#4113 120.0 UNITACRES / 120.0 NON UNITACRES Expired STATE LEASE MF105490 CONTROL BASEFILE COUNTY 07-105107 07-104894 95237 -/195 REEVES 114520 -REEVES /195 **TERMINATION** SURVEY : PUBLIC SCHOOL LAND DATE 12 01 2011 BLOCK : 58 : 00 TOWNSHIP LEASING ASP SECTION/TRACT: 30,19 MAPS : SEE PLAT : 240.00 120.0 PART ACRES DEPTH LIMITS : NO LESSEE : PETRO-HUNT LLC LEASE DATE : Aug 24 2005 Lease Admin: PRIMARY TERM : 3 yrs BONUS (\$) : 18000.00 RENTAL (\$) : 1.00 Mineral & : 0.12500000 ROYALTY Maps: VAR ROYALTY :

# CONTENTS OF FILE NO. MF 105490

1. BAh Review 12/6/04	17. Follow-up ema: 1 to Shell 05/05/2014
	18. Minimum Rajalty Payment 05/07/2014
3 Man 7/11/05	19. Email offering refund of MR payment 05/07/2014
4. Lettert Somus 7/11/05	20 Termination Ltr 6.5-12
5. RENTAL PAYMENT 5/1/06	See MF 104782 +20 Release
6 RENTAL PAYMENT 236 07	Scanned SM 8/3/15
Seem F104780# 8 for	21. Ltr. From Concho 2/20/18
Soler Committee Scort +	scanned Pt 3-1-2018
Jern Jorling Ogvenent, 133/08	(22) Well Timeline 3/28/19
RENTAL PAYMENT - 75008	scanned Pt 49-2019
SeeMF	
SeeM - 104780 # 10, Rooling Committee	
Deport + First almer dunt Dem	
Booling agreement : 4484 5/18/109	
8. Suit-in loyalty payment 11-1-11	
9. Ar requesting Sheet in affideert	
10. Email requesting plat	
+ length og lateral 1130-11	
11. Production history of	
Bik 58 State 31-3#1 Hwell 3-20-14	
12.P-15+ Glat of Blk 58 State 31-3+1H	
13. Well Timeline: 42-389-32452 03/20/2014	
14. Memo To File - Lease Timeline 03/20/2014	
15. Unit 4484 Plat 03/20/2014	
16. Notification To Shell 03/2014	

### **RAL REVIEW SHEET**

5554 Transaction # Geologist: R. Widmayer Estate of P.N. Wiggins, Jr. 3/1/2005 Lessor: Lease Date: 240 Petro-Hunt, LLC Acres: Lessee: LEASE DESCRIPTION Abst# PIN# Base File No Part Sec. Block Twp Survey County 3506 NW/4 O 58 00 PUBLIC SCHOOL LAND REEVES 114520 19 1926 REEVES 95237 W3/4 OF 30 58 00 PUBLIC SCHOOL LAND TERMS OFFERED TERMS RECOMMENDED 3 years 4 years Primary Term: **Primary Term** \$150.00 \$150.00 Bonus/Acre: Bonus/Acre \$1.00 \$1.00 Rental/Acre Rental/Acre: 1/5 1/4 Royalty: Royalty **COMPARISONS** 

MF#	Lessee	Date	Term	Bonus/Ac.	Rental/Ac.	Royalty	Distance Last Lease	
MF100264	Clay Johnson	1/15/1999	5 years	\$50.00	\$1.00	3/16		

Comments:	RENTALS \$75.00 FOR THE 4TH YEAR.
Approved: _	

Friday, December 15, 2006 12/6/04

### **RAL REVIEW SHEET**

Transaction #	4×11		Geol	ogist:	R.	Widmayer		
Lessor: Me	Cord, B.d.		Leas	se Date:	11/2	2/2004	UŁ 🗆	
Lessee: Pe	tro-Hunt, LLC		Acr	·es:		240		6/04
LEASE DESCRIPT	ION						121	6/04
County Reeves		Part 1 <del>1/2 SW/4</del> 12 SEI 4 12 SEI 4	<b>Sec.</b> 30	Block 58 \$8		<b>Survey</b> Public so	CHOOL LAN	<b>Abst#</b> ND 3762
TERMS OFFERED				FOT	2 30 2 19	- 95Z: -1145	37/ <del>-</del> 20/	
rimary Ternt	4 years	TERMS RECOM		MATTER		2		
onus/Acre	\$150.0	Primary Term	1	years		342		
		Bonus/Acre			50.00			
ental/Acre: oyalty:	\$1.0	Rental/Acre Royalty	41		\$1.00	44		
OMPARISONS								
F#	Lessee	Date	Term	Bonus/A	c. Re	ental/Ac.	Royalty	Distance
F100264	Clay Johnson	1/15/1999	5 years	\$50	0.00	\$1.00	3/16	Last Lease
					_  _			

Approved: PAG 12.7.09

**Comments:** Rentals will be \$75.00 for the 4th year.

## RELINQUISHMENT ACT LEASE APPLICATION

Texas General Land Office		Jerry Pa	tterson, Commissioner
TO: Jerry Patterson, Commission Larry Laine, Chief Clerk Bill Warnick, General Couns Matt Edling, Deputy Commis	el	DATE:	06-Dec-04
FROM: Robert Hatter, Director of Mi Peter Boone, Chief Geologist			
200 SSS Miller St. Hamilton March 1 1 2 1 2 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Bonus/Acre Rental/Acre	County: \$150.00 \$1.00	REEVES
Consideration  Recommended: AB  Not Recommended:	Date: <u>/2. 7.</u>	04	
Comments: Rentals will be \$75.00 for the	4th year.		
Lease Form  Recommended: 274  Not Recommended:	Date:1	3/04	
Matt Edling, Deputy Commissioner Recommended:	Date: //	121/05	
Not Recommended:  Bill Warnick, General Counsel  Recommended:	Date: <u>2/8</u>	4/05	
Not Recommended:  Larry Laine, Chief Clerk  Approved:	Date: 26	sler	
Not Approved:  Jerry Patterson, Commissioner  Approved:  Not Approved:	Date: 5	FES 05	

File No. M	70549	0
	1 1 -	
- (f) H1	flower	J
Date Filed:	12/6/0	4
Jerry E. P	atterson, Commis	/ sioner
Bv	(dl _	

•

MF105490

FILE# 1942

General Land Office Relinquishment Act Lease Form Revised, September 1997

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

The State of Texas

### Austin, Texas

#### OIL AND GAS LEASE

THIS AGREEMENT is made and entered into this 1st day of March	n, between the State of Texas, acting
by and through its agent, Estate of P.N. Wiggins, Jr.	
of 3838 Oak Lawn Ave., Suite 700, Dallas, Texas 75219 (Give Permanent Address)	
said agent herein referred to as the owner of the soil (whether one or more), and Pel	tro-Hunt, LLC
of 1601 Elm Street, Suite 3400, Dallas, Texas 75201-7201 (Give Permanent Address)	hereinafter called Lessee.
GRANTING CLAUSE. For and in consideration of the amounts stated performed by Lessee under this lease, the State of Texas acting by and through the sole and only purpose of prospecting and drilling for and producing oil and g stations, telephone lines and other structures thereon, to produce, save, take care situated in <a href="Reeves">Reeves</a> County, State of Texas, to-wit:	he owner of the soil, hereby grants, leases and lets unto Lessee, for
North West Quarter of the South East Quarter (NW/4 of the SE/4), and the South-Ha West-Three Quarters of the South East Quarter (W3/4 of the SE/4) of Section 30, Bi	alf of the South East Quarter (S/2 of the SE/4) of Section 19, and the lock 58, Public School Land Survey
containing 240 acres, more or less. The bonus consideration paid	for this lease is as follows:
To the State of Texas: Eighteen Thousand and No/100	
Dollars (\$18,000,00)	
To the owner of the soil: Eighteen Thousand and No/100	
Dollars (\$18,000.00)	
Total bonus consideration: Thirty Six Thousand and No/100	
Dollars (\$36,000,00)	
The total bonus consideration paid represents a bonus of One Hundred Fifty and No	V100
Dollars (\$150,00	per acre, on 240 net acres.
<ol><li>TERM. Subject to the other provisions in this lease, this lease shall be f this date (herein called "primary term") and as long thereafter as oil and gas, or eith</li></ol>	er of them, is produced in paying quantities from exist land. As used
in this lease, the term "produced in paying quantities" means that the receipts fror covered exceed out of pocket operational expenses for the six months last past.	m the sale or other authorized commercial use of the substance(s)





Bank, at	
Lessee shall pay or tender to the COMMISSIONER OF THE C	rdiess of changes in the ownership of said land), the amount specified below; in addition SENERAL LAND OFFICE OF THE STATE OF TEXAS, AT AUSTIN, TEXAS, a like sum or rate as a rental and shall cover the privilege of deferring the commencement of a well fo hall be in the following amounts:
To the owner of the soil: One Hundred Tw	venty and No/100
Dollars (\$120.00	
To the State of Texas: One Hundred Twe	nty and No/100
Dollars (\$120.00	)
Total Delay Rental: Two Hundred Forty an	d No/100
Dollars (\$240.00	)
year each during the primary term. All payments or tenders assignee of this lease, and may be delivered on or before the	n, the commencement of a well may be further deferred for successive periods of one (1 of rental to the owner of the soil may be made by check or sight draft of Lessee, or an rental paying date. If the bank designated in this paragraph (or its successor bank) should be considered in the paragraph of the successor bank) should be considered in this paragraph.
year each during the primary term. All payments or tenders assignee of this lease, and may be delivered on or before the cease to exist, suspend business, liquidate, fail or be succeed held in default for failure to make such payments or tenders recordable instrument naming another bank as agent to receive.  4. PRODUCTION ROYALTIES. Upon production of the production of	of rental to the owner of the soil may be made by check or sight draft of Lessee, or an rental paying date. If the bank designated in this paragraph (or its successor bank) should ded by another bank, or for any reason fail or refuse to accept rental, Lessee shall be of rental until thirty (30) days after the owner of the soil shall deliver to Lessee a prope

(B) NON PROCESSED GAS. 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) shall be 1/4 part of the gross production or the market value thereof, at the option of the owner of the soil or the Commissioner of the General Land Office, 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 the greater; provided that the maximum pressure base in measuring the gas under this lease 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 tests made by the Balance Method or by the most approved method of testing being used by the industry at the time of testing.

will be recovered. The requirement that such gas be run through a separator or other equipment may be waived, in writing, by the royalty

such terms and conditions as they prescribe

- (C) PROCESSED GAS. Royalty on any gas processed in a gasoline plant or other plant for the recovery of gasoline or other liquid hydrocarbons shall be 1/4 part of the residue gas and the liquid hydrocarbons extracted or the market value thereof, at the option of the owner of the soil or the Commissioner of the General Land Office. 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 lease, 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 lease; 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 arm's 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. 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 shall be 1/4 part of the gross production of such products, or the market value thereof, at the option of the owner of the soil or the Commissioner of the General Land Office, such market value to be determined as follows: 1) on the basis of the highest market price of each product for the same month in which such products; whichever is the greater.
- 5. MINIMUM ROYALTY. During any year after the expiration of the primary term of this lease, if this lease is maintained by production, the royalties paid under this lease in no event shall be less than an amount equal to the total annual delay rental herein provided; otherwise, there shall be due and payable on or before the last day of the month succeeding the anniversary date of this lease a sum equal to the total annual rental less the amount of royalties paid during the preceding year. If Paragraph 3 of this lease does not specify a delay rental amount, then for the purposes of this paragraph, the delay rental amount shall be one dollar (\$1.00) per acre.





- 6. ROYALTY IN KIND. Notwithstanding any other provision in this lease, at any time or from time to time, the owner of the soil or the Commissioner of the General Land Office may, at the option of either, upon not less than sixty (60) days notice to the holder of the lease, require that the payment of any royalties accruing to such royalty owner under this lease be made in kind. The owner of the soil's or the Commissioner of the General Land Office's right to take its royalty in kind shall not diminish or negate the owner of the soil's or the Commissioner of the General Land Office's rights or Lessee's obligations, whether express or implied, under this lease.
- 7. NO DEDUCTIONS. Lessee agrees that all royalties accruing under this lease (including those paid in kind) shall be without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, and otherwise making the oil, gas and other products hereunder ready for sale or use. Lessee agrees to compute and pay royalties on the gross value received, including any reimbursements for severance taxes and production related costs.
- 8. PLANT FUEL AND RECYCLED GAS. No royalty shall be payable on any gas as may represent this lease's proportionate share of any fuel used to process gas produced hereunder in any processing plant. Notwithstanding any other provision of this lease, and subject to the written consent of the owner of the soil and the Commissioner of the General Land Office, Lessee may recycle gas for gas lift purposes on the leased premises or for injection into any oil or gas producing formation underlying the leased premises after the liquid hydrocarbons contained in the gas have been removed; no royalties shall be payable on the recycled gas until it is produced and sold or used by Lessee in a manner which entitles the royalty owners to a royalty under this lease.
- 9. 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 on each lease. 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. In addition to a penalty, royalties shall accrue interest at a rate of 12% per year; such interest will begin to accrue when the royalty is sbxty (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 docume

- 10. (A) RESERVES, CONTRACTS AND OTHER RECORDS. Lessee shall annually furnish the Commissioner of the General Land Office with its best possible estimate of oil and gas reserves underlying this lesse or allocable to this lesse 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 oil and gas produced on said premises, 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) PERMITS, DRILLING RECORDS. Written notice of all operations on this lease 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 flied with the Texas Railroad Commission. All applications, permits, reports or other filings that reference this lease or any specific well on the leased premises and that are submitted to the Texas Railroad Commission or any other governmental agency shall include the word "State" in the title. Additionally, in accordance with Railroad Commission rules, any signage on the leased premises for the purpose of identifying wells, tank batteries or other associated improvements to the land must also include the word "State." 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 above described premises 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.
- 11. DRY HOLE/CESSATION OF PRODUCTION DURING PRIMARY TERM. If, during the primary term hereof and prior to discovery and production of oil or gas on said land, Lessee should drill a dry hole or holes thereon, or if during the primary term hereof and after the discovery and actual production of oil or gas from the leased premises such production thereof should cease from any cause, this lease shall not terminate if on or before the expiration of sixty (60) days from date of completion of said dry hole or cessation of production Lessee commences additional drilling or reworking operations thereon, or pays or tenders the next annual delay rental in the same manner as provided in this lease. If, during the last year of the primary term or within sixty (60) days prior thereto, a dry hole be completed and abandoned, or the production of oil or gas should cease for any cause, Lessee's rights shall remain in full force and effect without further operations until the expiration of the primary term; and if Lessee has not resumed





production in paying quantities at the expiration of the primary term, Lessee may maintain this lease by conducting additional drilling or reworking operations pursuant to Paragraph 13, using the expiration of the primary term as the date of cessation of production under Paragraph 13. Should the first well or any subsequent well drilled on the above described land be completed as a shut-in oil or gas well within the primary term hereof, Lessee may resume payment of the annual rental in the same manner as provided herein on or before the rental paying date following the expiration of sixty (60) days from the date of completion of such shut-in oil or gas well and upon the failure to make such payment, this lease shall ipso facto terminate. If at the expiration of the primary term or any time thereafter a shut-in oil or gas well is located on the leased premises, payments may be made in accordance with the shut-in provisions hereof.

