



CAUTION

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

Please help keep documents in content order and let the ScanLab know when new documents are added to this file.

Thank you for your assistance.

Archives and Records Staff

MF105848

TERMINATION
DATE 1/22/2022
LEASING SSD
MAPS JL
GIS ML

P-15 FILED TO REDUCE LEASE TO
320 ACRES. SEE ITEM #11 JL

Leasing: JL
Maps: JL
GIS: ML
Scanlab: _____

Lease Type
RAL

Control

07-104572
07-104616
07-104625
07-104634

Survey

Block

Block Name

Township

Section/Tract

Land Part

Acres

Depth Below

Name

Lease Date

Primary Term

Bonus

Lease Royalty

Paid Up

Basefile

143595
099626
143596
143597

Public School Land

57

39, 43, 44, 45

ORIGINAL ACRES: 2560

Net: 320.000000 Gross: 320.000000

Depth Above Depth Other

Allow All
Depths
GEORGE W. BRACKENRIDGE FOUNDATION

11/7/2005

5 years

\$384,000.00

0.10000000

NA

County

REEVES
REEVES
REEVES
REEVES

CONTENTS OF FILE NO. M- F105848

1. Email	11/4/05	(15 Assign # 9496 (WI)
2. QAL Review	11/15/05	SWEPI to MecO IV 12-7-15
3. Letter & fees	11/18/05	scanned PT 12-21-15
4. Lease	11/18/05	(16) Assign ID #9891
5. Letter & Bonus	12/8/05	Enerquest to Atlantic
6. HIO letter	6/1/06	scanned PT 11-30-16
See MF104328 #8 for merger & name change.	6/5/06 6-20-07	(See MF104182 #22, Assign #10088)
See MF104328 #9 for assignment		(MECO IV to Atlantic Exchange)
7. Well Reports	3/31/08	(See MF104182 #23, Assign #10089)
8. ASSIGNMENT FILED IN MF-104793 #8 & #9	10/13/08 10/31/08	(Atlantic Exchng to Atlantic Resource)
9. DIVISION ORDER	11/5/08	scanned PT 12-27-16
10. RENTAL PAYMENT	11/4/08	(See MF103820 #32, Assign #10469)
ASSIGNMENT FILED IN MF-090897 #35	3/11/09	(Atlantic (to) No Reeve) 11-20-17
ASSIGNMENT FILED IN MF-105456 #6	3/26/09	scanned PT 11-28-2017
Assignment filed in MF104792 #35.	5/5/10	17. Shut in Affidavit & payment 1/4/18
Statement of Productivity of P-15		18. Letter accepting shut in 1/4/18
11. Acreage Assigned to Proration Unit	ac/04/13	scanned PT 1-9-2018
12. BRC Reports	ac/04/13	(See MF103820 #33, Assign #10510)
Scanned sm 8/13/13		(Atlantic (to) No Reeve) 1-10-18
13. DIVISION ORDER	5.21.13	scanned PT 1-12-2018
scanned PT 6-1-15		19. TERMINATION LETTER 4/24/18
14. P4 Operator Change	11/20/15	scanned PT 6-11-2018
scanned PT 12-21-15		(20) Recon Billing 6/11/18
		21. Email Re: is the lease terminated or shut in? 6/20/18

CONTENTS OF FILE NO. M- 105848

22. Shut in affidavit + payment 1/2/19	42. Letter Re: Shut in payment 1/6/22
23. Letter accepting shut in 1/2/19	43. Email Re: Shut in payment 1/6/22
<i>scanned PJ 1-11-2019</i>	44. Refund Request 1/14/22
24. Shut-in payment + affidavit 12/4/19	<i>scanned PJ 27 May 2022 3/11/22</i>
25. Letter accepting shut in 12/4/19	45. RRC Form W-3A Noticed Intent to P+H
26. Refund 1/23/20	46. Return of Refund 4/6/22
<i>Scanned sm 01/29/2020</i>	47. Email Re: Refund 4/6/22
27. Shut in payment and affidavit 2/25/21	48. Emails Re: Release 4/6/22
28. Shut in decline letter 2/25/21	49. Email exchange re Release 5/3/22
29. Email Re: Recovery Operations Shut in 2/25/21	50. Release of O+GL 5/3/22
30. Assignment - Atlantic to Recovery 2/25/21	<i>Scanned sm 05/10/2022 5/13/22</i>
31. Payment for assignment 2/25/21	51. Cert. copy of release of lease
32. Support documents for shut in 2/25/21	<i>Scanned sm 05/17/2022</i>
33. Shut in documentation 2/25/21	52. W-3 API 42-309-32520 07/5/22
34. Emails Re: Shut in 2/25/21	<i>Scanned sm 07/12/2022</i>
35. Letter accepting shut in 2/25/21	53. W-3A Notice of Intent to Plug 8/25/22
36. Letter from Brackenridge to Recovery Op. 2/25/21	54. W-3 Plugging Report 8/25/22
37. Assign #11045- Atlantic Res. @ N. Reeves 4-8-21	<i>Scanned sm 08/30/2022</i>
<i>scanned PJ 4-12-2021</i>	
38. Letter to Chesapeake 1-13-2020 5-19-2021	
39. Letter to Chesapeake 5-4-2020 5-19-2021	
<i>scanned PJ 26 May 2021</i>	
40. Shut in request 11/19/21	
41. Letter: denied shut in 12/16/21	

