalties on residue gas and on liquid hydrocarbons shall be determined by 1) the highest market price paid or offered for any gas (or liquid hydrocarbons) of comparable quality in the general area or 2) the gross price paid or offered for such residue gas (or the weighted average gross selling price for the respective grades of liquid hydrocarbons), whichever is the greater. In no event, however, shall the royalties payable under this paragraph be less than the royalties which would have been due had the gas not been processed.

(D) **OTHER PRODUCTS:** As a royalty on carbon black, sulphur or any other products produced or manufactured from gas (excepting liquid hydrocarbons) whether said gas be "casinghead," "dry" or any other gas, by fractionating, burning or any other processing, $\frac{1}{4}$ part of gross production of such products, or the market value thereof, at the option of Lessor, such market value to be determined as follows:

- (1) On the basis of the highest market price of each product, during the same month in which such product is produced, or
- (2) On the basis of the average gross sale price of each product for the same month in which such products are produced; whichever is the greater.

(E) **NO DEDUCTIONS:** Lessee agrees that all royalties accruing to Lessor under this agreement shall be without deduction for the cost of producing, transporting, and otherwise making the oil, gas and other products produced hereunder ready for sale or use.

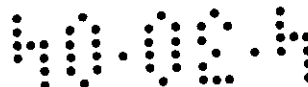
(F) **ROYALTY IN KIND:** Notwithstanding anything contained herein to the contrary, Lessor may, at its option, upon not less than 60 days notice to Lessee, require at any time or from time to time that payment of all or any royalties accruing to Lessor under this agreement be made in kind without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting and otherwise making the oil, gas and other products produced hereunder ready for sale or use. Lessor's right to take its royalty in kind shall not diminish or negate Lessor's rights or Lessee's obligations, whether express or implied, under this agreement.

(G) **PLANT FUEL AND RECYCLED GAS:** No royalty shall be payable on any gas as may represent this agreement's proportionate share of any fuel used to process gas produced hereunder in any processing plant. Notwithstanding anything contained herein to the contrary, and subject to the consent in writing of the Commissioner of the General Land Office, Lessee may recycle gas for gas lift purposes on the pooled area after the liquid hydrocarbons contained in the gas have been removed, and no royalties shall be payable on the gas so recycled until such time as the same may thereafter be produced and sold or used by Lessee in such manner as to entitle Lessor to a royalty thereon under the royalty provisions of this agreement.

(H) **MINIMUM ROYALTY:** The royalties paid to Lessor each year in no event shall be less than \$5.00 per acre pooled; otherwise, there shall be due and payable on or before the last day of the month succeeding the anniversary date of first production a sum equal to \$5.00 per acre pooled less the amount of royalties paid during the preceding year.

3. ROYALTY PAYMENTS AND REPORTS: All royalties not taken in kind shall be paid to the Commissioner of the General Land Office at Austin, Texas, in the following manner: Payment of royalty on production of oil and gas shall be as provided in the rules set forth in the Texas Register. Rules currently provide that royalty on oil is due and must be received in the General Land Office on or before the 5th day of the second month succeeding the month of production, and royalty on gas is due and must be received in the General Land Office on or before the 15th day of the second month succeeding the month of production, accompanied by the affidavit of the owner, manager or other authorized agent, completed in the form and manner prescribed by the General Land Office and showing the gross amount and disposition of all oil and gas produced and the market value of the oil and gas, together with a copy of all documents, records or reports confirming the gross production, disposition and market value including gas meter readings, pipeline receipts, gas line receipts and other checks or memoranda of amount produced and put into pipelines, tanks, or pools and gas lines or gas storage, and any other reports or records which the General Land Office may require to verify the gross production, disposition and market value. In all cases the authority of a manager or agent to act for the Lessee herein must be filed in the General Land Office. Each royalty payment shall be accompanied by a check stub, schedule, summary or other remittance advice showing by the assigned General Land Office lease number the amount of royalty being paid to each lease number. If Lessee pays his royalty on or before thirty (30) days after the royalty payment was due, then Lessee owes a penalty of 5% on the royalty or \$25.00, whichever is greater. A royalty payment which is over thirty (30) days late shall accrue a penalty of 10% of the royalty due or \$25.00 whichever is greater. In addition to a penalty, royalties shall accrue interest at a rate of 12% per year; such interest will begin accruing when the royalty is sixty (60) days overdue. Affidavits and supporting documents which are not filed when due shall incur a penalty in an amount set by the General Land Office administrative rule which is effective on the date when the affidavits or supporting documents were due. The Lessee shall bear all responsibility for paying or causing royalties to be paid as prescribed by the due date provided herein. Payment of the delinquency penalty shall in no way operate to prohibit the State's right of forfeiture as provided by law nor act to postpone the date on which royalties were originally due. The above penalty provisions shall not apply in cases of title dispute as to the State's portion of the royalty or to that portion of the royalty in dispute as to fair market value.

4. (A) RESERVES, CONTRACTS AND OTHER RECORDS: Lessee shall annually furnish the Commissioner of the General Land Office with its best possible estimate of pooled mineral reserves underlying the pooled area and shall furnish said Commissioner with copies of all contracts under which gas is sold or processed and all subsequent agreements and amendments to such contracts within thirty (30) days after entering into or making such contracts, agreements or amendments. Such contracts and agreements when received by the General Land Office shall be held in confidence by the General Land Office unless otherwise authorized by Lessee. All other contracts and records pertaining to the production, transportation, sale and marketing of the pooled



* mineral produced from the pooled area, including the books and accounts, receipts and discharges of all wells, tanks, pools, meters, and pipelines shall at all times be subject to inspection and examination by the Commissioner of the General Land Office, the Attorney General, the Governor, or the representative of any of them.