- 12. DRILLING AND REWORKING AT EXPIRATION OF PRIMARY TERM. If, at the expiration of the primary term, neither oil nor gas is being produced on said land, but Lessee is then engaged in drilling or reworking operations thereon, this lease shall remain in force so long as operations on said well or for drilling or reworking of any additional wells are prosecuted in good faith and in workmanlike manner without interruptions totaling more than sixty (60) days during any one such operation, and if they result in the production of oil and/or gas, so long thereafter as oil and/or gas is produced in paying quantities from said land, or payment of shut-in oil or gas well royalties or compensatory royalties is made as provided in this lease.
- 13. CESSATION, DRILLING, AND REWORKING. If, after the expiration of the primary term, production of oil or gas from the leased premises, after once obtained, should cease from any cause, this lease shall not terminate if Lessee commences additional drilling or reworking operations within sixty (60) days after such cessation, and this lease 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 oil or gas, the lease shall remain in full force and effect for so long as oil or gas is produced from the leased premises 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, the lease 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 lease 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. neral Land Office within thirty (30) days of any cessation of production
- 14. 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 after the expiration of the primary term of a lease that, until being shut in, was being maintained in force and effect, a well capable of producing oil or gas in paying quantities is located on the leased premises, but oil or gas 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 double the annual rental provided in the lease, but not less than \$1,200 a year for each well capable of producing oil or gas in paying quantities. If Paragraph 3 of this lease does not specify a delay rental amount, then for the purposes of this paragraph, the delay rental amount shall be one dollar (\$1.00) per acre. To be effective, each initial shut-in oil or gas royalty must be paid on or before: (1) the expiration of the primary term, (2) 60 days after Lessee ceases to produce oil or gas from the leased premises, or (3) 60 days after Lessee completes a drilling or reworking operation in accordance with the lease provisions; whichever date is latest. Such payment shall be made one-half (1/2) to the Commissioner of the General Land Office and one-half (1/2) to the owner of the soil. If the shut-in oil or gas royalty is paid, the lease shall be considered to be a producing lease and the payment shall extend the term of the lease for a period of one year from the end of the primary term, or 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 oil or gas exists, Lessee may extend the lease for a period of one year from the end of the primary term, or from the first day of the month following the month in which
- 15. COMPENSATORY ROYALTIES. If, during the period the lease is kept in effect by payment of the shut-in oil or gas royalty, oil or gas is sold and delivered in paying quantities from a well located within one thousand (1,000) feet of the leased premises and completed in the same producing reservoir, or in any case in which drainage is occurring, the right to continue to maintain the lease by paying the shut-in oil or gas royalty shall cease, but the lease shall remain effective for the remainder of the year for which the royalty has been paid. The Lessee may maintain the lease for four more successive years by Lessee paying compensatory royalty at the royalty rate provided in the lease 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 leased premises. The compensatory royalty is to be paid monthly, one-half (1/2) to the Commissioner of the General Land Office and one-half (1/2) to the owner of the soil, beginning on or before the last day of the month following the month in which the oil or gas 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 leased premises. If the compensatory royalty paid in any 12-month period is 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. Compensatory royalty payments which are not timely paid will accrue penalty and interest in accordance with Paragraph 9 of this lease. None of these provisions will relieve Lessee of the obligation of reasonable development nor the obligation to drill offset wells as provided in Texas Natural Resources Code 52.173; however, at the determination of the Commissioner, and with the Commissioner's written approval, the payment of compensatory royalties can satisfy the obligation to drill offset wells. of compensatory royalties can satisfy the obligation to drill offset wells
- 16. RETAINED ACREAGE. Notwithstanding any provision of this lease to the contrary, after a well producing or capable of producing oil or gas has been completed on the leased premises, Lessee shall exercise the diligence of a reasonably prudent operator in drilling such additional well or wells as may be reasonably necessary for the proper development of the leased premises and in marketing the production thereon.
- (A) VERTICAL. In the event this lease is in force and effect two (2) years after the expiration date of the primary or extended term it shall then terminate as to all of the leased premises, EXCEPT (1) 40 acres surrounding each oil well capable of producing in paying quantities and 320 acres surrounding each gas well capable of producing in paying quantities (including a shut-in oil or gas well as provided in Paragraph 14 hereof), or a well upon which Lessee is then engaged in continuous drilling or reworking operations, or (2) the number of acres included in a producing pooled unit pursuant to Texas Natural Resources Code 52.151-52.154, or (3) such greater or lesser number of acres as may then be allocated for production purposes to a proration unit for each such producing well under the rules and regulations of the Railroad Commission of Texas, or any successor agency, or other governmental authority having jurisdiction. If at any time after the effective date of the partial termination provisions hereof, the applicable field rules are changed or the well or wells located thereon are reclassified so that less acreage is thereafter allocated to said well or wells for production purposes, this lease shall thereupon terminate as to all acreage not thereafter allocated to said well or wells for production purposes, this lease shall thereupon terminate as to all acreage not thereafter allocated to said well or wells for production purposes, this lease shall thereupon terminate as to all purposes described in Paragraph 1 hereof (the retained lands of the partial termination of this lease for all purposes described in Paragraph 1 hereof (the retained lands), for existing roads, existing pipelines and other existing facilities on, over and across all the lands described in Paragraph 1 hereof (the retained lands), for access to and from the retained lands and for the gathering or transportation of oil, gas and other minerals produced from the retained lands.

  (B) HORIZONTAL. In the event this lease is in force and eff



True and Correct copy of Original filed in Reeves County Clerks Office



bonus originally paid as consideration for this lease (as specified on page 1 hereof). If such amount is paid, this lease shall be in force and effect as to such deeper depths, and said termination shall be delayed for an additional period of two (2) years and so long thereafter as oil or gas is produced in paying quantities from such deeper depths covered by this lease.

(C) IDENTIFICATION AND FILING. The surface acreage retained hereunder as to each well shall, as nearly as practical, be in the form of a square with the well located in the center thereof, or such other shape as may be approved by the Commissioner of the General Land Office. Within thirty (30) days after partial termination of this lease as provided herein, Lessee shall execute and record a release or releases containing a satisfactory legal description of the acreage and/or depths not retained hereunder. The recorded release, or a certified copy of same, shall be filed in the General Land Office, accompanied by the filing fee prescribed by the General Land Office rules in effect on the date the release is filed. If Lessee fails or refuses to execute and record such release or releases within ninety (90) days after being requested to do so by the General Land Office, then the Commissioner at his sole discretion may designate by written instrument the acreage and/or depths to be released hereunder and record such instrument at Lessee's expense in the county or counties where the lease is located and in the official records of the General Land Office and such designation shall be binding upon Lessee for all purposes.

17. OFFSET WELLS. Neither the bonus, delay rentals, nor royalties paid, or to be paid, under this lease shall relieve Lessee of his obligation to protect the oil and gas under the above-described land from being drained. Lessee, sublessee, receiver or other agent in control of the leased premises shall drill as many wells as the facts may justify and shall use appropriate means and drill to a depth necessary to prevent undue drainage of oil and gas from the leased premises. In addition, if oil and/or gas should be produced in commercial quantities within 1,000 feet of the leased premises, or in any case where the leased premises is being drained by production of oil or gas, the Lessee, sublessee, receiver or other agent in control of the leased premises shall in good faith begin the drilling of a well or wells upon the leased premises within 100 days after the draining well or wells or the well or wells completed within 1,000 feet of the leased premises start producing in commercial quantities and shall prosecute such drilling with diligence. Failure to satisfy the statutory offset obligation may subject this lease and the owner of the soil's agency rights to forfeiture. Only upon the determination of the Commissioner of the General Land Office and with his written approval may the payment of compensatory royalty under applicable statutory parameters satisfy the obligation to drill an offset well or wells required under this paragraph.

18. FORCE MAJEURE. If, after a good faith effort, Lessee is prevented from complying with any express or implied covenant of this lease, from conducting drilling operations on the leased premises, or from producing oil or gas from the leased premises by reason of war, rebellion, riots, strikes, acts of God, or any valid order, rule or regulation of government authority, then while so prevented, Lessee's obligation to comply with such covenants; additionally, this lease shall be extended while Lessee is prevented, by any such cause, from conducting drilling and reworking operations or from producing oil or gas from the leased premises. However, nothing in this paragraph shall suspend the payment of delay rentals in order to maintain this lease in effect during the primary term in the absence of such drilling or reworking operations or production of oil or gas.

19. WARRANTY CLAUSE. The owner of the soil warrants and agrees to defend title to the leased premises. If the owner of the soil defaults in payments owed on the leased premises, then Lessee may redeem the rights of the owner of the soil in the leased premises by paying any mortgage, taxes or other liens on the leased premises. If Lessee makes payments on behalf of the owner of the soil under this paragraph, Lessee may recover the cost of these payments from the rental and royalties due the owner of the soil.

20. (A) PROPORTIONATE REDUCTION CLAUSE. If the owner of the soil owns less than the entire undivided surface estate in the above described land, whether or not Lessee's interest is specified herein, then the royalties and rental herein provided to be paid to the owner of the soil shall be paid to him in the proportion which his interest bears to the entire undivided surface estate and the royalties and rental herein provided to be paid to the Commissioner of the General Land Office of the State of Texas shall be likewise proportionately reduced. However, before Lessee adjusts the royalty or rental due to the Commissioner of the General Land Office, Lessee or his authorized representative must submit to the Commissioner of the General Land Office a written statement which explains the discrepancy between the interest purportedly leased under this lease and the actual interest owned by the owner of the soil. The Commissioner of the General Land Office shall be paid the value of the whole production allocable to any undivided interest. However, in no event shall the Commissioner of the General Land Office receive as a royalty on the gross production allocable to the undivided interest not leased an amount less than the value of one-sixteenth (1/16) of such gross production.

(B) REDUCTION OF PAYMENTS. If, during the primary term, a portion of the land covered by this lease is included within the boundaries of a pooled unit that has been approved by the School Land Board and the owner of the soil in accordance with Natural Resources Code Sections 52.151-52.154, or if, at any time after the expiration of the primary term or the extended term, this lease covers a lesser number of acres than the total amount described herein, payments that are made on a per acre basis hereunder shall be reduced according to the number of acres pooled, released, surrendered, or otherwise severed, so that payments determined on a per acre basis under the terms of this lease during the primary term shall be calculated based upon the number of acres outside the boundaries of a pooled unit, or, if after the expiration of the primary term, the number of acres

21. USE OF WATER. Lessee shall have the right to use water produced on said land necessary for operations under this lease except water from wells or tanks of the owner of the soil; provided, however, Lessee shall not use potable water or water suitable for livestock or irrigation purposes for waterflood operations without the prior consent of the owner of the soil.

22. AUTHORIZED DAMAGES. Lessee shall pay the owner of the soil for damages caused by its operations to all personal property, improvements, livestock and crops on said land.

23. PIPELINE DEPTH. When requested by the owner of the soil, Lessee shall bury its pipelines below plow depth.

24. WELL LOCATION LIMIT. No well shall be drilled nearer than two hundred (200) feet to any house or barn now on said premises without





25. POLLUTION. In developing this 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. 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. Lessee shall, while conducting operations on the leased premises, keep said premises free of all rubbish, cans, bottles, paper cups or garbage, and upon completion of operations shall restore the surface of the land to as near its original condition and contours as is practicable. Tanks and equipment will be kept painted and presentable.

26. REMOVAL OF EQUIPMENT. Subject to limitations in this paragraph, Lessee shall have the right to remove machinery and fixtures placed by Lessee on the leased premises, including the right to draw and remove casing, within one hundred twenty (120) days after the expiration or the termination of this lease unless the owner of the soil grants Lessee an extension of this 120-day period. However, Lessee may not remove casing from any well capable of producing oil and gas in paying quantities. Additionally, Lessee may not draw and remove casing until after thirty (30) days written notice to the Commissioner of the General Land Office and to the owner of the soil. The owner of the soil shall become the owner of any machinery, fixtures, or casing which are not timely removed by Lessee under the terms of this paragraph.

27. (A) ASSIGNMENTS. Under the conditions contained in this paragraph and Paragraph 29 of this lease, the rights and estates of either party to this lease may be assigned, in whole or in part, and the provisions of this lease shall extend to and be binding upon their heirs, devisees, legal representatives, successors and assigns. However, a change or division in ownership of the land, rentals, or royalties will not enlarge the obligations of Lessee, diminish the rights, privileges and estates of Lessee, impair the effectiveness of any payment made by Lessee or impair the effectiveness of any Lessee, diminish the rights, privileges and estates of Lessee, impair the effectiveness of any payment made by Lessee or impair the effectiveness of any act performed by Lessee. And no change or division in ownership of the land, rentals, or royalties shall bind Lessee for any purpose until thirty (30) days after the owner of the soil (or his heirs, devisees, legal representatives or assigns) furnishes the Lessee with satisfactory written evidence of the change in ownership, including the original recorded muniments of title (or a certified copy of such original) when the ownership changed because of a conveyance. A total or partial assignment of this lease shall, to the extent of the interest assigned, relieve and discharge Lessee of all subsequent obligations under this lease. If this lease is assigned in its entirety as to only part of the acreage, the right and option to pay rentals shall be apportioned as between the several owners ratably, according to the area of each, and failure by one or more of them to pay his share of the rental shall not affect this lease on the part of the land upon which pro rata rentals are timely paid or tendered; however, if the assignor or assignee does not file a certified copy of such assignment in the General Land Office before the next rental paying date, the entire lease shall terminate for failure to pay the entire rental due under Paragraph 3. Every assignee 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 assignee of the lease, including any liabilities to the State for unpaid royalties.