From: "Bert Dorr" <Bert_Dorr@yahoo.com>
To: "Drew Reid" <drew.reid@glo.state.tx.us>
Date: 11/4/2005 10:52:53 AM
Subject: Brackenridge Foundation Block 57 PSL Lease

Drew,

Attached is a lease I have negotiated with the Brackenridge Foundation in Block 57 PSL.
Let me know if everything looks okay.

Thanks,

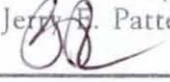
Bert Dorr
Independent Landman
Bert_Dorr@yahoo.com
432-413-5743

1,
File No. MF 705848

Email

Date Filed: 11/4/05

Jerry B. Patterson, Commissioner

By 

RAL REVIEW SHEET

Transaction # 4966 **Geologist:** R. Widmayer
Lessor: George W. Brackenridge Foundation, Leroy G. Denman, Jr **Lease Date:** 11/7/2005 **UT** ☐
Lessee: Hallwood Energy, II, L.P. **Acres:** 2560

LEASE DESCRIPTION

County	PIN#	Base File No	Part	Sec.	Block	Twp	Survey	Abst#
REEVES	640 Ac.	07-104572	143595	ALL	39	57	00	PUBLIC SCHOOL LAND 5052
REEVES	640 Ac.	07-104616	99626	ALL	43	57	00	PUBLIC SCHOOL LAND 2573
REEVES	640 Ac.	07-104625	143596	ALL	44	57	00	PUBLIC SCHOOL LAND 5053
REEVES	640 Ac.	07-104634	143597	ALL	45	57	00	PUBLIC SCHOOL LAND 5054

TERMS OFFERED

Primary Term: 5 years
Bonus/Acre: \$298.00
Rental/Acre: \$1.00
Royalty: 1/5

TERMS RECOMMENDED

Primary Term 5 years
Bonus/Acre \$298.00
Rental/Acre \$1.00
Royalty 1/5

COMPARISONS

MF #	Lessee	Date	Term	Bonus/Ac.	Rental/Ac.	Royalty	Distance
							Last Lease

Comments: Paid up for first 3 years. \$200.00 per acre rental for 4th year.

Approved: PACB 11.15.05

RELINQUISHMENT ACT LEASE APPLICATION

Texas General Land Office

Jerry Patterson, Commissioner

TO: Jerry Patterson, Commissioner
Larry Laine, Chief Clerk
Bill Warnick, General Counsel
Louis Renaud, Deputy Commissioner

DATE: 15-Nov-05

FROM: Robert Hatter, Director of Mineral Leasing
Peter Boone, Chief Geologist

Applicant:	Hallwood Energy, II, L.P.	County:	REEVES
Prim. Term:	5 years	Bonus/Acre	\$298.00
Royalty:	1/5	Rental/Acre	\$1.00

Consideration

Recommended: PAB Date: 11.15.05

Not Recommended: _____

Comments: Paid up for first 3 years. \$200.00 per acre rental for 4th year.

Lease Form

Recommended: RDH Date: 11/24/05

Not Recommended: _____

Comments:

Louis Renaud, Deputy Commissioner

Date: 11/28/05

Recommended: CLR

Not Recommended: _____

Bill Warnick, General Counsel

Date: 11/30/05

Recommended: WBW

Not Recommended: _____

Larry Laine, Chief Clerk

Date: 12/1/05

Approved: LL

Not Approved: _____

Jerry Patterson, Commissioner

Date: 5 Dec 05

Approved: JAP

Not Approved: _____

2,
File No. MF 105848
BAK Review
Date Filed: 11/15/05
Jerry E. Patterson, Commissioner
By [Signature]

BERT DORR
INDEPENDENT LANDMAN

P.O. Box 51194
Midland, TX 79710-1194

November 17, 2005

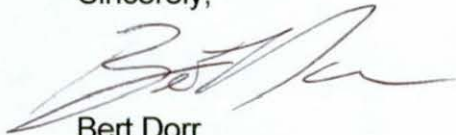
State of Texas General Land Office
Attention: Drew Reid
1700 North Congress Avenue
Austin, Texas 78701

Re: Brackenridge Foundation Lease

Dear Sir:

Please see enclosed lease for the Brackenridge Foundation. Also enclosed is a check for \$125.00 for the processing and filing fees. Please let me know if there is anything else you need.