(B) **DRILLING RECORDS:** Written notice of all operations on the pooled unit shall be submitted to the Commissioner of the General Land Office by Lessee or operator five (5) days before spud date, workover, re-entry, temporary abandonment or plug and abandonment of any well or wells. Such written notice to the General Land Office shall include copies of Railroad Commission forms for application to drill. Copies of well tests, completion reports and plugging reports shall be supplied to the General Land Office at the time they are filed with the Texas Railroad Commission. Lessee shall supply the General Land Office with any records, memoranda, accounts, reports, cuttings and cores, or other information relative to the operation of the above-described premises, which may be requested by the General Land Office, in addition to those herein expressly provided for. Lessee shall have an electrical and/or radioactivity survey made on the bore-hole section, from the base of the surface casing to the total depth of well, of all wells drilled on the unit and shall transmit a true copy of the log of each survey on each well to the General Land Office within fifteen (15) days after the making of said survey.

(C) **PENALTIES:** Lessee shall incur a penalty whenever reports, documents or other materials are not filed in the General Land Office when due. The penalty for late filing shall be set by the General Land Office administrative rule which is effective on the date when the materials were due in the General Land Office.

5. **OFFSET WELLS:** If the pooled mineral should be produced in commercial quantities from a well located on land privately owned or on State land leased at a lesser royalty, which well is within one thousand (1,000) feet of the area included herein, or which well is draining the area covered by this agreement, the Lessee shall, within sixty (60) days after such initial production from the draining well or the well located within one thousand (1,000) feet from the area covered by this agreement begin in good faith and prosecute diligently the drilling of an offset well on the area covered by this agreement, and such offset well shall be drilled to such depth as may be necessary to prevent the undue drainage of the area covered by this agreement, and the Lessee, manager or driller shall use all means necessary in a good faith effort to make such offset well produce oil and/or gas in commercial quantities. Only upon the determination of the Commissioner and with his written approval, may the payment of a compensatory royalty satisfy the obligation to drill an offset well or wells required under this Paragraph.

6. **CESSATION, DRILLING, AND REWORKING:** If, production of the pooled mineral should cease from any cause, this agreement shall not terminate if Lessee re-establishes production in paying quantities within sixty (60) days after such cessation or commences additional drilling or reworking operations within sixty (60) days after such cessation, and this agreement shall remain in full force and effect for so long as such operations continue in good faith and in workmanlike manner without interruptions totaling more than sixty (60) days. If such drilling or reworking operations result in the production of the pooled mineral, the agreement shall remain in full force and effect for so long as the pooled mineral is produced from the pooled unit in paying quantities or payment of shut-in oil or gas well royalties or payment of compensatory royalties is made as provided herein or as provided by law. If the drilling or reworking operations result in the completion of a well as a dry hole, this agreement will not terminate if the Lessee commences additional drilling or reworking operations within sixty (60) days after the completion of the well as a dry hole, and this agreement shall remain in effect so long as Lessee continues drilling or reworking operations in good faith and in a workmanlike manner without interruptions totaling more than sixty (60) days. Lessee shall give written notice to the General Land Office within thirty (30) days of any cessation of production.

7. **SHUT-IN ROYALTIES:** For purposes of this paragraph, "well" means any well that has been assigned a well number by the state agency having jurisdiction over the production of oil and gas. If at any time a well capable of producing the pooled mineral in paying quantities is located on the pooled area, but the pooled mineral is not being produced for lack of suitable production facilities or lack of a suitable market, then Lessee may pay as a shut-in oil or gas royalty an amount equal to \$10.00 per acre pooled, but not less than \$1,200 a year for each well capable of producing the pooled mineral in paying quantities. To be effective, each initial shut-in oil or gas royalty must be paid on or before: (1) 60 days after the Lessee ceases to produce the pooled mineral from the pooled area, or (2) 60 days after Lessee completes a drilling or reworking operation in accordance with the terms of this agreement; whichever date is latest. If the shut-in oil or gas royalty is paid, this agreement shall be considered to be a producing agreement and the payment shall extend the term of the agreement for a period of one year from the first day of the month following the month in which production ceased, and, after that, if no suitable production facilities or suitable market for the pooled mineral exists, Lessee may extend this agreement for four more successive periods of one (1) year by paying the same amount each year on or before the expiration of each shut-in year.

8. **COMPENSATORY ROYALTIES:** If, during the period the agreement is kept in effect by payment of the shut-in oil or gas royalty, the pooled mineral is sold and delivered in paying quantities from a well located within one thousand (1,000) feet of the pooled area and completed in the same producing reservoir, or in any case in which drainage of the pooled mineral is occurring, the right to continue to maintain the agreement by paying the shut-in oil or gas royalty shall cease, but the agreement shall remain effective for the remainder of the year for which the royalty has been paid. The Lessee may maintain the agreement for four more successive years by Lessee paying compensatory royalty at the royalty rate provided in this agreement of the market value of production from the well causing the drainage or which is completed in the same producing reservoir and within one thousand (1,000) feet of the pooled area. The compensatory royalty is to be paid monthly to the Commissioner beginning on or before the last day of the month following the month in which the pooled mineral is produced from the well causing the drainage or that is completed in the same producing reservoir and located within one thousand (1,000) feet of the pooled area; if the compensatory royalty paid in any 12-month period is in an amount less than the annual shut-in oil or gas royalty, Lessee shall pay an amount equal to the difference within thirty (30) days from the end of the 12-month period; and none of these provisions will relieve Lessee of the obligation of reasonable development nor the obligation to drill offset wells as provided in N.R.C. Section 52.034; however, at the determination of the Commissioner, and with the Commissioner's written approval, the payment of compensatory royalties shall satisfy the obligation to drill offset wells. Compensatory royalty payments which are not timely paid will accrue penalty and interest in accordance with Paragraph 3 of this agreement.