(B) ASSIGNMENT LIMITATION. Notwithstanding any provision in Paragraph 27(a), if the owner of the soil acquires this lease in whole or in part by assignment without the prior written approval of the Commissioner of the General Land Office, this lease is void as of the time of assignment and the agency power of the owner may be forfeited by the Commissioner. An assignment will be treated as if it were made to the owner of the soil if the

- is:
  (1) a nominee of the owner of the soil;
  (2) a corporation or subsidiary in which the owner of the soil is a principal stockholder or is an employee of such a corporation or subsidiary;
  (3) a partnership in which the owner of the soil is a partner or is an employee of such a partnership;
  (4) a principal stockholder or employee of the corporation which is the owner of the soil;
  (5) a partner or employee in a partnership which is the owner of the soil;
  (6) a flduciary for the owner of the soil; including but not limited to a guardian, trustee, executor, administrator, receiver, or conservator for the owner of the soil; or
- (7) a family member of the owner of the soil or related to the owner of the soil by marriage, blood, or adoption.

28. RELEASES. Under the conditions contained in this paragraph and Paragraph 29, Lessee may at any time execute and deliver to the owner of the soil and place of record a release or releases covering any portion or portions of the leased premises, and thereby surrender this lease as to such portion or portions, and be relieved of all subsequent obligations as to acreage surrendered. If any part of this lease is properly surrendered, the delay rental due under this lease shall be reduced by the proportion that the surrendered acreage bears to the acreage which was covered by this lease immediately prior to such surrender; however, such release will not relieve Lessee of any liabilities which may have accrued under this lease prior to the

29. FILING OF ASSIGNMENTS AND RELEASES. If all or any part of this lease is assigned or released, such assignment or release must be recorded in the county where the land is situated, and the recorded instrument, or a copy of the recorded instrument certified by the County Clerk of the county in which the instrument is recorded, must be filed in the General Land Office within 90 days of the last execution date accompanied by the prescribed filing fee. If any such assignment is not so filed, the rights acquired under this lease shall be subject to forfeiture at the option of the Commissioner of the General Land Office. ral Land Offi

- 30. DISCLOSURE CLAUSE. All provisions pertaining to the lease of the above-described land have been included in this instrument, the statement of the true consideration to be paid for the execution of this lease and the rights and duties of the parties. Any collateral nts concerning the development of oil and gas from the leased premises which are not contained in this lease render this lease invalid. including the statement of the true consid-
- 31. FIDUCIARY DUTY. The owner of the soil owes the State a fiduciary duty and must fully disclose any facts affecting the leased premises. When the interests of the owner of the soil conflict with those of the State, the owner of the soil is obligated interests before his personal interests.
- 32. FORFEITURE. If Lessee shall fail or refuse to make the payment of any sum within thirty days after it becomes due, or if Lessee or an 32. FORFEITURE. If Lessee shall fail or refuse to make the payment of any sum within thirty 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 if Lessee should 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 lease, or if this lease is assigned and the assignment is not filed in the General Land Office as required by law, the rights acquired under this lease 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 under the terms of the Relinquishment Act. However, nothing herein shall be construed as waiving the automatic termination of this lease by operation of law or by reason of any special limitation arising hereunder. Forfeitures may be set aside and this lease 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 lease and the rules and regulations that may be adopted relative hereto.

33. LIEN. In accordance with Texas Natural Resources Code 52.136, the State shall have a first lien upon all oil and gas produced from the area covered by this lease to secure payment of all unpaid royalty and other sums of money that may become due under this lease. By acceptance of this lease, Lessee grants the State, in addition to the lien provided by Texas Natural Resources Code 52.136 and any other applicable statutory lien, an express contractual lien on and security interest in all leased minerals in and extracted from the leased premises, all proceeds which may accrue to Lessee from the sale of such leased minerals, whether such proceeds are held by Lessee or by a third party, and all fixtures on and improvements to the leased premises used in connection with the production or processing of such leased minerals in order to secure the payment of all royalties or other amounts due or to become due under this lease 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 lease, 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, Chap. 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 acquisition of this lease. Should the Commissioner may declare this lease forfeited as provided herein.

34. POOLING. Lessee is hereby granted the right to pool or unitize the royalty interest of the owner of the soil under this lease with any other leasehold or mineral interest for the exploration, development and production of oil or gas or either of them upon the same terms as shall be approved by the School Land Board and the Commissioner of the General Land Office for the pooling or unitizing of the interest of the State under this lease pursuant to Texas Natural Resources Code 52.151-52.154. The owner of the soil agrees that the inclusion of this provision in this lease satisfies the execution requirements stated in Texas Natural Resources Code 52.152.

35. INDEMNITY. Lessee hereby releases and discharges the State of Texas and the owner of the soil, their officers, employees, partners, agents, contractors, subcontractors, guests, invitees, and their respective successors and assigns, of and from all and any actions and causes of action of every nature, or other harm, including environmental harm, for which recovery of damages is sought, including, but not limited to, all losses and expenses which are caused by the activities of Lessee, its officers, employees, and agents arising out of, incidental to, or resulting from, the operations of or for Lessee on the leased premises hereunder, or that may arise out of or be occasioned by Lessee's breach of any of the terms or provisions of this Agreement, or by any other negligent or strictly liable act or omission of Lessee. Further, Lessee hereby agrees to be liable for, exonerate, indemnify, defend and hold harmless the State of Texas and the owner of the soil, their officers, employees and agents, their successors or assigns, against any and all claims, liabilities, losses, damages, actions, personal injury (including death), costs and expenses, or other harm for which recovery of damages is sought, under any theory including tort, contract, or strict liability, including attorneys' fees and other legal expenses, including those related to environmental hazards, on the leased premises or in any way related to Lessee's activities on the leased premises; from or in any way related to Lessee's activities on the leased premises; and those that may arise out of or be occasioned by Lessee's breach of any of the terms or provisions of this Agreement or any other act or omission of Lessee, its directors, officers, employees, partners, agents, contractors, subcontractors, guests, invitees, and their respective successors and assigns. Each assignee of this Agreement, or an interest therein, agrees to be liable for, exonerate, indemnify, defend and hold harmless the State of Texas and the owner of the soil, their officers, e

36. ENVIRONMENTAL HAZARDS. Lessee shall use the highest degree of care and all reasonable safeguards to prevent contamination or pollution of any environmental medium, including soil, surface waters, groundwater, sediments, and surface or subsurface strata, ambient air or any other environmental medium in, on, or under, the leased premises, by any waste, pollutant, or contaminant. Lessee shall not bring or permit to remain on the leased premises any asbestos containing materials, explosives, toxic materials, or substances regulated as hazardous wastes, hazardous materials, hazardous substances (as the term "Hazardous Substance" is defined in the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), 42 U.S.C. Sections 9601, et seq.), or toxic substances under any federal, state, or local law or regulation ("Hazardous Materials"), except ordinary products commonly used in connection with oil and gas exploration and development operations and stored in the usual manner and quantities. LESSEE'S VIOLATION OF THE FOREGOING PROHIBITION SHALL CONSTITUTE A MATERIAL BREACH AND DEFAULT HEREUNDER AND LESSEE SHALL INDEMNIFY, HOLD HARMLESS AND DEFEND THE STATE OF TEXAS AND THE OWNER OF THE SOIL FROM AND AGAINST ANY CLAIMS, DAMAGES, JUDGMENTS, PENALTIES, LIABILITIES, AND COSTS (INCLUDING REASONABLE ATTORNEYS' FEES AND COURT COSTS) CAUSED BY OR ARISING OUT OF (1) A VIOLATION OF THE FOREGOING PROHIBITION OR (2) THE PRESENCE, RELEASE, OR DISPOSAL OF ANY HAZARDOUS MATERIALS ON, UNDER, OR ABOUT THE LEASED PREMISES DURING LESSEE'S OCCUPANCY OR CONTROL OF THE LEASED PREMISES. LESSEE SHALL CLEAN UP, REMOVE, REMEDY AND REPAIR ANY SOIL OR GROUND WATER CONTAMINATION AND DAMAGE CAUSED BY THE PRESENCE OR RELEASE OF ANY HAZARDOUS MATERIALS IN, ON, UNDER, OR ABOUT THE LEASED PREMISES DURING LESSEE'S OCCUPANCY OF THE LEASED PREMISES IN CONFORMANCE WITH THE REQUIREMENTS OF APPLICABLE LAW. THIS INDEMNIFICATION AND ASSUMPTION SHALL APPLY, BUT IS NOT LIMITED TO, LIABILITY FOR RESPONSE ACTIONS UNDERTAKEN PURSUANT TO CERCL

37. APPLICABLE LAW. This lease is issued under the provisions of Texas Natural Resources Code 52.171 through 52.190, commonly known as the Relinquishment Act, and other applicable statutes and amendments thereto, and if any provision in this lease does not conform to these statutes, the statutes will prevail over any nonconforming lease provisions.



True and Correct copy of Original filed in Reeves County Clerks Office



38. EXECUTION. This oil and gas lease must be signed and acknowledged by the Lessee before it is filed of record in the county records and in the General Land Office of the State of Texas. Once the filing requirements found in Paragraph 39 of this lease have been satisfied, the effective date of this lease shall be the date found on Page 1.

39. LEASE FILING. Pursuant to Chapter 9 of the Texas Business and Commerce Code, this lease must be filed of record in the office of the County Clerk in any county in which all or any part of the leased premises is located, and certified copies thereof must be filed in the General Land Office. This lease is not effective until a certified copy of this lease (which is made and certified by the County Clerk from his records) is filed in the General Land Office in accordance with Texas Natural Resources Code 52.183. Additionally, this lease shall not be binding upon the State unless it recites the actual and true consideration paid or promised for execution of this lease. The bonus due the State and the prescribed filing fee shall accompany such certified copy to the General Land Office.

LESSEE

Wat 3/24
STATE OF TEXAS  BY:
STATE OF TEXAS  BY:  Individually and as agent for the State of Texas
Date:

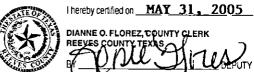


50-11-2

STATE OF TEXAS	(CORPORATION ACKNOWLEDGMENT)
COUNTY OF Dallas	
BEFORE ME, the undersigned authority, on this day personally appe	ared Bruck W. Hunt
known to me to be the person whose name is subscribed to the foregoing instruor retro-Hum, L.L.C.	and acknowledged to me that he
executed the same for the purposes and consideration therein expressed, in the	e capacity stated, and as the act and deed of said corporation Company.
Given under my band seat of office shis the 189 day of	april 2005
8 5 1 m 1 0 2	1 2 710.00
	Susan M. Surry
OF TEA.	Notary Public in and for State of Luca
STATE OF	(INDIVIDUAL ACKNOWLEDGMENT)
COUNTY OF	Water and Art Address and Art
BEFORE ME, the undersigned authority, on this day personally appr	eared Ted Michael Covington
known to me to be the persons whose names are subscribed to the foregoing purposes and consideration therein expressed.	instrument, and acknowledged to me that they executed the same for the
	20
Given under my hand and seal of office this the day of	, 20
	Notary Public in and for
STATE OF TEXAS	(INDIVIDUAL ACKNOWLEDGMENT)
COUNTY OF DALLAS	
BEFORE ME, the undersigned authority, on this day personally app	weared William R. Wiggins and
Peter N. Wiggins, III	
known to me to be the persons whose names are subscribed to the foregoing purposes and consideration therein expressed.	g instrument, and acknowledged to me that they executed the same for the
Given under my hand and seal of office this the 8th day of	March 20 05
TRICIA R IKARD	This R. Jeard
Notary Public, State of Texas 8	Tille M. Skala
My Commission Expires 11-15-2007	Notary Public in and for State of Texas
STATE OF	(INDIVIDUAL ACKNOWLEDGMENT)
COUNTY OF	(marine and marine and marine)
BEFORE ME, the undersigned authority, on this day personally app	peared
known to me to be the persons whose names are subscribed to the foregoing purposes and consideration therein expressed.	g instrument, and acknowledged to me that they executed the same for the
, , , , , , , , , , , , , , , , , , , ,	
Given under my hand and seal of office this the day of _	, 20
	Notary Public in and for
-	
	ARY PROVISION HEREIN IN MEN AT LIMBETS THE SALE, RENTAL OR USE BY THE DESCRIPTOR OF A POTENT'S SECAUSE OF COLOR
1062	OR RACE IS INVALID AND UNDER FOLIAGE UNDER FEDERAL.
LE NO. 1942	
LED FOR RECORD ON THE 24TH DAY OF	a.b. 2005 5105 1 A.
All Others	MAY A.D. 2005 8:00 A H.
DEPUTY	DIANNE O. FLOREZ, COUNTY CLERK REEVES COUNTY, TEXAS
	True and Correct
	copy of
: ' <b>'' 'T</b> '	Original filed in Reeves County
	Clerks Office
7.70	

Lommissioner Patterson, Jerry E. 1 Date Filed:

## CERTIFIED TRUE AND CORRECT COPY CERTIFICATE STATE OF TEXAS COUNTY OF REEVES



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS
BUTTY

100466	129426		99304				117	798		1500	77	147739		13568	10	121936	
	11	153073	153075	138854	12			14293	7	1277	8	118095		14293	9	149561	
		150245	150246	150244	150243	129352										130225	
	148327	153079	138855	153080	13		424	209	18		1312	17		9235	16	91221	
	147820	150247	150248	150249	150250												
	23	153076	153078	100502	24	149151	18	119064	19		118769	20	1	46537	21	146538	
10	1431	150253	150254	150251	150252	1136	50	1	4520		1474	95238	150911	1	58 148343		
	9347		99:	345	25	1219	71	952	30	123357	122076	146583			28		
3	35				36				31			32			33		
\$	99344		993	346			112	233			1122	232					
	38				37				42	100888	41	41			40	1318	73
1	105815	148	706	105	814		1122	297				1	10025	8	137097	1002	57
-	47	146	225	101943	48	43	137	098	43				100260	15	137099	1005	56

File No. MF705490
Olap
Date Filed: 1/1/05
Jerry E. Patterson, Commissioner
By (4)(

•

#### 1601 ELM STREET, STE 3400 THANKSGIVING TOWER DALLAS, TEXAS 75201-7201



Tel: 214-880-8400 Fax: 214-880-7101

July 7, 2005

Texas General Land Office 1700 N. Congress Avenue, Room 600 Austin, Texas. 78701 Attn: Drew Reid

Re:

State of Texas Oil and Gas Lease Public School Land Survey, Block 58,

NW/4 of the SE/4 and the S/2 of the SE/4 of Section 19;

And the W3/4 of the SE/4 of Section 30.