Sincerely,



Bert Dorr
Independent Landman

90.97.11

RECEIVED
05 NOV 18 PM 2:34
ENERGY RESOURCES

X 125⁰⁰

06012712

121

attn: Drew Reid

✓ WOODS PETROLEUM LAND MANAGEMENT

P O BOX 51194
MIDLAND, TX 79710

1032

DATE 11-17-05

PAY
TO THE
ORDER OF

State of Texas

\$ 125⁰⁰

One hundred twenty five and 00/100

DOLLARS



Security
Features
Details on
Back

WELLS
FARGO

Wells Fargo Bank, N.A.
Texas
wellsfargo.com

FOR

Brackenridge Lease

[Signature]

MP

900111

1700

3.
File No. MF 105848
Letter + fees
Date Filed: 11/8/05
Jerry E. Patterson, Commissioner
By [Signature]



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

Hand up for 2nd + 3rd yr

The State of Texas



Austin, Texas

OIL AND GAS LEASE

THIS AGREEMENT is made and entered into this 7 day of November, 2005, between the State of Texas, acting by and through its agent, George W. Brackenridge Foundation, Leroy G. Denman Jr., Chairman of 711 Navarro Street, Suite 535, San Antonio, TX 78205 (Give Permanent Address) said agent herein referred to as the owner of the soil (whether one or more), and Hallwood Energy II, L.P. of 3710 Rawlins Street, Suite 1500, Dallas, TX 75219 hereinafter called Lessee. (Give Permanent Address)

1. 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:

Sections 39,43,44,&45 Block 57 PSL

containing 2,560 acres, more or less. The bonus consideration paid for this lease is as follows:

To the State of Texas: Three Hundred Eighty Four Thousand dollars and no/100
Dollars (\$384,000.00)

To the owner of the soil: Three Hundred Eighty Four Thousand dollars and no/100
Dollars (\$384,000.00)

Total bonus consideration: Seven Hundred Sixty-Eight Thousand dollars and no/100
Dollars (\$768,000.00)

The total bonus consideration paid represents a bonus of Three-Hundred dollars and no/100
Dollars (\$300) per acre, on 2,560 net acres.

2. TERM. Subject to the other provisions in this lease, this lease shall be for a term of 5 years from 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.

Ch. 07. 77

3. **DELAY RENTALS.** If no well is commenced on the leased premises on or before one (1) year from this date, this lease shall terminate, unless on or before such anniversary date Lessee shall pay or tender to the owner of the soil or to his credit in the _____

Bank, at _____, or its successors (which shall continue as the depository regardless of changes in the ownership of said land), the amount specified below; in addition, Lessee shall pay or tender to the COMMISSIONER OF THE GENERAL LAND OFFICE OF THE STATE OF TEXAS, AT AUSTIN, TEXAS, a like sum on or before said date. Payments under this paragraph shall operate as a rental and shall cover the privilege of deferring the commencement of a well for one (1) year from said date. Payments under this paragraph shall be in the following amounts:

To the owner of the soil: ****PLEASE SEE ADDENDUM "A". THIS IS A PAID UP LEASE**

Dollars (\$ _____)

To the State of Texas: _____

Dollars (\$ _____)

Total Delay Rental: _____

Dollars (\$ _____)



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

In a like manner and upon like payments or tenders annually, the commencement of a well may be further deferred for successive periods of one (1) year each during the primary term. All payments or tenders of rental to the owner of the soil may be made by check or sight draft of Lessee, or any assignee of this lease, and may be delivered on or before the rental paying date. If the bank designated in this paragraph (or its successor bank) should cease to exist, suspend business, liquidate, fail or be succeeded by another bank, or for any reason fail or refuse to accept rental, Lessee shall not be held in default for failure to make such payments or tenders of rental until thirty (30) days after the owner of the soil shall deliver to Lessee a proper recordable instrument naming another bank as agent to receive such payments or tenders.