9. **USE OF WATER; SURFACE:** Lessee shall have the right to use water produced on said land necessary for operations hereunder and solely upon the pooled area; provided, however, Lessee shall not use potable water or water suitable for livestock or irrigation purposes for water flood operations without the prior written consent of Lessor. Subject to its obligation to pay surface damages, Lessee shall have the right to use so much of the surface of the land that may be reasonably necessary for drilling and operating wells and transporting and marketing the production therefrom, such use to be conducted under conditions of least injury to the surface of the land.

10. **POLLUTION:** In developing this pooled area, Lessee shall use the highest degree of care and all proper safeguards to prevent pollution. Without limiting the foregoing, pollution of coastal wetlands, natural waterways, rivers and impounded water shall be prevented by the use of containment facilities sufficient to prevent spillage, seepage or ground water contamination. In the event of pollution, Lessee shall use all means at its disposal to recapture all escaped hydrocarbons or other pollutant and shall be responsible for all damage to public and private properties.

(A) Lessee shall build and maintain fences around its slush, sump, and drainage pits and tank batteries so as to protect livestock against loss, damage or injury; and upon completion or abandonment of any well or wells, Lessee shall fill and level all slush pits and cellars and completely clean up the drilling site of all rubbish thereon.

(B) No discharge of solid waste or garbage shall be allowed into State waters from any drilling or support vessels, production platform, crew or supply boat, barge, jack-up rig or other equipment located on the pooled area. Solid waste shall include but shall not be limited to containers, equipment, rubbish, plastic, glass, and any other man-made non-biodegradable items. A sign must be displayed in a high traffic area on all vessels and manned platforms stating, "Discharge of any solid waste or garbage into State Waters from vessels or platforms is strictly prohibited and may subject a this agreement to forfeiture." Such statement shall be in lettering of at least 1" in size.

(C) **PENALTY:** Failure to comply with the requirements of this provision may result in the maximum penalty allowed by law including forfeiture of the agreement. Lessee shall be liable for the damages caused by such failure and any costs and expenses incurred in cleaning areas affected by the discharged waste.

11. **IDENTIFICATION MARKERS:** Lessee shall erect, at a distance not to exceed twenty-five (25) feet from each well on the premises covered by this agreement, a legible sign on which shall be stated the name of the operator, the State Lease Number designation and the well number. Where two or more wells on the same lease or where wells on two or more leases are connected to the same tank battery, whether by individual flow line connections direct to the tank or tanks or by use of a multiple header system, each line between each well and such tank or header shall be legibly identified at all times, either by a firmly attached tag or plate or an identification properly painted on such line at a distance not to exceed three (3) feet from such tank or header connection. Said signs, tags, plates or other identification markers shall be maintained in a legible condition throughout the term of this agreement.

12. **ASSIGNMENTS:** The agreement may be transferred at any time; provided, however, that the liability of the transferor to properly discharge its obligation under the agreement, including properly plugging abandoned wells, removing platforms or pipelines, or remediation of contamination at drill sites shall pass to the transferee upon the prior written consent of the Commissioner of the General Land Office. The Commissioner may require the transferee to demonstrate financial responsibility and may require a bond or other security. All transfers must reference this



* agreement by the State Lease Number and must be recorded in the county where the pooled area is located, and the recorded transfer or a copy certified to by the County Clerk of the county where the transfer is recorded must be filed in the General Land Office within ninety (90) days of the execution date, as provided by N.R.C. Section 52.026, accompanied by the filing fee prescribed by the General Land Office rules in effect on the date of receipt by the General Land Office of such transfer or certified copy thereof. Every transferee shall succeed to all rights and be subject to all obligations, liabilities, and penalties owed to the State by the original lessee or any prior transferee of the agreement, including any liabilities to the state for unpaid royalties.

13. LIEN: In accordance with N.R.C. Section 52.136, the State shall have a first lien upon all of the pooled mineral produced from the unit to secure payment of all unpaid royalty and other sums of money that may become due under this agreement. By acceptance of this agreement, Lessee grants the State, in addition to the lien provided by N.R.C. Section 52.136 and any other applicable statutory lien, an express contractual lien on and security interest in all pooled minerals in and extracted from the pooled area, all proceeds which may accrue to Lessee from the sale of such minerals, whether such proceeds are held by Lessee or by a third party, and all fixtures on and improvements to the pooled area used in connection with the production or processing of such minerals in order to secure the payment of all royalties or other amounts due or to become due under this agreement and to secure payment of any damages or loss that Lessor may suffer by reason of Lessee's breach of any covenant or condition of this, whether express or implied. This lien and security interest may be foreclosed with or without court proceedings in the manner provided in the Title 1, Chapter 9 of the Texas Business and Commerce Code. Lessee agrees that the Commissioner may require Lessee to execute and record such instruments as may be reasonably necessary to acknowledge, attach or perfect this lien. Lessee hereby represents that there are no prior or superior liens arising from and relating to Lessee's activities upon the above-described property or from Lessee's pooling of the area. Should the Commissioner at any time determine that this representation is not true, then the Commissioner may declare this agreement forfeited as provided herein.

14. FORFEITURE: If Lessee shall fail or refuse to make the payment of any sum within thirty (30) days after it becomes due, or if Lessee or an authorized agent should knowingly make any false return or false report concerning production or drilling, or if Lessee shall fail or refuse to drill any offset well or wells in good faith as required by law and the rules and regulations adopted by the Commissioner of the General Land Office, or if Lessee should fail to file reports in the manner required by law or fail to comply with rules and regulations promulgated by the General Land Office, the School Land Board, or the Railroad Commission, or refuse the proper authority access to the records pertaining to operations, or if Lessee or an authorized agent should knowingly fail or refuse to give correct information to the proper authority, or knowingly fail or refuse to furnish the General Land Office a correct log of any well, or if Lessee shall knowingly violate any of the material provisions of this agreement, or if this agreement is assigned and the assignment is not filed in the General Land Office as required by law, the rights acquired under this agreement shall be subject to forfeiture by the Commissioner, and he shall forfeit same when sufficiently informed of the facts which authorize a forfeiture, and when forfeited the area shall again be subject to lease or pooling. However, nothing herein shall be construed as waiving the automatic termination of this agreement by operation of law or by reason of any special limitation arising hereunder. Forfeitures may be set aside and this agreement and all rights thereunder reinstated before the rights of another intervene upon satisfactory evidence to the Commissioner of the General Land Office of future compliance with the provisions of the law and of this agreement and the rules and regulations that may be adopted relative hereto.