Reeves County, Texas

#### Gentlemen:

Please find enclosed the State of Texas Oil and Gas Lease for the Estate of P. N. Wiggins, Jr.

The above referenced Oil and Gas Lease covers the Northwest Quarter of the Southeast Quarter (NW/4 of the SE/4) and the South Half of the Southeast Quarter (S/2 of the SE/4) of Section 19, and the West-Three Quarters of the Southeast Quarter (W3/4 of the SE/4) of Section 30, Block 58, Public School Land Survey in Reeves County, Texas.

Included with the Certified Copy of the above referenced lease, please find Petro-Hunt L.L.C.'s check #4082263 for payment in the amount of \$18,025.00 which includes the State of Texas' lease bonus and the appropriate \$25 filing fee.

Thank you for your assistance with this matter. Should you have any questions, please feel free to call me at 214-880-8493.

Yours Very Truly,

William a Hearn

William A. Hearne



PAYEE: DETACH THIS PORTION BEFORE CASHING CHECK

PETRO-HUNT, L.L.C.

1601 Elm Street, Suite 3400 Dallas, Texas 75201 (214) 880-8400 Bank One, N.A.

Jefferson County 8200 Hwy 69 Port Arthur, Texas 77640 Page 1 of 1

OWNER NAME	OWNER NO.	DATE	CHECK NUMBER	AMOUNT
TEXAS GENERAL LAND OFFICE	58207	Jul-07-2005	4082263	\$18,025.00

07AP107 062905E-118 "NW TOYAH PROSPECT" TOTAL INVOICES PAID 06/29/05

18,025.00

0.00

18,025.00

X

18,025.00

121





File Nol F105490

File Nol F105490

Date Filed: 7/1/05

Jerry E. Patterson, Complement

PAYEE: DETACH THIS PORTION BEFORE CASHING CHECK

PETRO-HUNT, L.L.C.

1601 Elm Street, Suite 3400 Dallas, Texas 75201 (214) 880-8400

JPMorgan Chase Bank, N.A.

Jefferson County . 8200 iwy 69 Port Arthur, Texas 77640 Page 1 of 1

OWNER NAME	OWNER NO.	DATE	CHECK NUMBER	AMOUNT
TEXAS GENERAL LAND OFFICE		Feb-13-2006	7004127	\$60.00
TEXAS GENERAL LAND OFFICE		Feb-13-2006	7004127	\$60.00

LEASE NUMBER 118\*1019277

ORIGINAL LESSOR/LEASE NAME EST OF P N WIGGINS JR

DATE

02/13/06

CHECK NO 7004127

LEASE DATE MONTHS 03/01/05

12

RENTAL PERIOD

03/01/06

FILE ID 03/01/07 68350-0042-001

PAYMENT AMOUNT

60.00

\*\*\*\* PAYMENT TYPE \*\*\*\* DELAY RENTAL \*\*\*\*

BANK SERVICE CHG

TO BE CREDITED TO

ADDITIONAL TEXT

TOTAL AMOUNT

60.00

OWNER # 58207

TEXAS GENERAL LAND OFFICE 1700 N CONGRESS AVENUE ROOM 60 AUSTIN, TEXAS 78701 SSN/TAX ID RECORDED BOOK 701 PAGE 22

ENTRY

STATE TX

PROSPECT N W TOYAH PROSPECT COUNTY/PARISH REEVES TRACT NO 20122

LEGAL DESCRIPTION BLOCK 58, PUBLIC SCHOOL LAND SURVEY

SEC. 19: NW/4 OF SE/4 & S/2 OF SE/4 SEC. 30: W3/4 OF SE/4 BEING 240.00 ACRES MORE OR LESS

Paid by a checks totalling #12006

Paid by a checks totalling #12006

[Stck was short by \$60.00

N-105490 and ck was late.



PAYEE: DETACH THIS PORTION BEFORE CASHING CHECK

PETRO-HUNT, L.L.C.

1601 Elm Street, Suite 3400 Dallas, Texas 75201 (214) 880-8400 PMorgan Chase Bank, N.A.

Jefferson County 8200 Hwy 69 Port Arthur, Texas 77640 Page 1 of 1

60.00

60.00

OWNER NAME	OWNER NO.	DATE	CHECK NUMBER	AMOUNT
TEXAS GENERAL LAND OFFICE	58207	Apr-19-2006	4095004	\$60.00

04AP1812 041806-118 04/18/06 60.00 "ADDITIONAL RENTAL FOR LEASE 1019277 (68350-0042-001)" TOTAL INVOICES PAID

PN WIGGINS IR. ESTATE

BLOCK 50, PSL SLAVEY

SEC. A: NW/4 OF SE/4 & 5/2 OF SE/4

SEC. 30: W3/4 OF SE/4

0.00

OF MAY - 1 PH 3: 2

M-105490

File No. Mr. – 105490

Cantry | Phyment 3<sup>ng</sup> y.

Date Filed: 5/1/2006

Jerry E. Patterson, Commissioner

By DE. Auerr

PETRO-HUNT, L.L.C.

1601 Elm Street, Suite 3400 Dallas, Texas 75201 (214) 880-8400

#### JPMorgan Chase Bank, N.A.

Jefferson County 8200 Hwy 69 Port Arthur, Texas 77640 Page 1 of 1

OWNER NAME	OWNER NO.	DATE	CHECK NUMBER	AMOUNT
TEXAS GENERAL LAND OFFICE		Feb-13-2007	7005624	\$120.00

LEASE NUMBER

ORIGINAL LESSOR/LEASE NAME EST OF P N WIGGINS JR

DATE

02/13/07

CHECK NO 7005624

118\*1019277

LEASE DATE MONTHS -03/01/05 12

FROM 03/01/07

RENTAL PERIOD

TO FILE ID 03/01/08 68350-0042-001

PAYMENT AMOUNT

120.00

120.00

\*\*\*\* PAYMENT TYPE \*\*\*\* DELAY RENTAL \*\*\*\* TO BE CREDITED TO

ADDITIONAL TEXT

BANK SERVICE CHG TOTAL AMOUNT

OWNER # 58207

TEXAS GENERAL LAND OFFICE 1700 N CONGRESS AVENUE ROOM 60 AUSTIN, TEXAS 78701 PAGE 22

RECORDED BOOK 701 PROSPECT N W TOYAH PROSPECT COUNTY/PARISH REEVES

ENTRY

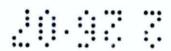
STATE TX

TRACT NO 20122

ACRES MORE OR LESS

LEGAL DESCRIPTION BLOCK 58, PUBLIC SCHOOL LAND SURVEY SEC. 19: NW/4 OF SE/4 & S/2 OF SE/4 SEC. 30: W3/4 OF SE/4 BEING 240.00

RENTAL PAYMENT



File No. MF. 105490

Record - 3rdyr.

Date Filed: 2. 20.0



#### PETRO-HUNT, L.L.C.

1601 Elm Street, Suite 3400 Dallas, Texas 75201 (214) 880-8400

#### JPMorgan Chase Bank, N.A.

Jefferson County 8200 Hwy 69 Port Arthur, Texas 77640 Page 1 of 1

OWNER NAME	OWNER NO.	DATE	CHECK NUMBER	AMOUNT
ST OF TX GENERAL LAND OFFICE		Feb-13-2008	7007252	\$120.00

LEASE NUMBER 118\*1019277

ORIGINAL LESSOR/LEASE NAME EST OF P N WIGGINS JR

RENTAL PERIOD

DATE

02/13/08

CHECK NO 7007252

£20.00

120.00

0.00

03/01/05

LEASE DATE MONTHS 12

FROM 03/01/08 \*\*\*\* PAYMENT TYPE \*\*\*\* DELAY RENTAL \*\*\*\*

TO FILE ID 03/01/09 68350-0042-001

PAYMENT AMOUNT

BANK SERVICE CHG

TOTAL AMOUNT

TO BE CREDITED TO

ADDITIONAL TEXT

OWNER # 74390 ST TX MF 105490

RECORDED BOOK 701

PAGE 22

ENTRY

PROSPECT N W TOYAH PROSPECT

COUNTY/PARISH REEVES

STATE TX

TRACT NO 20122

LEGAL DESCRIPTION

BLOCK 58, PUBLIC SCHOOL LAND SURVEY SEC. 19: NW/4 OF SE/4 & S/2 OF SE/4 SEC. 30: W3/4 OF SE/4 BEING 240.00 ACRES MORE OR LESS



File No. MF- 1052/90	/
RENTAL PAYMENT	
Date Filed:  Jerry E. Patterson, Commissioner	
By LINDA ANDERSON	

#### CHESAPEAKE OPERATING, INC. P.O. BOX 18496 OKLAHOMA CITY, OK 73154

#### LEASE OBLIGATION DEPOSIT RECEIPT

12702786

WE HAVE THIS DAY OCTOBER 28, 2011 TENDERED TO COMMISSIONER OF THE GENERAL LAND DOLLARS FOR THE CREDIT OF PARTY OR PARTIES NAMED BELOW IN AMOUNT STATED THE SUM OF \$600.00 PURSUANT TO THE TERMS OF THE LEASE IDENTIFIED HEREIN, FOR THE PERIOD FROM 11/04/2011 TO 11/04/2012 COVERING LESSOR'S INTEREST IN LAND DESCRIBED AS:

TOWNSHIP: RANGE: SECTION: 19 BLOCK: 58/ SURVEY: PUBLIC SCHOOL LAND ABSTRACT: 3506 COUNTY: REEVES SHORT DESC: NWSE.S TOWNSHIP: RANGE: SECTION: 30 BLOCK: 58/ SURVEY: PUBLIC SCHOOL LAND ABSTRACT: 1926 COUNTY: REEVES SHORT DESC: W2SE.





PAYMENT: SHUT-IN ROYALTY

LEASE NUMBER: TX0011479-000

LEASE DATE: 3/01/2005 ENTRY NUMBER: 001942

PROSPECT: TOYAH COUNTY/PARISH: REEVES

STATE: TX

\$600.00

FOR CREDIT OF:

RECORDED BOOK: 701

ACCT:

AMOUNT

017397

COMMISSIONER OF THE GENERAL LAND

PAGE: 22

OF THE STATE OF TEXAS

\$1200/YR SHUT-IN PAYMENT

1700 N CONGRESS, STE 600

(616169)

STEPHEN F AUSTIN BUILDING AUSTIN

TX 78701

#### PLEASE SIGN AND RETURN

**IMPORTANT** 

The attached check is for the person(s) named above. Please date, sign and return the attached receipts on the day you receive it. If directed to a bank, please deposit the amount to the credit of the person(s) named above and date, sign and return the receipt on the day you receive it. If correspondence required, please make reference to lease number.

NOV 0 1 2011 Date Received

Title

RENTAL PAYMENT Sian Here

Grand Total

BANK SERVICE

\$600.00

\$.00

\$600.00

Check No.

Subtotal

CHARGE

## CHESAPEAKE OPERATING, INC. P.O. BOX 18496 OKLAHOMA CITY, OK 73154 LEASE OBLIGATION DEPOSIT RECEIPT

WE HAVE THIS DAY OCTOBER 28, 2011 TENDERED TO COMMISSIONER OF THE GENERAL LAND
THE SUM OF \$600.00 DOLLARS FOR THE CREDIT OF PARTY OR PARTIES NAMED BELOW IN AMOUNT STATED
PURSUANT TO THE TERMS OF THE LEASE IDENTIFIED HEREIN, FOR THE PERIOD FROM 11/04/2011 TO 11/04/2012
COVERING LESSOR'S INTEREST IN LAND DESCRIBED AS:

ACCT:

(616169)

TOWNSHIP: RANGE: SECTION: 19 BLOCK: 58/ SURVEY: PUBLIC SCHOOL LAND ABSTRACT: 3506 COUNTY: REEVES SHORT DESC: NWSE,S TOWNSHIP: RANGE: SECTION: 30 BLOCK: 58/ SURVEY: PUBLIC SCHOOL LAND ABSTRACT: 1926 COUNTY: REEVES SHORT DESC: W2SE,

PAYMENT: SHUT-IN ROYALTY

LEASE NUMBER: TX0011479-000

0 LEASE DATE: 3/01/2005

PROSPECT: TOYAH

RECORDED BOOK: 701 PAGE: 22 ENTRY NUMBER: 001942

COUNTY/PARISH: REEVES STATE: TX

FOR CREDIT OF:

017397

COMMISSIONER OF THE GENERAL LAND

OF THE STATE OF TEXAS

\$1200/YR SHUT-IN PAYMENT

\$600.00

**AMOUNT** 

1700 N CONGRESS, STE 600 STEPHEN F AUSTIN BUILDING

AUSTIN

TX 78701

#### COPY FOR YOUR RECORDS

IMPORTANT		Subtotal	\$600.00
The attached check is for the person(s) named above. Please date,	Date Received	BANK SERVICE	
sign and return the attached receipts on the day you receive it. If directed to a bank, please deposit the amount to the credit of the person(s) named above and date, sign and return the receipt on the day you recieve it. If correspondence required, please make reference to lease number.	Sign Here	CHARGE	\$.00
	By	Grand Total	\$600.00
	Title	Check No.	419456

CHESAPEAKE OPERATING, INC. DELAY RENTAL ACCOUNT P.O. Box 18496 Oklahoma City, OK 73154

419456

OCTOBER 28, 2011

SIX HUNDRED AND 00 /100 Dollars \*\*\*\*\*\*\*\*\*\*

\$600.00

PAY TO THE ORDER OF

COMMISSIONER OF THE GENERAL LAND
OF THE STATE OF TEXAS
1700 N CONGRESS, STE 600
STEPHEN F AUSTIN BUILDING
AUSTIN TX 78701

VOID AFTER 120 DAYS NO THIRD PARTY ENDORSEMENTS

Non-Negotiable

"\*0000**4194**56"



Land Department

#### Notice to Lessor:

The well drilled on your leased lands or lands pooled therewith is temporarily "shut-in", which means it is not producing at this time. The enclosed payment is made in compliance with the shut-in provisions of your oil and gas lease for the amount stipulated in your lease.