4. **PRODUCTION ROYALTIES.** Upon production of oil and/or gas, Lessee agrees to pay or cause to be paid one-half (1/2) of the royalty provided for in this lease to the Commissioner of the General Land Office of the State of Texas, at Austin, Texas, and one-half (1/2) of such royalty to the owner of the soil:

(A) **OIL.** Royalty payable on oil, which is defined as including all hydrocarbons produced in a liquid form at the mouth of the well and also as all condensate, distillate, and other liquid hydrocarbons recovered from oil or gas run through a separator or other equipment, as hereinafter provided, shall be 1/5 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 determined by 1) the highest posted price, plus premium, if any, offered or paid for oil, condensate, distillate, or other liquid hydrocarbons, respectively, of a like type and gravity in the general area where produced and when run, or 2) the highest market price thereof offered or paid in the general area where produced and when run, or 3) the gross proceeds of the sale thereof, whichever is the greater. Lessee agrees that before any gas produced from the leased premises is sold, used or processed in a plant, it will be run free of cost to the royalty owners through an adequate oil and gas separator of conventional type, or other equipment at least as efficient, so that all liquid hydrocarbons recoverable from the gas by such means will be recovered. The requirement that such gas be run through a separator or other equipment may be waived, in writing, by the royalty owners upon such terms and conditions as they prescribe.

(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 1/5 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.

(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 1/5 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 1/5 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 product is produced, or 2) on the basis of the average gross sale price of each product for the same month in which such products are produced; whichever is the greater.

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.

04.07.11

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:

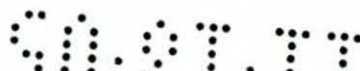
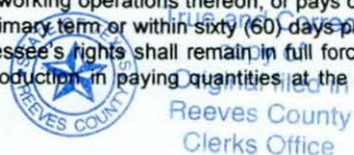
Payment of royalty on production of oil and gas shall be as provided in the rules set forth in the Texas Register. Rules currently provide that royalty on oil is due and must be received in the General Land Office on or before the 5th day of the second month succeeding the month of production, and royalty 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. A royalty payment which is over thirty (30) days late shall accrue a penalty of 10% of the royalty due or \$25.00 whichever is greater. In addition to a penalty, royalties shall accrue interest at a rate of 12% per year; such interest will begin to accrue when the royalty is sixty (60) days overdue. Affidavits and supporting documents which are not filed when due shall incur a penalty in an amount set by the General Land Office administrative rule which is effective on the date when the affidavits or supporting documents were due. The Lessee shall bear all responsibility for paying or causing royalties to be paid as prescribed by the due date provided herein. Payment of the delinquency penalty shall in no way operate to prohibit the State's right of forfeiture as provided by law nor act to postpone the date on which royalties were originally due. The above penalty provisions shall not apply in cases of title dispute as to the State's portion of the royalty or to that portion of the royalty in dispute as to fair market value.

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 lease or allocable to this lease 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 filed 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.

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 the 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 four more successive periods of one (1) year by paying the same amount each year on or before the expiration of each shut-in year.

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.

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. Notwithstanding the termination of this lease as to a portion of the lands covered hereby, Lessee shall nevertheless continue to have the right of ingress to and egress from the lands still subject to this lease for all purposes described in Paragraph 1 hereof, together with easements and rights-of-way 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.



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(B) HORIZONTAL. 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 further terminate as to all depths below 100 feet below the total depth drilled (hereinafter "deeper depths") in each well located on acreage retained in Paragraph 16 (A) above, unless on or before two (2) years after the primary or extended term Lessee pays an amount equal to one-half (1/2) of the 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 covenant shall be suspended and Lessee shall not be liable for damages for failure 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 not covered by a lease, less the proportionate development and production cost allocable to such 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 actually retained and covered by this lease.

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 the written consent of the owner of the soil.



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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 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 assignee 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 fiduciary 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 surrender of such acreage.

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.

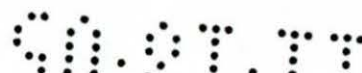
30. DISCLOSURE CLAUSE. All provisions pertaining to the lease of the above-described land have been included in this instrument, including the statement of the true consideration to be paid for the execution of this lease and the rights and duties of the parties. Any collateral agreements concerning the development of oil and gas from the leased premises which are not contained in this lease render this lease invalid.