15. RIVERBED TRACTS: Lessee is hereby specifically granted the right of eminent domain and condemnation as provided for in N.R.C. Sections 52.092-52.093, as a part of the consideration moving to Lessor for the covenants herein made by Lessee.

16. APPLICABLE LAWS AND DRILLING RESTRICTIONS: This agreement shall be subject to all rules and regulations, and amendments thereto, promulgated by the Commissioner of the General Land Office governing drilling and producing operations on Permanent Free School Land (specifically including any rules promulgated that relate to plans of operations), payment of royalties, and auditing procedures, and shall be subject to all other valid statutes, rules, regulations, orders and ordinances that may affect operations under the provisions of this agreement. Without limiting the generality of the foregoing, Lessee hereby agrees, by the acceptance of this agreement, to be bound by and subject to all statutory and regulatory provisions relating to the General Land Office's audit billing notice and audit hearings procedures. Said provisions are currently found at 31 Texas Administrative Code, Chapter 4, and Texas Natural Resources Code Sections 52.135 and 52.137 through 52.140. In the event this agreement covers land franchised or leased or otherwise used by a navigation district or by the United States for the purpose of navigation or other purpose incident to the operation of a port, then Lessee shall not be entitled to enter or possess such land without prior approval as provided under Section 61.117 of the Texas Water Code, but Lessee shall be entitled to develop such land for oil and/or gas by directional drilling; provided, however, that no surface drilling location may be nearer than 660 feet and special permission from the Commissioner of the General Land Office is necessary to make any surface location nearer than 2,160 feet measured at right angles from the nearest bulkhead line or from the nearest dredged bottom edge of any channel, slip, or turning basin which has been authorized by the United States as a federal project for future construction, whichever is nearer.

17. REMOVAL OF EQUIPMENT: Upon the termination of this agreement for any cause, Lessee shall not, in any event, be permitted to remove the casing or any part of the equipment from any producing, dry, or abandoned well or wells on State Land without the written consent of the Commissioner of the General Land Office or his authorized representative; nor shall Lessee, without the written consent of said Commissioner or his authorized representative remove from the pooled area the casing or any other equipment, material, machinery, appliances or property owned by Lessee and used by Lessee in the development and production of the pooled mineral therefrom until all dry or abandoned wells have been plugged and until all slush or refuse pits have been properly filled and all broken or discarded lumber, machinery, or debris shall have been removed from the premises to the satisfaction of the said Commissioner or his authorized representative.

18. FORCE MAJEURE: Should Lessee be prevented from complying with any express or implied covenant of this agreement, from conducting drilling operations thereon, or from producing the pooled mineral therefrom, after effort made in good faith, by reason of war, rebellion, riots, strikes, fires, acts of God or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended upon proper and satisfactory proof presented to the Commissioner of the General Land Office in support of Lessee's contention and Lessee shall not be liable for damages for failure to comply therewith (except in the event of operations suspended as provided in the rules and regulations adopted by the School Land Board); and this agreement shall be extended while and so long as Lessee is prevented, by any such cause, from drilling, reworking operations or producing the pooled mineral from the pooled area; provided, however, that nothing herein shall be construed to suspend the or to abridge Lessee's right to a suspension under any applicable statute of this State.

19. SECURITY: Lessee shall take the highest degree of care and all proper safeguards to protect said premises and to prevent theft of oil, gas, and other hydrocarbons produced from the pooled area. This includes, but is not limited to, the installation of all necessary equipment, seals, locks, or other appropriate protective devices on or at all access points of the pooled area's production, gathering and storage systems where theft of hydrocarbons can occur. Lessee shall be liable for the loss of any hydrocarbons resulting from theft and shall pay the State of Texas royalties thereon as provided herein on all oil, gas or other hydrocarbons lost by reason of theft.

20. SUCCESSORS AND ASSIGNS: The covenants, conditions and agreements contained herein shall extend to and be binding upon the heirs, executors, administrators, successors or assigns of Lessee herein.

21. ANTIQUITIES CODE: In the event that any feature of archeological or historical interest on Permanent School Fund Land is encountered during the activities authorized by this agreement, Lessee will immediately cease activities and will immediately notify the General Land Office (ATTN: Archaeologist, Asset Management Division, 1700 N. Congress Ave., Austin, Texas 78701) and the Texas Historical Commission (P.O. Box 12276, Austin, TX 78711) so that adequate measures may be undertaken to protect or recover such discoveries or findings, as appropriate. Lessee is expressly placed on notice of the National Historical Preservation Act of 1966 (PB-89-66, 80 Statute 915; 16 U.S.C.A. 470) and the Antiquities Code of Texas, Chapter 191, Tex. Nat. Code Ann. (Vernon 1993 & Supp. 1998). Further, in the event that any site, object, location, artifact or other feature of archeological, scientific, educational, cultural or historic interest is encountered during the activities authorize by this agreement, Lessee will immediately notify lessor and the Texas Historical Commission so that adequate measures may be undertaken to protect or recover such discoveries or findings, as appropriate.

22. VENUE: Lessor and lessee, including lessee's successors and assigns, hereby agree that venue for any dispute arising out of a provision of this agreement, whether express or implied, regarding interpretation of this agreement, or relating in any way to this agreement or to applicable case law, statutes, or administrative rules, shall be in a court of competent jurisdiction located in Travis County, State of Texas.