This is not a payment of royalties for the production of minerals. Instead it is a "shut-in" payment to maintain the oil and gas lease for the period of time stipulated in the lease for a well that is prevented from producing due to lack of market or other circumstances. Please refer to your oil and gas lease for specific shut-in provisions.

When the production commences or resumes, royalty payments will be made to you.

If you have any questions or need additional information regarding this shut-in payment, please feel free to contact us at 877-245-1427 or email to AskChesapeake@chk.com.

UNITED STATES POSTAL SERVICE



First-Class Mail Postage & Fees Paid USPS Permit No. G-10

Sender: Please print your name, address, and ZIP+4 in this box

MF 105490 Harriet Dunne Texas General Land Office PO Box 12873 Austin TX 78711-2873 RECEIVED

GENERAL LAND OFFICE

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELI	VERY				
<ul> <li>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>Print your name and address on the reverse</li> </ul>	X Signature	☐ Agent ☐ Addressee				
so that we can return the card to you.  Attach this card to the back of the mailpiece, or on the front if space permits.	B. Received by (Printed Name)	C. Date of Delivery				
Article Addressed to:	D. Is delivery address different from item If YES, enter delivery address below					
VICTORIA ADAMS CHESAPEAKE EXPLORATION LP	2 2 5	5				
PO BOX 18496 OKLAHOMA CITY OK 73154-0496	3. Service Type  ☐ Certified Mail ☐ Express Mai ☐ Registered ☐ Return Received	II alpt for Merchandise				
	☐ Insured Mail ☐ C.O.D.					
	4. Restricted Delivery? (Extra Fee)	☐ Yes				
2. Article Number 7007 0710 (Transfer from service label)	0000 5380 4381					
PS Form 3811, February 2004 Domestic Retu	PS Form 3811, February 2004 Domestic Return Receipt 192595-02-M-1540					

#### U.S. Postal Service™ CERTIFIED MAIL RECEIPT 381 (Domestic Mail Only; No Insurance Coverage Provided) For delivery information visit our website at www.usps.com \_ =0 Postage 53 Certified Fee 0000 Postmark Return Receipt Fee Hara (Endorsement Required) Restricted Delivery Fee (Endorsement Required) 0770 Total Postage & Fees \$ Sent To 7007 Street, Apt. No.: or PO Box No. City, State, ZIP+4

See Reverse for Instructions

PS Form 3800, August 2006

#### **Certified Mail Provides:**

- A mailing receipt
- A unique identifier for your mallpiece
   A record of delivery kept by the Postal Service for two years

#### Important Reminders:

- Certified Mail may ONLY be combined with First-Class Mail® or Priority Mail®
- Certified Mail is not available for any class of international mail.
   NO INSURANCE COVERAGE IS PROVIDED with Certified Mail. For
- NO INSURANCE COVERAGE IS PROVIDED with Certified Mail. For valuables, please consider Insured or Registered Mail.
- For an additional fee, a Return Receipt may be requested to provide proof of delivery. To obtain Return Receipt service, please complete and attach a Return Receipt (PS Form 3811) to the article and add applicable postage to cover the fee. Endorse mallpiece "Return Receipt Requested". To receive a fee waiver for
- a duplicate return receipt, a USPS<sub>®</sub> postmark on your Certified Mail receipt is required.
   For an additional fee, delivery may be restricted to the addressee or addressee's authorized agent. Advise the clerk or mark the mailpiece with the endorsement "Restricted Delivery".
- If a postmark on the Certified Mail receipt is desired, please present the article at the post office for postmarking. If a postmark on the Certified Mail receipt is not needed, detach and affix label with postage and mail.

#### IMPORTANT: Save this receipt and present it when making an inquiry.

PS Form 3800, August 2006 (Reverse) PSN 7530-02-000-9047



# GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

CERTIFIED MAIL 70070710000053804381

November 8, 2011 (sent e-mail and certified mail)

Victoria Adams Chesapeake Operating, Inc. PO Box 18496 Oklahoma City, OK 73154

Re: State Lease No. MF 105490

RAL Lease dated March 1, 2005 recorded in Book 701, pg 22, covering W 3/4 SE/4 Sec 30, Blk 58, PSL, Reeves Co TX

3/20/14 Cherapeake wever responded to this letter.

Shut-in Royalty Payment - Your lease no. TX0011479-000

Dear Victoria:

This acknowledges receipt of your check no. 419456 in the amount of \$600.00 on November 1, 2011 as a shut-in royalty payment.

Acceptance of this payment does not ensure that lease obligations have been met. Our shut-in affidavit (copy enclosed) must be completed, notarized and returned to the General Land Office within 30 days of receipt of this letter.

If you would like to access the affidavit form online, you may find it here: http://www.glo.state.tx.us/energy/leasesales/shut-in/index.html

Please note that the Texas Administrative Code contains the following provision at Title 31, Part I, Chapter 9, Subchapter C, Rule 9.36, (e).

(e) Affidavit required. Upon receipt of a shut-in royalty, the GLO will send a shut-in affidavit to the party paying the shut-in royalty. The affidavit must be completed and returned to the GLO. Failure to complete and return the affidavit as required may result in a penalty under  $\S 9.32(c)(3)(B)(iii)$ , and/or forfeiture of the lease.

The reasons set out in your lease for a shut-in are "oil or gas is not being produced for lack of suitable production facilities or lack of a suitable market." Note that the well must be capable of producing in paying quantities. Please be sure your reason(s) in the affidavit address those set out in the Agreement.

Yours truly,

Harriet Dunne, CPL

Mineral Leasing, Energy Resources

512-475-1579

512-475-1543 (fax)

harriet.dunne@glo.texas.gov

Stephen F. Austin Building • 1700 North Congress Avenue • Austin, Texas 78701-1495

Post Office Box 12873 • Austin, Texas 78711-2873

512-463-5001 • 800-998-4GLO

www.glo.state.tx.us

### Harriet Dunne - Shut-in Royalty Payment - MF105490

From:

Harriet Dunne

To:

Victoria Adams

Date:

11/8/2011 12:37 PM

Subject:

Shut-in Royalty Payment - MF105490

Attachments: Ltr-Chesapeake-shut-in royalty-MF105490.pdf; affidavit[1].pdf

Vicki,

Attached is a letter concerning the subject together with a copy of the mentioned affidavit.

I am sending this by certified mail as well, as there is a 30 day deadline in the letter.

Thank you,

Harriet Dunne, CPL Manager, Mineral Leasing, Energy Resources Texas General Land Office 512-475-1579 harriet.dunne@glo.state.tx.us

•

.

File No	MF 105490	4
-Str	requesting street	
Date Filed:	11-8-11	
	Patterson, Commissioner	
Bu.	W/X	

٠

### Harriet Dunne - Re: FW: Unit 4484 - Block 58, State 31-3 Unit

From:

Tracey Throckmorton

To:

Haley, Kim; Johnson, Jerris

Date:

11/30/2011 8:57 AM

Subject: Re: FW: Unit 4484 - Block 58, State 31-3 Unit

CC:

Dunne, Harriet; Stimson, Lannie

#### Kim.

I have a "As Drilled Plat" for the Block 58, State 31-3 #1H well and wanted to make sure that the Unit that I'm going to set-up for accounting purposes only matches your pay deck. I'll be setting up a unit based on the following lengths of lateral under each lease with the total length of lateral from the penetration point to the bottom hole of 3,886 feet:

MF104782 - length of lateral under this lease is 208.6 feet

Tract participation = 208.6/3886 = 0.0536798

Tract royalty =  $0.0536798 \times .10$ (lease royalty) = 0.0053679

MF105490 - length of later under this lease is 3,244.3 feet

Tract participation = 3244.3/3886 = 0.8348687

Tract royalty =  $0.8348687 \times .125$  (lease royalty) = 0.1043585

MF105285 - length of later under this lease is 433.1 feet

Tract participation = 433.1/3886 = 0.1114513

Tract royalty =  $0.1114513 \times .119167$  (blended lease royalty) = 0.0132813

Remember that this unit will be set-up for accounting purposes only.

Please confirm the tract participations and royalties match what Chesapeake should be reporting since Unit 4484 expired on April 16, 2011.

Many thanks,

Tracey

Tracey T. Throckmorton, P.G. **Energy Geoscience Manager** Energy Resources/Mineral Leasing Division Texas General Land Office 512-475-1500 tracey.throckmorton@glo.texas.gov

>>> Beverly Boyd 11/9/2011 9:19 AM >>>

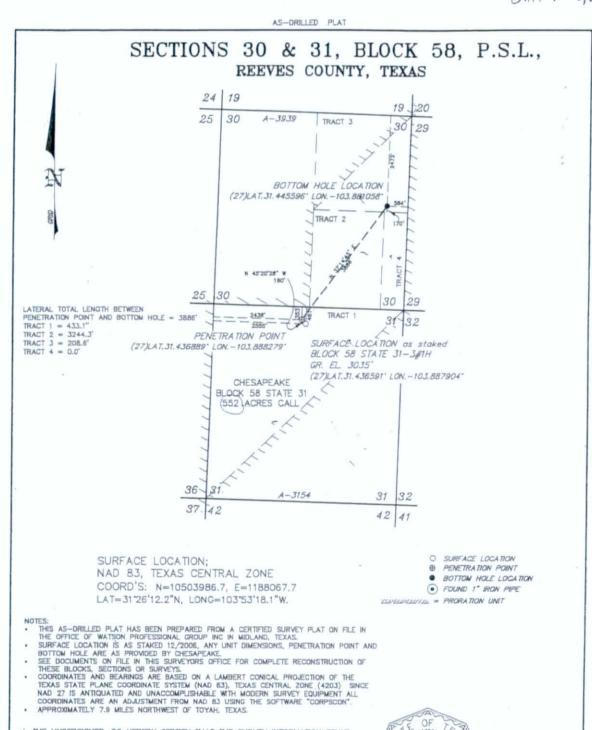
Kim, this is not a leased highway. Please contact Tracey Throckmoton regarding this question.

>>> Kim Haley <kim.haley@chk.com> 11/8/2011 1:17 PM >>>

Please see the email below from the TXGLO. It appears as if they are amending the unit and need information from you. Please send that information to Beverly Boyd at the TXGLO and copy Lannie Stimson.

Thanks!

Kim



L, THE UNDERSIGNED, DO HEREBY CERTIFY THAT THE SURVEY INFORMATION FOUND ON THIS PLAT WAS DERIVED FROM ACTUAL FIELD NOTES OR ELECTRONIC DATA OF ON—THE—GROUND SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. NO WARRANTY IS MADE OR INTENDED FOR THE LOCATION OF ANY OR ALL EASEMENTS THAT MAY EXIST WITHIN THE BOUNDS OF THIS SURVEY. THE INFORMATION PRESENTED HEREON IS FOR THE PRIVATE USE OF THE PARTY NAMED IN THE REFERENCE PORTION" OF THE TITLE BLOCK AND DOES NOT CONSTITUTE A COMPLETE BOUNDARY SURVEY AS DEFINED, BY THE "PROFESSIONAL LAND SURVEYING PRACTICES ACT."



12/16/09

WATSON JR. TEXAS R.P.L.S. No. 1989

PILE: M: BLDCX59PSL/DWG/BLOCX59PSL 6 30 07.dwg

AS-ORILLED PLAT



4500 W. ILLINOIS SUITE 201 (79703) P.O. DRAWER IIIB6 MINLAND, TEXAS 79702 (432) 520-5200 PAI (432) 520-5212 wdw.alun@wg. un.com CHESAPEAKE OPERATING
BLOCK 58 STATE 31-3#1H
461' FNL & 2555' FWL
SECTIONS 30 & 31, BLOCK 58, P.S.L.,
REEVES COUNTY, TEXAS

JOB NO.: 09-1587-08 FIELD BOOK SKETCH

DRAFT TA R

REV. D

Eile No. 1/F/105490 10, Christop auesting play + 10, Date Filed! 11-30-11

Jerry E. Patterson. Johannissioner
By

12:39:18 Thu Mar 20, 2014

Production Fistory

DISTRICT > 08 HISTORICAL GAS LEDGER INQUIRY

FIELD > TOYAH, NW (SHALE) # 90890 700 FLD TYPE CAPACITY

# 147715

OPERATOR > CHESAPEAKE OPERATING, INC. LEASE > BLOCK 58 STATE 31-3 # 245061 WELL #

			GAS	INJECT(I)	* * 1	DISP	OSI	TIONS	* *	MONTHLY	CUMU
MM/YYYY	ALLOW		PROD	LIFT(L)	AMT (	CODE		AMT	CODE	STAT (CD)	STATUS
01/2008											
02/2008	0		1256	0	2:	13	1	104	3 2	1256	1256
03/2008	41727	X	32165	0	5	63	1	3160	2 #	-9562	0
04/2008	59610	X	C	0						-59610	0
05/2008	61597	х	29357	0	293	57	2			-32240	0
06/2008	59610	X	27560	0	275	60 :	2			-32050	0
07/2008	61597	X	26459	0	264	59	2			-35138	0
08/2008	61597	X	27571	. 0	275	71 :	2			-34026	0
09/2008	59610	X	28096	0	280	96	2			-31514	0
10/2008	61597	X	30838	0	308	38 3	2			-30759	0
11/2008	59610	x	8240	0	824	40	2			-51370	0
12/2008	61597	Х	3462	2 0	34	62	2			-58135	0

YEAR > GO TO DIST > GAS RRC ID # > PF1=HELP PF2=COND PF3=MENU PF4=PREV PF5=NEXT PF6=LDGR PF8=P4 PF9=DISPOSITIONS

> MF 105490 Operator wever changed to Shell. 289-32452

no production 9/2011-4/2013 92 MCF in 5/13 Notting Since.

DISTRICT >	08	HISTORICA	L GAS LED	_			_		
FIELD >	TOYAH, NV	-				890 700	F	LD TYPE C	APACITY
OPERATOR >		KE OPERATI	•	#		7715			
LEASE >	BLOCK 58	STATE 31-	3	#	24	5061	W	ELL #	1H
		GAS I	NJECT(I)	* * DIS	POS	ITIONS *	*	MONTHLY	CUMU
MM/YYYY	ALLOW	PROD	LIFT(L)	AMT COD	E	AMT COI	DΕ	STAT (CD)	STATUS
01/2009	61597 X	12680	0	852	1	11828	2	-48917	0
02/2009	55636 X	14176	0	1179	1	12997	2	-41460	0
03/2009	61597 X	14415	0	1267	1	13148	2	-47182	0
04/2009	21589 X	21589	0	1820	1	19769	2	0	0
05/2009	21057 X	21057	0	1838	1	19219	2	0	0
06/2009	19581 X	19581	0	1816	1	17765	2	0	0
07/2009	22320 X	11079	0	993	1	10086	2	-11241	0
08/2009	0 W	20318	0	1758	1	18560	2	20318	20318
09/2009	0 W	18705	0	1410	1	17295	2	18705	39023
10/2009	O W	18623	0	1681	1	16942	2	18623	57646
11/2009	0 W	11027	0	838	1	10189	2	11027	68673
12/2009	83371 X	14698	. 0	1666	1	13032	2	-68673	0
GO TO DIS	T >	GAS RRC	ID # >		YE	AR >			

GO TO DIST > GAS RRC ID # > YEAR >
PF1=HELP PF2=COND PF3=MENU PF4=PREV PF5=NEXT PF6=LDGR
PF8=P4 PF9=DISPOSITIONS

DISTRICT > 08 HISTORICAL GAS LEDGER INQUIRY

FIELD > TOYAH, NW (SHALE) # 90890 700 FLD TYPE CAPACITY
OPERATOR > CHESAPEAKE OPERATING, INC. # 147715
LEASE > BLOCK 58 STATE 31-3 # 245061 WELL # 1H

		GAS I	NJECT(I)	* * DIS	POSITION	IS * *	MONTHLY	CUMU
MM/YYYY	ALLOW	PROD	LIFT(L)	AMT COD	E AMT	CODE	STAT (CD)	STATUS
01/2010	13853 X	13853	0	13853	2		0	0
02/2010	17472 X	12189	0	12189	2		-5283	0
03/2010	18631 X	12758	0	12758	2		-5873	0
04/2010	14220 X	10258	0	10258	2		-3962	0
05/2010	14694 X	8738	0	8738	2		-5956	0
06/2010	13410 X	7969	0	7969	2		-5441	0
07/2010	13485 X	2578	0	2578	2		-10907	0
08/2010	10261 X	0	0				-10261	0
09/2010	9930 X	0	0				-9930	0
10/2010	8742 X	0	0				-8742	0
11/2010	7980 X	1326	0	1326	2		-6654	0
12/2010	2573 X	1162	0	1162	2		-1411	0

GO TO DIST > GAS RRC ID # > YEAR > PF1=HELP PF2=COND PF3=MENU PF4=PREV PF5=NEXT PF6=LDGR PF8=P4 PF9=DISPOSITIONS

DISTRICT > 08 HISTORICAL GAS LEDGER INQUIRY

FIELD > TOYAH, NW (SHALE) # 90890 700 FLD TYPE CAPACITY
OPERATOR > CHESAPEAKE OPERATING, INC. # 147715
LEASE > BLOCK 58 STATE 31-3 # 245061 WELL # 1H

		GAS I	NJECT(I)	* * DIS	POSITION	S * *	MONTHLY	CUMU
MM/YYYY	ALLOW	PROD	LIFT(L)	AMT COD	E AMT	CODE	STAT (CD)	STATUS
01/2011	8445 X	8445	0	8445	2		0	0
02/2011	4455 X	4455	0	4455	2		0	0
03/2011	1752 X	1752	0	1752	2		0	0
04/2011	8160 X	6187	0	6187	2		-1973	0
05/2011	8432 X	4922	0	4922	2		-3510	0
06/2011	8160 X	2176	0	2176	2		-5984	0
07/2011	6386 X	1074	0	1074	2		-5312	0
08/2011	6386 X	0	0				-6386	0
09/2011	6180 X	84	0	84	2		-6096	0
10/2011	4929 X	0	0				-4929	0
11/2011	2190 X	0	0				-2190	0
12/2011	1085 X	0	0				-1085	0

GO TO DIST > GAS RRC ID # > YEAR > PF1=HELP PF2=COND PF3=MENU PF4=PREV PF5=NEXT PF6=LDGR PF8=P4 PF9=DISPOSITIONS

DISTRICT > 08 HISTORICAL GAS LEDGER INQUIRY

FIELD > TOYAH, NW (SHALE) # 90890 700 FLD TYPE CAPACITY
OPERATOR > CHESAPEAKE OPERATING, INC. # 147715
LEASE > BLOCK 58 STATE 31-3 # 245061 WELL # 1H

		GAS :	INJECT(I)	* *	DISPO	SITION	S * *	MONTHLY	CUMU
MM/YYYY	ALLOW	PROD	LIFT(L)	AMT	CODE	AMT	CODE	STAT (CD)	STATUS
01/2012	93 X	0	0					-93	0
02/2012	87 X	0	0					-87	0

GO TO DIST > GAS RRC ID # > YEAR > PF1=HELP PF2=COND PF3=MENU PF4=PREV PF5=NEXT PF6=LDGR PF8=P4 PF9=DISPOSITIONS

DISTRICT > 08 GAS LEDGER INQUIRY

FIELD > TOYAH, NW (SHALE) # 90890 700 OPERATOR > SHELL WESTERN E&P # 774719

OPERATOR > SHELL WESTERN E&P # 774719

LEASE > BLOCK 58 STATE 31-3 # 245061 WELL # 1H

		GAS	GAS *	* DISPOSITIONS * *	CUMU G/C RATIO
MM/YYYY	ALLOW	PROD	LIFT	AMT CODE AMT CODE	STAT (MCF/BBL)
03/2012	0 X	0	0		0
04/2012	0 X	0	0		0
05/2012	0 X	0	0		0
06/2012	0 X	0	0		0
07/2012	0 X	0	0		0
08/2012	0 X	0	0		0
09/2012	0 X	0	0		0
10/2012	0 X	0	0		0
11/2012	0 X	0	0		0
12/2012	0 X	0	0		0
01/2013	0 X	0	0		0
02/2013	0 X	0	0		0

GO TO DIST > GAS RRC ID # >

PF1=HELP PF2=COND PF3=MENU PF4=PROD RMKS PF6=PROD PF7=SCHEDULE PF8=P4 PF9=LDGR
PF10=G10 PF11=STATUS PF12=G-1 PF17=P-17 PMT PF18=T-1 PF19=HIST LDG

\*\* PRESS ENTER TO SCROLL \*\*

DISTRICT > 08

DISTRICT > 08 GAS LEDGER INQUIRY
FIELD > TOYAH, NW (SHALE) # 90890 700

OPERATOR > SHELL WESTERN E&P LEASE > BLOCK 58 STATE 31-3 # 774719

# 245061 WELL # 1H

			GAS	GAS	* *	DIS	PO	SITIONS	* *	CUMU G/C RATIO
MM/YYYY	ALLO	N	PROD	LIFT	AM	T C	COD	E AMT	CODE	STAT (MCF/BBL)
03/2013	0	X	0	0						0
04/2013	0	X	0	0						0
05/2013	92	X	92	0		92		1		0
06/2013	0	X	0	0						0
07/2013	0	X	0	0						0
08/2013	93	N	0	0						0
09/2013	0	N	0	0						0
10/2013	0	N	0	0						0
11/2013	0	N	0	0						0
12/2013	0	N	0	0						0
01/2014	0	N	0	0						0
02/2014	0	N	NO RPT							0

GO TO DIST > GAS RRC ID # >

PF1=HELP PF2=COND PF3=MENU PF4=PROD RMKS PF6=PROD PF7=SCHEDULE PF8=P4 PF9=LDGR PF10=G10 PF11=STATUS PF12=G-1 PF17=P-17 PMT PF18=T-1 PF19=HIST LDG

\*\* PRESS ENTER TO SCROLL \*\*

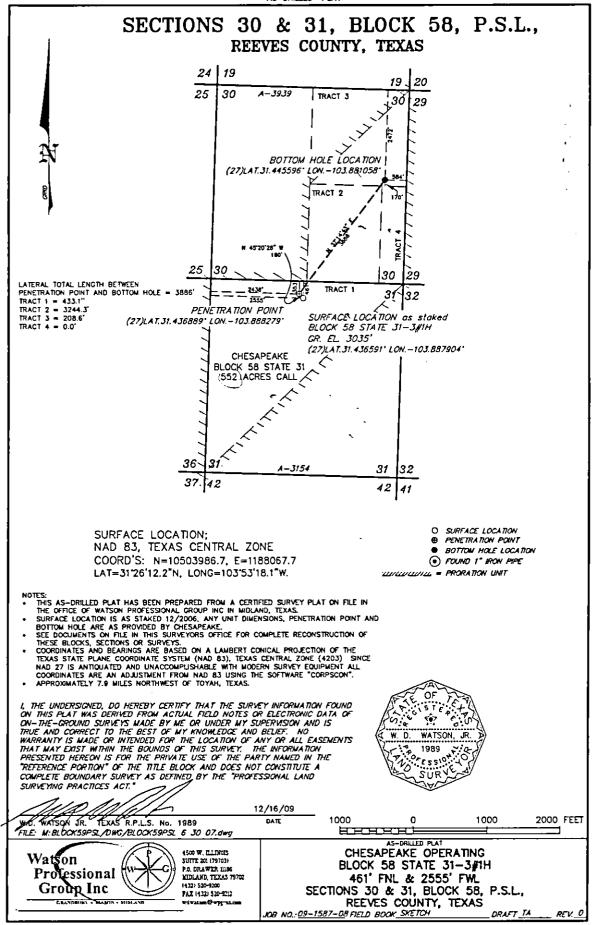
File) No MF/05490	
troduction history o	+ Ble 58
State 31-3 #14 we	ee_
Date Filed: 3-20-14	
Jerry E. Patterson, Commissio	ner
Ву	

Unit 4484 culpired

# STATEMENT OF PRODUCTIVITY OF ACREAGE ASSIGNED TO PRORATION UNITS

Form P-15 (5-5-71) DBC0697

The undersigned states that he is authorized to ma	ake this statement; that he has knowledge	
of the facts concerning the CHESAPEAKE	OPERATING INC OPERATOR	
BLOCK 58 STATE 31-3	, No. <u>1H</u> ; that	such well is
completed in the TOYAH, NW (SHALE)	Field, REEVES	County,
Texas and that the acreage claimed, and assigned		
authorized by special rule and as shown on the at	tached certified plat embraces	
552 acres which can reasonabl	y be considered to be productive of hydroc	arbons.
	TIFICATE -	
I declare under penalties prescribed in Sec. 91 rized to make this report, that this report was and that data and facts stated therein are true	.143, Texas Natural Resources Code, tha prepared by me or under my supervision, correct, and complete, to the best of my	t I am autho- and direction, knowledge.
Date12/18/2009 Sign	nature Andsly M	elot
Telephone	405) 935-8323 Title _ REG. COMP.	. SPECIALIST



File No. MF105490

-15-X1-34/H

Date Filed: 7-12
Jerry E. Patt/son/Commissioner

By

### WELL TIMELINE

	Block 58 State 32 #1	Block 58 State 31-3 #1H	Block 58 State 42 #1H		
API#	42-389-32398	42-389-32452	42-389-32497		
RRC ID #	08-224464	08-245061	08-244453		
	MF105285 Lease Well	Unit 4484 MF105285, MF105490** & MF104782**	Unit 4554 MF104580, MF104778* & MF105285		
Permit Issued	1/3/2006	1/24/2007	1/24/2007		
Date Commenced	5/11/2007	6/15/2007	12/21/2007		
Date Completed	6/3/2007	11/4/2007	6/9/2008		
1st Production	12/1/2006	2/1/2008	8/1/2008		
Shut-In Payment Received		11/1/2011	NA		
Shut-In Affidavit Requested		11/19/2011	NA		
Shut-In Affidavit Due		12/22/2011	NA		
2nd Shut-In Payment Rec.		2/22/2012	NA		
3rd Shut-In Payment Rec.		2/15/2013	NA		
		08/2011			
_	11/2012 - 04/2013	10/2011 - 04/2013	09/2012 - 11/2012		
Gaps	06/2013	06/2013 - 07/31/2013	08/2013 - No Report		
	08/2013 - No Report	08/2013 - No Report			
Termination Date	1/1/2013	12/1/2011	11/1/2012		
Last Production	7/31/2013	5/31/2013	7/31/2013		

<sup>\*</sup>MF104778 is also part of Unit 5206, with producing well 42-389-32449, which terminated 08/2012 after a 61-day gap and for which the GLO gave Shell two options.

<sup>\*\*</sup>No second or third shut-in payment received.