23. FILING: Pursuant to Chapter 9 of the Tex. Bus. & Com. Code, this agreement must be filed of record in the office of the County Clerk in any county in which all or any part of the pooled area is located, and recorded copies thereof must be filed in the General Land Office. The prescribed filing fee shall accompany the recorded copies sent to the General Land Office.

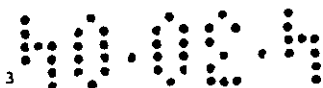


EXHIBIT "2"

PURPOSES:

1.

This Pooling Agreement ("Agreement") is made for the purposes of conservation and utilization of the pooled mineral, to prevent waste, to facilitate orderly development and to preserve correlative rights. To such end, it is the purpose of this Agreement to effect equitable participation within the unit. This Agreement is intended to be performed pursuant to and in compliance with all applicable statutes, decisions, regulations, rules, orders and directives of any governmental agency having jurisdiction over the production and conservation of the pooled mineral and in its interpretation and application shall, in all things, be subject thereto.

UNIT DESCRIPTION:

2.

The oil and gas leases, which are included within the pooled unit, are listed on the attached Exhibit "A", to which leases and the records thereof reference is here made for all pertinent purposes. The pooled unit shall consist of all of the lands described in Exhibit "B" attached hereto and made a part hereof. A plat of the pooled unit is attached hereto as Exhibit "C".

MINERAL POOLED:

3.

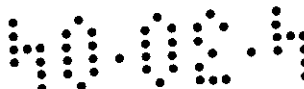
The mineral pooled and unitized ("pooled mineral") hereby shall be oil and gas including all hydrocarbons that may be produced from an oil well or a gas well as such wells are recognized and designated by the Railroad Commission of Texas or other state regulatory agency having jurisdiction of the drilling and production of oil and gas wells. The pooled mineral shall extend to those depths underlying the surface boundaries of the pooled unit in the Cherry Canyon Formation defined as the stratigraphic interval or its correlative equivalent occurring from 4,000 feet to 6,000 feet as seen on the log of the Wolf Energy Inc., Curley Unit, No. 1 well ("unitized interval").

POOLING AND EFFECT:

4.

The parties hereto commit all of their interests which are within the unit to the extent and as above described into said unit and unitize and pool hereunder the separate tracts described on the attached Exhibit "B", for and during the term hereof, so that such pooling or unitization shall have the following effect:

- (a) The unit, to the extent as above described, shall be operated as an entirety for the exploration, development and production of the pooled mineral, rather than as separate tracts.
- (b) All drilling operations, reworking or other operations with respect to the pooled mineral on land within the unit shall be considered as though the same were on each separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Agreement.
- (c) Production of the pooled mineral from the unit allocated to each separate tract, respectively, as hereinafter provided, shall be deemed to have been produced from each such separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Agreement.
- (d) All rights to the production of the pooled mineral from the unit, including royalties and other payments, shall be determined and governed by the lease or other contract pertaining to each separate tract, respectively, based upon the production so allocated to such tract only, in lieu of the actual production of the pooled mineral therefrom.
- (e) A shut-in oil or gas well located upon any land or lease included within said unit shall be considered as a shut-in oil or gas well located upon each tract or lease included within said unit.
- (f) If the Railroad Commission of Texas (or any other Texas regulatory body having jurisdiction) shall adopt special field rules providing for oil and/or gas proration units of less than 554.88 acres, then Lessee agrees to either (1) drill to the density permitted by the Railroad Commission, (2) make application to the School Land Board of the State of Texas to reform the unit to comply with Railroad Commission unit rules, or (3) make application to the School Land Board of the State of Texas for such remedy as may be agreeable to the Board.
- (g) This Agreement shall not relieve Lessee from the duty of protecting the State lands within the boundaries of the pooled unit described in Exhibit "B" from drainage from any well situated on privately owned land, lying outside the unitized area described in Exhibit "B", but, subject to such obligation, Lessee may produce the allowable for the entire unit as fixed by the Railroad Commission of Texas or other lawful authority, from any one or more wells completed thereon.
- (h) There shall be no obligation to drill internal offsets to any other well on separate tracts within the pooled unit, nor to develop the lands within the boundaries thereof separately, as to the pooled mineral.



ALLOCATION OF PRODUCTION:

5.

For the purpose of computing the share of production of the pooled mineral to which each interest owner shall be entitled from the pooled unit, there shall be allocated to each tract committed to said unit that pro rata portion of the pooled mineral produced from the pooled unit which the number of surface acres covered by each such tract and included in the unit bears to the total number of surface acres included in said unit, and the share of production to which each interest owner is entitled shall be computed on the basis of such owner's interest in the production so allocated to each tract.

DISSOLUTION:

6.

The unit covered by this Agreement may be dissolved by Lessee, his heirs, successors or assigns, by an instrument filed for record in Loving and Reeves Counties, Texas, and a certified copy thereof filed in the General Land Office at any time after the cessation of production on said unit or the completion of a dry hole thereon prior to production or upon such other date as may be approved by the School Land Board and mutually agreed to by the undersigned parties, their successors or assigns.

RATIFICATION/WAIVER:

7.

Nothing in this Agreement, nor the approval of this Agreement by the School Land Board, nor the execution of this Agreement by the Commissioner shall: (1) operate as a ratification or revivor of any State lease that has expired, terminated, or has been released in whole or in part or terminated under the terms of such State lease or the laws applicable thereto; (2) constitute a waiver or release of any claim for money, oil, gas or other hydrocarbons, or other thing due to the State by reason of the existence or failure of such lease; (3) constitute a waiver or release of any claim by the State that such lease is void or voidable for any reason, including, without limitation, violations of the laws of the State with respect to such lease or failure of consideration; (4) constitute a confirmation or recognition of any boundary or acreage of any tract or parcel of land in which the State has or claims an interest; or (5) constitute a ratification of, or a waiver or release of any claim by the State with respect to any violation of a statute, regulation, or any of the common laws of this State, or any breach of any contract, duty, or other obligation owed to the State.