## Status of STATE LEASES MF105285-MF105490-MF104782 Chesapeake shut-in royalty and half bonus to extend deep rights

	is 31 & 32, Blk 58, PSL, Re Blk 58 State 31-3 #1H), AF		211 EQ C+-	ato 22 f	+1 \						
	31K 38 State 31-3 #1H), AF	PI 389-32398 (I	DIK 36 31	ate 32 +	+1)	Date	Date 2nd	Date 3rd		Net	
MF105285	CHV Lanas Na	Lanca Data	Torm	Days	Rec data	shut-in pd	shut-in pd		Date 1/2 bonus pd	Ac	
tate Lease No.		Lease Date	Term						* 11/4/2011	64.02	
MF105285C	TX0016622-012	11/3/2004	1.00		689/606	11/3/2011	2/21/2012			640.1	
MF105285D	TX0011621-001	2/18/2005			702/695; 707/232	11/1/2011	2/21/2012	2/15/2013			
ЛF105285E	TX0016622-011	10/6/2004			687/702	12/5/2011	2/22/2012	2/15/2013		78.2466667	
ИF105285F	TX0016622-009	10/6/2004		-	687/684	12/5/2011	2/22/2012	2/15/2013		78.24666667	
ИF105285G	TX0016622-010	10/6/2004	5 years	0.20	687/693	12/5/2011	2/22/2012	2/15/2013	9/22/2012		
										938.86	
PI 389-32497 (E	Blk 58 State 42 #1H), API	389-32452 (BII	c 58 State	e 31-3	‡1H), & API 389-	32398 (Blk 58 Stat	te 32 #1)				
	ns 31,32 & 42, Blk 58, PSL					Date	Date 2nd	Date 3rd			
State Lease No.		Lease Date	Term	Roy	Rec data	shut-in pd	shut-in pd	shut-in pd	Date 1/2 bonus pd		
MF105285A	-	12/1/2005			726/625					94.7735	
ИF105285B	TX0011622-008	12/1/2005			726/639	11/1/2011	2/22/2012	2/15/2013		94.7735	
ИF105285H	TX0011622-006	12/1/2005			724/97	11/1/2011	2/21/2012	2/15/2013		94.7735	
MF105285I	TX0011622-005 & -007		1 7		724/82	twice on 11/1/11	twice on 2/22/12 to	wice on 5/15/13		94.7735	
MF105285J	TX0011622-004	9/1/2005			724/31	11/1/2011	2/22/2012	2/15/2013		63.18	
MF105285K	TX0011622-003	9/1/2005			724/16	11/1/2011	2/21/2012	2/15/2013		31.59	
MF105285L	TX0011622-002	9/1/2005	-		724/1	11/1/2011	2/22/2012	2/15/2013		15.8	
AF105285M	TX0011622-001	12/1/2005		_	721/249					15.7955	
			,							505.4595	
ΔPI 389-32452 (	Blk 58 State 31-3 #1H)										
иF104782	TX0011467-000	10/20/2004	5 years	0.2	689/31	11/1/2011			9/22/2011	160/160	
ΔPI 389-32452 (	(Blk 58 State 31-3 #1H)										
WF105490	TX0011479-000	3/1/2005	3 years	0.25	701/22	11/1/2011					
11 103430	170011475 000	3/1/2003	J years	0,23	7.01/22	22/2/2022					
			P. L. L.		/21						
	8/11; lease had no severa		didn't re	quire 1	/2 bonus to mail	ntin deep rights.					
hut-in affidavit	requested on 11/19/2011	l.									

## Status of STATE LEASES MF105285-MF105490-MF104782 Chesapeake shut-in royalty and half bonus to extend deep rights

			<del></del>			<del></del>	1	•		
Wells and Status	•		· ·	•		  - 	i •	•	: .	× .
API 389-32452 (Blk 58 State 31-3 #1H)	Δnnears this is	the well on w	 hich shut₌in navm	ents were made	i		• 1	•		
WL1 202-25425 folk 20 2fafe 21-2 #TU1	whheats (1112 12	the Men On M	inch shat-in payin	·	· •	•	•	•		
	• • =	! !	:	•	•		•		: .	
No production 10/2011 - 4/2013	·	!					•		. !	
92 mcf in May 2013					<u>_</u>		•		. !	
No production 6/2013 - 7/2013					1 1		:			
Aug & Sept 2013 - No Rpt	• •	- :	•	•	į	•	1		•	.
<u> </u>	-•	·	• • • • •		<del>`</del> 	•	•	•		
	•	·	-	•	-		•	•	•	-
A DI 200 22200 (DI), 50 CA-A- 22 H33	•	·	-· -					•		
API 389-32398 (Blk 58 State 32 #1)	. •						· · · · · · · · · · · · · · · · · · ·	•		
		:				i •	•		. !	
No production 5/2010 - 6/2010				• —	•		• =			
No production 2/2011 - 5/2011	1				·		· · · · · · · · · · · · · · · · · · ·			- · - · · · · <del> · ·</del> · ·
No production 12/2011-01/2012	į		•				1		i	
No production 4/2012 - 6/2012		•	•		· i		i	•	•	
No production 11/2012 - 4/2013				-	· :	•	· ·	•	• • • •	
No Rpt Aug - Sept 2013	•	•	•	· — -	• · -	; 	•	• .		
Ino whi was - acht sora		•	•	·		<u>-</u>			• •	
	<u> </u>			: 		 	•	•		
API 389-32497 (Blk 58 State 42 #1H)	-+	·		· -					• • •	
	:			•	<u>.</u>	<u>,                                     </u>	· •			
3 mo no production: 9/12 - 11/12					1					
No Rpt Aug - Sept 2013	- <del>;</del>								;	
				• — –		•	• • • • <del>-</del> •			
ļ·	<u> </u>		· · · · · · · · · · · · · · · · · · ·	•	i	• = - · · · · · · · · · · · · · · · · · ·	·	•	· · · · · · · · · · · · · · · · · · ·	
	- <del> </del>	<del></del>			<u> </u>		:		• - · · · i	
		<u>-</u>		:	•	<u>.                                    </u>	• ·		· ;	
	1	<u> </u>	- •	·	1	· ·-··		· - ·	:	
		!!		ļ			•		;	
		<u> </u>			ļ 				1	<del> </del>
	į				!		1	1	<u> </u>	
		i		· · -	<u> </u>		1	İ		- · ·
	<u> </u>			<del>-                                    </del>			•		; <u> </u>	
	<del> </del>	-		<del></del>	i		<u>;</u>	i	<del>  </del>	
			· • · · · · · · · · · · · · · · · · · ·	<u> </u>	<u></u>		<u>+</u>	·		
				<u>i</u>	<u> </u>		<u> </u>	<u> </u>		X

File No. M.F.105490 Well Timeline: 43-389-33452

Date Filed: a3/20/2019
Jerry E. Patterson. Commissioner
By Mo

#### MEMO TO FILE MF105490

Date: March 20, 2014

From: Linda Price

RE: Lease Event Timeline

The following is a summary of the life of the lease:

March 1, 2005 Lease Date with Primary Term of 3 years.

February 2008 First Production

March 1, 2008 Primary Term expired. Lease HBP.

August – September 2010 Gap in Production

July 2011 Last significant production

September 2011 84 mcf production

November 1, 2011 Shut-in paid

November 8, 2011 Request for Shut-in Affidavit

No Response to request for Shut-in Affidavit

December 1, 2011 Lease terminated due to cessation of production.

File No. <i>MF105490</i>	(14)
Memo To File-Lease Timeline	
Date Filed: 03/20/20/4	
Jerry E. Patterson, Commissione	r
By AGP	

.

•

•

•

15612:50	MF115976 MF116090	MF116116	ME/11615		SMITH 1- 5272	MF116120 MF116158	MF112461 HM114151	ME
16147 10X	how store 25	J.R. 1-1ACE 4-36.39 ST 1TE 4-60.46	SX11X 30	J.H.O. 1-8923  265-16  117-102   14-22	29	A.C. 28 KINGSBERV 4-5129	27 .1.B. BURCH.IRD 1-4386	.4.a B.C 1-
	MF115980	121871	M. B€1.1/ ME105490	MF1161.22 MF1	15979	County Road 23		
03430	MF115977 36	MF116130	31	Mark Society Mark Society Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Markety Ma Markety Markety Markety Markety Markety Markety M	32	33	REEVES  34  BURCHIRD	J.Q
AF116146	MF104530		ME1	5285		A- 5130	1- 438 °	
38 NCIV 38	D.H. DENCIN 37	///y	(1)/42/	41	Ay	/ hs/ / / 46	STITE //38	1. B BU.
0	4-2906 165814 448768	ME10	4778	MF104580 MF1	07612	MF104548 MF10761 9MF1	MF104778 MF104548	1





# Unit 4484

The Texas General Land Office makes no representations or warranties regarding the accuracy or completeness of the information depicted on this 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.

Printed: Mar 20, 2014

File No. ME105490

Date Filed: 03/20/2014

Jerry E. Patterson. Commissioner
By May

### Linda Price - MF104782 & MF105490

From:

Linda Price

To:

Meredith.MacAllister@shell.com

Date:

3/20/2014 2:22 PM

Subject:

MF104782 & MF105490

Attachments: MF105490 and MF104782.pdf

#### Meredith:

This is a courtesy notification that Chesapeake leases MF104782 & MF105490 terminated on December 01, 2011 due to cessation of production.

The leases may or may not have been part of the assignment from Chesapeake to Shell. Attached for your convenience are copies of the front page of the leases with the lease descriptions to help with identifying the leases.

If you have any questions, please let me know.

Thank you. Linda

Linda Price, RL Texas General Land Office Energy Resources, Mineral Leasing

Phone: (512) 463-5118 Fax: (512) 475-1543 Linda.Price@glo.texas.gov

MF105490

FILE# 1942

General Land Office Relinquishment Act Lease Form Revised, September 1997

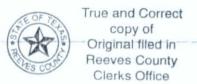
NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

# The State of Texas

# Austin, Texas

# OIL AND GAS LEASE

### THIS AGREEMENT is made and entered into this 1st day of March \_2005\_\_\_\_\_, between the State of Texas, acting by and through its agent, Estate of P.N. Wiggins, Jr. of 3838 Oak Lawn Ave., Suite 700, Dallas, Texas 75219 said agent herein referred to as the owner of the soil (whether one or more), and Petro-Hunt, LLC\_ of 1601 Elm Street, Suite 3400, Dallas, Texas 75201-7201 hereinafter called Lessee (Give Permanent Address) GRANTING CLAUSE. For and in consideration of the amounts stated below and of the covenants and agreements to be paid, kept and performed by Lessee under this lease, the State of Texas acting by and through the owner of the soil, hereby grants, leases and lets unto Lessee, for the sole and only purpose of prospecting and drilling for and producing oil and gas, laying pipe lines, building tanks, storing oil and building power stations, telephone lines and other structures thereon, to produce, save, take care of, treat and transport said products of the lease, the following lands situated in Reeves County, State of Texas, to-wit: North West Quarter of the South East Quarter (NW/4 of the SE/4), and the South-Half of the South East Quarter (S/2 of the SE/4) of Section 19, and the West-Three Quarters of the South East Quarter (W3/4 of the SE/4) of Section 30, Block 58, Public School Land Survey containing 240 acres, more or less. The bonus consideration paid for this lease is as follows: To the State of Texas: Eighteen Thousand and No/100 Dollars (\$18,000.00) To the owner of the soil: Eighteen Thousand and No/100 Dollars (\$18,000.00) Total bonus consideration: Thirty Six Thousand and No/100 Dollars (\$36,000.00) The total bonus consideration paid represents a bonus of One Hundred Fifty and No/100 net acres Dollars (\$150.00 \_\_) per acre, on 240 this date (herein called "primary term") and as long thereafter as oil and gas, or either of them, is produced in paying quantities from said land. As used in this lease, the term "produced in paying quantities" means that the receipts from the sale or other authorized commercial use of the substance(s) covered exceed out of pocket operational expenses for the six months last past. 2. TERM. Subject to the other provisions in this lease, this lease shall be for a term of three (3)



File No. MF105490 Notice To Shell	<b>(6</b> )
Date Filed: <u>03/20/2014</u>	<del></del>
Jerry E. Patterson, Commissioner By	

### Linda Price - Re: MF104782 & MF105490

From:

Linda Price

To:

Meredith.MacAllister@shell.com

Date:

5/5/2014 10:51 AM

Subject:

Re: MF104782 & MF105490 Attachments: MF105490 and MF104782.pdf

Meredith:

This is a follow-up to the email below notifying you that MF104782 & MF105490 terminated.

Our records reflect that the leases were assigned to Shell at the assignment recorded in Reeves County at Volume 968, Page 123 on page 23 of the exhibit.

Therefore, we request that a release of each of these releases be sent to the GLO to my attention.

Thank you.

Linda

>>> Linda Price 3/20/2014 2:22 PM >>>

Meredith:

This is a courtesy notification that Chesapeake leases MF104782 & MF105490 terminated on December 01, 2011 due to cessation of production.

The leases may or may not have been part of the assignment from Chesapeake to Shell. Attached for your convenience are copies of the front page of the leases with the lease descriptions to help with identifying the leases.

If you have any questions, please let me know.

Thank you. Linda

Linda Price, RL Texas General Land Office Energy Resources, Mineral Leasing

Phone: (512) 463-5118 Fax: (512) 475-1543 Linda.Price@glo.texas.gov

File No. MF105490	0
Follow-up Em: 1 to Shell	
Date Filed: 05/05/2014	
Jerry E. Patterson, Commissioner	

.

PAYMENTS FOR THE ACCOUNT OF: SWEPILP RECEIPT COPY

PAYEE: COMMISSIONER OF THE GENERAL LAND

PAYEE NO .: MF 105490

PG 1 OF 2

LEASE NO.: TX00269 001 CHECK DATE 03/12/2014 CHECK NO.: 0000261315

CHECK AMOUNT: \$120.00

FOR PAYMENT UNDER OUR PROPERTY NUMBER: TX00269 001

(AS AMENDED AND RATIFIED IF APPLICABLE)

GOVERNMENT OR OTHER LEASE NUMBER: MF 105490

IN COUNTY AND STATE: REEVES, TX

BOOK: 701 PAGE: 22

RECEPTION OR ENTRY NUMBER: 1942

ACRES COVERED: 240.000

TYPE OF PAYMENT: MINIMUM ROYALTY

•• PERIOD COVERED - 12 MOS. FROM (MO-DAY-YEAR): 04-30-2014

LANDS DESCRIBED AS: PUBLIC SCHOOL LAND SURVEY, BLOCK 58

SECTION 19: NW/4 SE/4, S/2 SE/4

SECTION 30: W3/4 SE/4

DOMMENTS: THIS PAYMENT COMPLETES THE MINIMUM ROYALTY DUE LESSOR

DURING THE PRECEDING ANNUAL PERIOD.