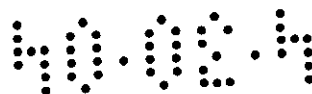


Exhibit "A"
Oil and Gas Leases Included in the Wolf Energy Inc., Curley Unit
Loving and Reeves County, Texas

1. Oil and gas lease dated June 7, 2000 from Herman Pierce Hubbard, Lessor, to Larry L. Wollschlager, Lessee, covering all of Section 83, save and except the 80 acre Unit around the Hubbard Lease Well No. 1, located 7000 FNEL and 990 FSEL of the Section, containing 560 acres, more or less, as recorded in Volume 16, Pages 106 and 107 of the Loving County, Texas courthouse records.

2. Oil and gas lease dated April 1, 2001 from W.M. Monroe Kerr and Ted M. Kerr, Independent Co – Executors of the Estate of Francis H. Kerr, deceased, covering all of Section 83, save and except the 80 acre proration Unit around the Hubbard Lease Well No. 1, located 7000 FNEL and 990 FSEL of the Section, containing 560 acres, more or less, as recorded in Volume 19, Page 221 of the Loving County, Texas courthouse records.

40024

Exhibit "B"
Description of lands in the Wolf Energy Inc., Curley Unit
Loving and Reeves County, Texas

Tract 1:

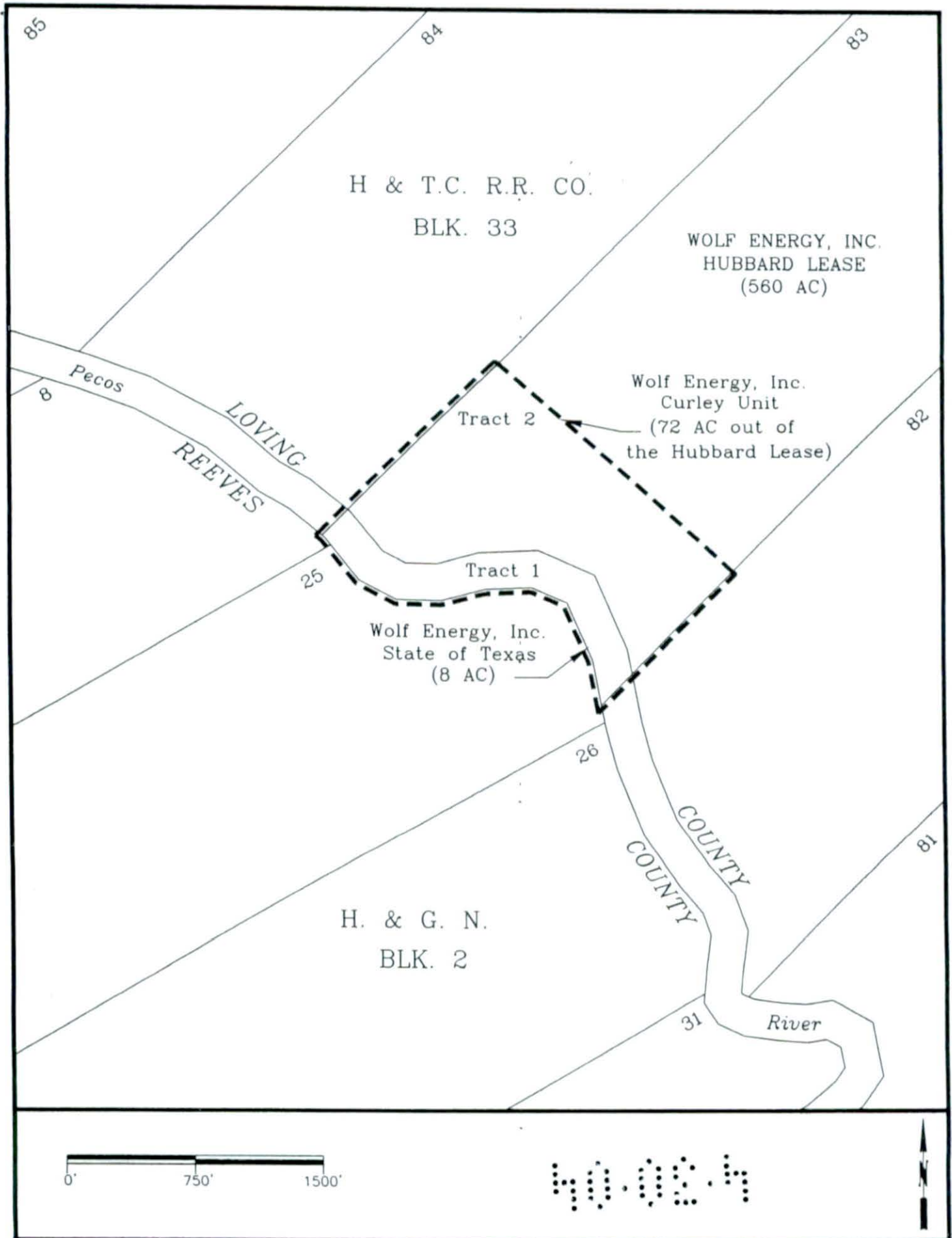
Being approximately 8 acres of land, consisting of all of the bed of the Pecos River lying between a southwesterly extension, across the streambed, of the northwest line of Survey No. 83, H. & T. C. R. R. Co. Block 33, Loving and Reeves Counties, and a southwesterly extension, across the streambed, of the southeast line of said Survey No. 83.

Tract 2:

Being 72 acres in the southwest of Survey No. 83, H. & T. C. R. R. Co. Block 33, Loving County as shown on Exhibit "C" to the Pooling Agreement, Wolf Energy Inc., Curley Unit, Loving and Reeves Counties.