FOR CREDIT TO:

PAYEE NO. ACCOUNT

AMOUNT

COMMISSIONER OF THE GENERAL LAND OFFICE OF THE STATE OF TEXAS 1700 CONGRESS AVE STE 600 STEPHEN F AUSTIN BUILDING

AUSTIN TX 78701-1436

COMMIS0300

120.00

# SIGN, DATE AND RETURN THIS RECEIPT IMMEDIATELY

RECEIVED BY

DATE

APR 2 2 2014

ADDRESS WRITTEN INQUIRIES TO:

SWEPI LP LEASE ADMINISTRATION P.O. Box 576 Houston, TX 77001-0576

PLEASE NOTE: YOU HAVE BEEN DESIGNATED TO RECEIVE PAYMENTS UNDER THE INSTRUMENT DESCRIBED ABOVE. THE ATTACHED CHECK REPRESENTS PAYMENT THEREUNDER FOR THE PERIOD DESIGNATED WHICH SHOULD BE CREDITED TO THE PARTIES SHOWN IN THE FULL AMOUNTS AS INDICATED. DO NOT DEDUCT ANY HANDLING CHARGE OTHER THAN INDICATED ABOVE. SHOULD A DIFFICULTY ARISE PLEASE COMMUNICATE AT THE ADDRESS SHOWN ON THE REVERSE SIDE AFTER CREDITING THE FULL AMOUNTS AS REQUESTED. THANK YOU. ""DETACH AND RETAIN THIS STUB FOR YOUR RECORDS. ""



SWEPI LP LEASE ADMINISTRATION P.O. Box 576 Houston, TX 77001-0576





Check No.: 0000261315

03/12/2014

PAY TO THE ORDER OF:

COMMISSIONER OF THE GENERAL LAND OFFICE OF THE STATE OF TEXAS 1700 CONGRESS AVE STE 600 STEPHEN F AUSTIN BUILDING AUSTIN TX 78701-1436

\*\*\*\*\*\*\*\*\*\*\$120.00

NOT VALID AFTER 180 DAYS

One Hundred Twenty and 00/100 Dollars

CITIBANK, N A ONE PENN'S WAY, NEW CASTLE, DE 19720

AUTHORIZED SIGNATURE

II\*0000261315II\*



File No. MF105490 Minimum Royalty Pament

Date Filed: 05/07/2014

Jerry E. Patterson, Commissioner

By

### Linda Price - MF105490

From:

Linda Price

To:

Meredith.MacAllister@shell.com; terry.sloyan@shell.com

Date:

5/7/2014 1:50 PM

Subject:

MF105490

Attachments: MF105490 Shell MR check.pdf

#### Meredith & Terry:

The GLO received a check noted as being a minimum royalty payment for MF105490. That lease terminated December 1, 2011 due to cessation of production.

If Shell would like to request a refund of the check, please send a written request to me to include the following:

State the reason the refund is being requested

Shell's Federal Tax ID Number

Name, title, phone number, email and mailing addresses of appropriate person that the Comptroller's Office may contact regarding the refund request, if necessary

Thank you.

Linda

Linda Price, RL Texas General Land Office Energy Resources, Mineral Leasing

Phone: (512) 463-5118 Fax: (512) 475-1543 Linda.Price@glo.texas.gov

File No. MF105490	(19)
Em: 1 stering refund of	MR faymen
Date Filed: 05/07/2014	
Jerry E. Patterson, Commis	ssioner

.



# GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

June 5, 2012

Christian Combs Chesapeake Operating, Inc. PO Box 18496 Oklahoma City, OK 73154-0496

RE: Termination of State Lease MF105490 Lease: (08-245061) Block 58 State 31-3 Reeves County, Texas

Dear Mr. Combs:

Based on our information, it appears that the above-referenced lease may have terminated December 1, 2011 due to non-production. The lease has not been held by timely paid shut-in payments and there is no documentation in this office of any reworking operations. As a result, this lease has terminated under the terms and conditions of the lease and laws of the state as further defined in Title 31 of the Texas Administrative Code ("TAC"). Pursuant to the TAC, a recorded original or certified copy of a Release of the State Oil and Gas Lease must be filed with our office.

If the wells are plugged, copies of Railroad Commission Form W-3 must be filed with our office. Our Audit Division will notify you shortly if delinquent royalties are due.

In accordance with the provisions of the TAC, if you disagree with this assessment please provide evidence to this office at the address shown below within 30 days of receipt of this letter. Failure to reply or failure to present sufficient evidence of the continuation of the lease will result in the mineral file being endorsed as terminated. You will receive no further communication from this office prior to endorsement.

Sincerely,

Carl F. Bonn, CPL

Mineral Leasing

Direct Number (512) 463-5407 Fax Number (512) 475-1543

carl.bonn@glo.texas.gov

Stephen F. Austin Building • 1700 North Congress Avenue • Austin, Texas 78701-1495

Post Office Box 12873 • Austin, Texas 78711-2873

512-463-5001 • 800-998-4GLO

File No. MF 105490
Termina Yldn Lth
to Chesapeako
Date Filed: 6-5-12
Jerry Patterson, Commissioner
$By_{\underline{\hspace{1cm}}}$ ( $ASO$ $nh$

-

•

.



JEROLD JENKINS STAFF LANDMAN

### February 19, 2018

Wiggins Partnership c/o Ann Wiggins Mercer, General Partner 5949 Sherry Lane, Suite 800 Dallas, TX 75225

Re: Relinquishment Act Lands Oil and Gas Lease Dated March 1, 2005 (Successor interests from PN Wiggins Estate) ("Lease"); Reeves County, Texas

#### Gentlemen:

COG Operating LLC ("COG") is the Lessee under the captioned Oil and Gas Lease, under which you are acting as the agent for the State of Texas, covering the following described lands:

All of Section 30, Block 58, Public School Land Survey, Reeves County, Texas

COG is planning on entering the lands covered by the Lease on or about March 26, 2018, for the purpose of plugging and abandoning the Block 58 State 31-3 #1H Well ("Well"), which is operated by COG, and thereafter conducting surface remediation operations. Paragraph 26 of the Lease, entitled Removal of Equipment, grants COG the right to remove machinery and fixtures placed by it on the leased premises, including the right to draw and remove casing, within 120 days after the termination of the Lease, unless the owner of the soil grants an extension of this period. It has been more than 120 days since the Lease terminated.

Accordingly, COG is hereby asking your permission to extend the period of time under the Lease until September 1, 2018, in order that COG is permitted to remove the machinery and fixtures from the location, including the drawing and removal of the casing from this Well, in connection with its plugging and abandonment activities, and that COG shall have the right to retain the ownership of the machinery and fixtures, including removed casing, from this Well and the lands.

Please indicate in the space provided below whether you agree or disagree with the terms of this letter, and then sign and return an original of this letter to COG in the self-addressed, stamped envelope provided for this purpose. We are sending two originals of this letter and you may retain one original for your files.



Wiggins Partnership February 19, 2018 Page 2

Thank you for your cooperation and we look forward to hearing from you soon. If you have any questions, please give Mr. Jerold Jenkins of COG a call at 432.234.1508.

Very truly yours,

COG OPERATING LLC

Jerold Jenkins Staff Landman

I,	, the agent for the State of Texas under the Lease and the owner of the soil
of the above-desc	ribed land, hereby consent to the forgoing provisions of this letter.
, I,	, the agent for the State of Texas under the Lease and the owner of the
soil of the above-	described land, hereby <u>DO NOT</u> consent to the forgoing provisions of this letter.

ce: Mr. J. Daryl Morgan, CPL Landman, Mineral Leasing Texas General Land Office P.O. Box 12873 Austin, Texas 78711-2873



9

File No. M-10549D

File No. M-10549D

Date Filed: Z/26/18.

George P. Bush, Commissioner

### WELL TIMELINE

	Block 58 State 32 #1	Block 58 State 31-3 #1H	Block 58 State 42 #1H
API#	42-389-32398	42-389-32452	42-389-32497
RRC ID #	08-224464	08-245061	08-244453
	MF105285 Lease Well	Unit 4484 MF105285 <mark>, MF105490**</mark> & MF104782**	Unit 4554 MF104580, MF104778* & MF105285
Permit Issued	1/3/2006	1/24/2007	1/24/2007
Date Commenced	5/11/2007	6/15/2007	12/21/2007
Date Completed	6/3/2007	11/4/2007	6/9/2008
1st Production	12/1/2006	2/1/2008	8/1/2008
Shut-In Payment Received		11/1/2011	NA
Shut-In Affidavit Requested		11/19/2011	NA
Shut-In Affidavit Due		12/22/2011	NA
2nd Shut-In Payment Rec.		2/22/2012	NA
3rd Shut-In Payment Rec.		2/15/2013	NA
Gaps	11/2012 - 04/2013 06/2013 08/2013 - No Report	08/2011 10/2011 - 04/2013 06/2013 - 07/31/2013 08/2013 - No Report	09/2012 - 11/2012 08/2013 - No Report
Termination Date	1/1/2013	12/1/2011	11/1/2012
Last Production	7/31/2013	5/31/2013	7/31/2013

<sup>\*</sup>MF104778 is also part of Unit 5206, with producing well 42-389-32449, which terminated 08/2012 after a 61-day gap and for which the GLO gave Shell two options.

<sup>\*\*</sup>No second or third shut-in payment received.

# Status of STATE LEASES MF105285-MF105490-MF104782 Chesapeake shut-in royalty and half bonus to extend deep rights

	s 31 & 32, Blk 58, PSL, Re Blk 58 State 31-3 #1H), AF		lk 58 St-	te 32 f	1)						
MF105285	oik 36 State 31-3 #1HJ, AF	1 303-32330 (1	30 3L	11C 32 H	1)	Date	Date 2nd	Date 3rd		Net	
State Lease No.	CHK Lease No.	Lease Date	Term	Roy	Rec data	shut-in pd	shut-in pd	shut-in pd	Date 1/2 bonus pd	Ac	
MF105285C	TX0016622-012	11/3/2004		-	689/606	11/3/2011	2/21/2012		* 11/4/2011	64.02	
MF105285D	TX0010622-012	2/18/2005	-	_	702/695; 707/232	11/1/2011	2/21/2012	2/15/2013		640.1	
MF105285E	TX0016622-011	10/6/2004		_	687/702	12/5/2011	2/22/2012	2/15/2013	9/22/2012	78.2466667	
MF105285F	TX0016622-011	10/6/2004			687/684	12/5/2011	2/22/2012	2/15/2013	9/23/2012		
		10/6/2004		_	687/693	12/5/2011	2/22/2012	2/15/2013	9/22/2012		
MF105285G	TX0016622-010	10/6/2004	5 years	0.20	007/093	,12/3/2011	2/22/2012	2/15/2015	3/22/2022	938.86	-
										330.00	
VDI 380-33402 (	3lk 58 State 42 #1H), API	389-37/57 (RIV	58 State	31-3 #	1H) & ADI 389-	32398 (Blk 58 Sta	te 32 #1)				
	is 31,32 & 42, Blk 58, PSL		Jo State	, J1-J H	111), Q AI 1 303	Date	Date 2nd	Date 3rd			-
State Lease No.		Lease Date	Term	Roy	Rec data	shut-in pd	shut-in pd	shut-in pd	Date 1/2 bonus pd		
MF105285A	CHI LEASE IVO.	12/1/2005			726/625	3Hdc III pd	Shar in pa	2110011111111		94.7735	
MF105285B	TX0011622-008	12/1/2005			726/639	11/1/2011	2/22/2012	2/15/2013		94.7735	
MF105285H	TX0011622-008	12/1/2005			724/97	11/1/2011	2/21/2012	2/15/2013		94.7735	
MF105285I	TX0011622-006				724/82	twice on 11/1/11				94.7735	
MF105285J	TX0011622-003 & -007	9/1/2005	-		724/31	11/1/2011	2/22/2012	2/15/2013		63.18	
MF105285K	TX0011622-004	9/1/2005		-	724/16	11/1/2011	2/21/2012	2/15/2013		31.59	
MF105285L		9/1/2005	-		724/1	11/1/2011	2/22/2012	2/15/2013		15.8	
MF105285M	TX0011622-002	12/1/2005		_	721/249	11/1/2011	2/22/2012	2/13/2013		15.7955	
IVIF 105285IVI	1X0011622-001	12/1/2005	5 years	0.23	121/243					505.4595	
										303.1333	
ADI 389-32/152 /	Blk 58 State 31-3 #1H)								-	4	
MF104782	TX0011467-000	10/20/2004	5 years	0.2	689/31	11/1/2011			9/22/2011	160/160	
111 104/02	1,0011407-000	10/20/2004	yeurs	0.2	000/01	22/2/2022					
API 389-32452 (	Blk 58 State 31-3 #1H)										
MF105490	TX0011479-000	3/1/2005	3 years	0.25	701/22	11/1/2011					
200 130		-/ 1/ 2000	1								
* Refunded 11/2	8/11; lease had no severa	ince provision:	didn't re	quire 1	/2 bonus to mair	ntin deep rights					
	requested on 11/19/2011		alain t i Ci	quiic 1/	L DOTIGS to Tildii	Tarab Harras					

## Status of STATE LEASES MF105285-MF105490-MF104782 Chesapeake shut-in royalty and half bonus to extend deep rights

							)	
Wells and Status					2			
API 389-32452 (Blk 58 State 31-3 #1H) App	pears this is the well on wh	ich shut-in payments were mad	e.					
No production 10/2011 - 4/2013	Hemme)							
92 mcf in May 2013				-	À.			
No production 6/2013 - 7/2013								
Aug & Sept 2013 - No Rpt				·		*		
API 389-32398 (Blk 58 State 32 #1)								
			3					
No production 5/2010 - 6/2010						*		
No production 2/2011 - 5/2011								
No production 12/2011-01/2012								
No production 4/2012 - 6/2012								
No production 11/2012 - 4/2013								
No Rpt Aug - Sept 2013								
API 389-32497 (Blk 58 State 42 #1H)								
mo no production: 9/12 - 11/12						100		
No Rpt Aug - Sept 2013					No.			
				8				
					(4)			
								3

File No. MF 105490

County

Well Timeline

Date Filed: 3/28/19

George P. Bush, Commissioner