40.024

Exhibit "C"
Plat of the Wolf Energy Inc., Curley Unit
Loving and Reeves County, Texas



4.50.04

1.
File No. NF 103680
Police Committee Report and
Police Department Purchase to

Date Filed: 5/11/04 WPC

Jerry E. Patterson, Commissioner 52076

By [Signature]

From: "Karla" <karla@wolfenergy.com>
To: <joy.mccauley@glo.texas.gov>
CC: "Larry" <larry@wolfenergy.com>
Date: 7/1/2015 11:25 AM
Subject: No production on Curley Oct. Nov. 2013

WOLF ENERGY, INC.

1304 N. Big Springs

Midland, Texas 79701

432-685-0531 office, 432-685-3701 fax

July 1, 2015

Texas General Land Office

Gentlemen,

In the period of time of October and November 2013, we had difficulty in obtaining a Work Over Unit

due to the demand for such equipment and the high oil price made competition for the Work Over Units

very high.

As soon as the equipment became available we fixed the well and put it back on production. Thank you

for understanding our situation at that time.

(Continued from page 60)

File No. MF 103680
Loving / Reeves County
Zero Production explanation
Date Filed: 07/02/2015
By Jm George P. Bush, Commissioner

Type or print only

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division
Notice of Intention to Plug and Abandon

Form W-3A

Rev 1/1/83

(02/00)

WWW-1

Operators must comply with RRC plugging procedures as outlined on the reverse side.

1. Operator's Name and Address (Exactly as shown on Form P-5, Organization Report) WOLF ENERGY, INC. 1304 N BIG SPRINGS MIDLAND, TX 79701-				6. Drilling Permit No. 501919	5. API No. 30130638
2. RRC Operator No 935534	7. Rule 37 Case No. 0096397	4. County of Well Site LOVING	3. District No. 08	8. Oil Lease No. or Gas Well ID No. 36897	9. Well No. 1
10. Field Name (Exactly as shown on RRC records) HUBBARD [CHERRY CANYON]				11. Lease Name CURLEY	
12. Location • Section No. 83 Block No 33 Survey and Survey No H & TC RR CO. Abstract No. A- 9 • Distance (in miles) and direction from a nearby town in this county (name the town). 1.5 MILES WEST OF MENTONE, TX					
13. Type of well Oil			14. Type of completion Single		15. Total depth 5965

16. Usable-quality water strata detail

9]. The interval from the land surface to the base of the Rustler, which is estimated to occur at a depth of 750 feet, must be protected.

79]. This recommendation is applicable to all wells within a radius of 2000 feet of this location.

Letter Date 10/12/2018

17. • If there are wells in this area which are producing from or have produced from a shallower zones, state depth of zones

_____, _____, _____, _____, and _____

• If there are wells into which salt water is being or has been disposed of into a shallower zones, state depth of zones

_____, _____, _____, _____, and _____

18. Casing record (list all casing in well)

Type	Hole size	Size	Depth	Cement	Top of cement	Tool setting depth	Anticipated casing recovery	Top of liner	Bottom of liner	Top of cement determined by		
										Temper Survey	Calculated	Cement Bond Log
Casing	12 1/4	8 5/8	744	230	0		0					
Casing	7 7/8	5 1/2	5924	350	4360		4100					Cement Bond Log

WARNING: If the above area for Casing Record is full, verify that there are no more than 8 by reviewing the online version.

19. Has notice of intent to plug been filed previously for this well? No Date:

API No:

30130638

Well No:

1

21. Record of perforated intervals or open hole

Perforations or Open Hole	Perforations	Interval (ft)	5250	to	5240	Plugged or Not Plugged	Not Plugged
Historic Plug Information		Set at	feet with			feet of cement on top	
			feet to			feet with	sacks
		Sacks pumped 'on top'				Sacks pumped 'below'	
Other Plugging proposal type							
Perforations or Open Hole	Perforations	Interval (ft)	5830	to	5798	Plugged or Not Plugged	Plugged
Historic Plug Information	CIBP	Set at	5770	feet with	20	feet of cement on top	
			feet to			feet with	3 sacks
		Sacks pumped 'on top'				Sacks pumped 'below'	
Other Plugging proposal type							
Perforations or Open Hole	Perforations	Interval (ft)	5588	to	5548	Plugged or Not Plugged	Not Plugged
Historic Plug Information		Set at	feet with			feet of cement on top	
			feet to			feet with	sacks
		Sacks pumped 'on top'				Sacks pumped 'below'	
Other Plugging proposal type							
Perforations or Open Hole		Interval (ft)	to			Plugged or Not Plugged	
Historic Plug Information		Set at	feet with			feet of cement on top	
			feet to			feet with	sacks
		Sacks pumped 'on top'				Sacks pumped 'below'	
Other Plugging proposal type							
Perforations or Open Hole		Interval (ft)	to			Plugged or Not Plugged	
Historic Plug Information		Set at	feet with			feet of cement on top	
			feet to			feet with	sacks
		Sacks pumped 'on top'				Sacks pumped 'below'	
Other Plugging proposal type							
Perforations or Open Hole		Interval (ft)	to			Plugged or Not Plugged	
Historic Plug Information		Set at	feet with			feet of cement on top	
			feet to			feet with	sacks
		Sacks pumped 'on top'				Sacks pumped 'below'	
Other Plugging proposal type							
Perforations or Open Hole		Interval (ft)	to			Plugged or Not Plugged	
Historic Plug Information		Set at	feet with			feet of cement on top	
			feet to			feet with	sacks
		Sacks pumped 'on top'				Sacks pumped 'below'	
Other Plugging proposal type							
Perforations or Open Hole		Interval (ft)	to			Plugged or Not Plugged	
Historic Plug Information		Set at	feet with			feet of cement on top	
			feet to			feet with	sacks
		Sacks pumped 'on top'				Sacks pumped 'below'	
Other Plugging proposal type							
Perforations or Open Hole		Interval (ft)	to			Plugged or Not Plugged	
Historic Plug Information		Set at	feet with			feet of cement on top	
			feet to			feet with	sacks
		Sacks pumped 'on top'				Sacks pumped 'below'	
Other Plugging proposal type							

WARNING: If the above area for Perforations/Open Hole is full, verify that there are no more than 9 by reviewing the online version.

API No:

30130638

Well No:

1

20. Plugging proposal (List all bridge and cement plugs. Load the hole with at least 9.5 lbs. per gallon mud.)

Plugging Proposal Type	CIBP	Set at or from	5200	feet to		feet with	3	sacks
				feet with	20	feet of cement on top		
Additional requirements						sacks pumped 'below' and		sacks pumped 'on top'
6 - None								
Plugging Proposal Type	Cement Plug	Set at or from	4200	feet to	4000	feet with	50	sacks
				feet with		feet of cement on top		
Additional requirements						sacks pumped 'below' and		sacks pumped 'on top'
3 - Tag top of plug								
Plugging Proposal Type	Cement Plug	Set at or from	800	feet to	650	feet with	60	sacks
				feet with		feet of cement on top		
Additional requirements						sacks pumped 'below' and		sacks pumped 'on top'
4 - Wait 4 hours and tag top of plug								
Plugging Proposal Type	Cement Surface Plug	Set at or from	30	feet to	0	feet with	25	sacks
				feet with		feet of cement on top		
Additional requirements						sacks pumped 'below' and		sacks pumped 'on top'
6 - None								
Plugging Proposal Type		Set at or from		feet to		feet with		sacks
				feet with		feet of cement on top		
Additional requirements						sacks pumped 'below' and		sacks pumped 'on top'
Plugging Proposal Type		Set at or from		feet to		feet with		sacks
				feet with		feet of cement on top		
Additional requirements						sacks pumped 'below' and		sacks pumped 'on top'
Plugging Proposal Type		Set at or from		feet to		feet with		sacks
				feet with		feet of cement on top		
Additional requirements						sacks pumped 'below' and		sacks pumped 'on top'
Plugging Proposal Type		Set at or from		feet to		feet with		sacks
				feet with		feet of cement on top		
Additional requirements						sacks pumped 'below' and		sacks pumped 'on top'
Plugging Proposal Type		Set at or from		feet to		feet with		sacks
				feet with		feet of cement on top		
Additional requirements						sacks pumped 'below' and		sacks pumped 'on top'
Plugging Proposal Type		Set at or from		feet to		feet with		sacks
				feet with		feet of cement on top		
Additional requirements						sacks pumped 'below' and		sacks pumped 'on top'

API No:

30130638

Well No:

1

20. Plugging proposal (List all bridge and cement plugs. Load the hole with at least 9.5 lbs. per gallon mud.)

Plugging Proposal Type

Set at or from

feet to

feet with

sacks

feet with

feet of cement on top

Additional requirements

sacks pumped 'below' and

sacks pumped 'on top'

Plugging Proposal Type

Set at or from

feet to

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feet of cement on top

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Plugging Proposal Type

Set at or from

feet to

feet with

sacks

feet with

feet of cement on top

Additional requirements

sacks pumped 'below' and

sacks pumped 'on top'

Plugging Proposal Type

Set at or from

feet to

feet with

sacks

feet with

feet of cement on top

Additional requirements

sacks pumped 'below' and

sacks pumped 'on top'

WARNING: If the above area for Plugging Proposal is full, verify that there are no more than 16 by reviewing the online version.**22. Name and address of cementing company or contractor**TRANS-TEX CEMENTING SERVICES LLC
PO BOX 50455
HOUSTON, TX 77240

RACHAEL BRADEN

Typed or printed name of operator's representative

(361) 244-1611

Telephone: Area Code Number**23. Anticipated plugging date for this well is:**February 22
2019

CONSULTANT

Title of person

RACHAEL BRADEN

Signature**RRC District Office Action****Expiration date**

September 01 2019

Jeffery Morgan

District Director

Erik Hanson

Must Witness:

No

Approved on behalf of the District Director by:

File No. MF103680 3.

Loving County

Notice of Intent to Plug API 42-301-30638

Date Filed: 08/06/2019

George P. Bush, Commissioner

By gm

*** OIL AND GAS W-2/G-1 RECORD ***

INQUIRY

API #: 301 30638

SOURCE: RRC

DIST: 08 LSE/ID: 36897 WELL#: 1

TYPE: OIL

CNTY: LOVING

FLD: HUBBARD (CHERRY CANYON)

LSE: CURLEY

OPER: WOLF ENERGY, INC.

COMPLETION: 09 22 2003

DRILLING PERMIT #: 501919

W2-G1: 02 14 2019 BUILT: 06 13 2019

R-37 EXCEP CASE #:

ATTACHMENTS: NONE

WATER INJECT PERM #:

KEY 'S' TO VIEW ATTACH: _

SALT WATER DISP #:

DOCKET NUMBER:

DRILL COMPLETED: 09 22 2003

DIST W3 APPR DATE: 07 08 2019

ELEVATION: 2689 KB

TOTAL DEPTH: 5924

WELLBORE PLUGGED:

PLUGBACK DEPTH: 5770

PSA WELL FLAG: N

ALLOCATION WELL FLAG: N

LOCATION SEC: 83

BLK: 33

ABST: 9

SUR: H & TC RR CO.

SUR/SECT: 000467 FT FROM SE

AND 010442 FT FROM NE

NOTE=> REMARKS ON FILE FOR THIS DATE

* SCREEN OPTIONS: 12=FORM/SQZE 13=REMARKS 14=WATER 19=PERMITS/WELLIDS

* SELECT OPTION: (01=WBTM, 00=HELP, 21=DIST PLUG)

PRESS 'ENTER' FOR NEXT SCREEN

File No. MF103680
Loving & Reeves County
RRC Mainframe Showing P&A
Date Filed: 08/06/2019
George P. Bush, Commissioner
By Jm