31. FIDUCIARY DUTY. The owner of the soil owes the State a fiduciary duty and must fully disclose any facts affecting the State's interest in 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 to put the State's 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 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



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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 at any time determine that this representation is not true, then 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 failure to comply with any and all environmental laws; those arising from or in any way related to Lessee's operations or any other of Lessee's activities on the leased premises; those arising from Lessee's use of the surface of 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, employees, and agents in the same manner provided above in connection with the activities of Lessee, its officers, employees, and agents as described above. **EXCEPT AS OTHERWISE EXPRESSLY LIMITED HEREIN, ALL OF THE INDEMNITY OBLIGATIONS AND/OR LIABILITIES ASSUMED UNDER THE TERMS OF THIS AGREEMENT SHALL BE WITHOUT LIMITS AND WITHOUT REGARD TO THE CAUSE OR CAUSES THEREOF (EXCLUDING PRE-EXISTING CONDITIONS), STRICT LIABILITY, OR THE NEGLIGENCE OF ANY PARTY OR PARTIES (INCLUDING THE NEGLIGENCE OF THE INDEMNIFIED PARTY), WHETHER SUCH NEGLIGENCE BE SOLE, JOINT, CONCURRENT, ACTIVE, OR PASSIVE.**

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 CERCLA OR ANY OTHER ENVIRONMENTAL LAW OR REGULATION. LESSEE SHALL IMMEDIATELY GIVE THE STATE OF TEXAS AND THE OWNER OF THE SOIL WRITTEN NOTICE OF ANY BREACH OR SUSPECTED BREACH OF THIS PARAGRAPH, UPON LEARNING OF THE PRESENCE OF ANY HAZARDOUS MATERIALS, OR UPON RECEIVING A NOTICE FROM ANY GOVERNMENTAL AGENCY PERTAINING TO HAZARDOUS MATERIALS WHICH MAY AFFECT THE LEASED PREMISES. THE OBLIGATIONS OF LESSEE HEREUNDER SHALL SURVIVE THE EXPIRATION OR EARLIER TERMINATION, FOR ANY REASON, OF THIS AGREEMENT.**

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.



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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: George W. Brackenridge Foundation

BY: Leroy G. Denman Jr.
Leroy G. Denman Jr.
Title: Chairman of the Board
Date: November 8, 2005

STATE OF TEXAS

BY: Leroy G. Denman Jr.
Individually and as agent for the State of Texas
Date: 11-8-05

STATE OF TEXAS

BY: _____
Individually and as agent for the State of Texas
Date: _____

STATE OF TEXAS

BY: _____
Individually and as agent for the State of Texas
Date: _____

STATE OF TEXAS

BY: _____
Individually and as agent for the State of Texas
Date: _____



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STATE OF _____

(CORPORATION ACKNOWLEDGMENT)

COUNTY OF _____

BEFORE ME, the undersigned authority, on this day personally appeared _____
known to me to be the person whose name is subscribed to the foregoing instruments as _____
of _____ and acknowledged to me that he
executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said corporation.

Given under my hand and seal of office this the _____ day of _____, 20____.

Notary Public in and for _____

STATE OF _____

(CORPORATION ACKNOWLEDGMENT)

COUNTY OF _____

BEFORE ME, the undersigned authority, on this day personally appeared _____
known to me to be the person whose name is subscribed to the foregoing instruments as _____
of _____ and acknowledged to me that he
executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said corporation.

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 Bexar

BEFORE ME, the undersigned authority, on this day personally appeared Leroy G. Denman, Jr.

known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the
purposes and consideration therein expressed.

Given under my hand and seal of office this the 8th day of November, 2005.



Martha A. Reynolds
Notary Public in and for Texas, Bexar County

STATE OF _____

(INDIVIDUAL ACKNOWLEDGMENT)

COUNTY OF _____

BEFORE ME, the undersigned authority, on this day personally appeared _____

known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the
purposes and consideration therein expressed.

Given under my hand and seal of office this the _____ day of _____, 20____.



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

Notary Public in and for _____

01.07.11

Addendum A

Note that all rentals were paid up in the lease bonus for the first 3 years. The lease bonus is \$298 per acre, and the delay rentals are \$1 per acre totaling \$300.00 per acre seen paragraph 1 of the granting clause for the first 3 years.

After the 3rd year, a delay rental of \$200.00 per acre will be paid to the State and the surface owner, which will include a \$1 per acre rental for the fifth year.



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

THE STATE OF TEXAS
COUNTY OF REEVES
I, Diana O. Flores, Clerk of the County Court in and
for the County and State do hereby certify that the foregoing is a true and correct copy of
dated _____ day of _____
to be recorded in the _____
day of _____
at _____, Texas
Diana O. Flores, County Clerk
REEVES COUNTY, TEXAS

File No.

MF 705848

4.

Date Filed:

4/18/05

Jerry L. Patterson, Commissioner

By

[Signature]

THE STATE OF TEXAS
COUNTY OF REEVES

I, Dianne O. Florez, Clerk of the County Court in and
for said County and State do hereby certify that the foregoing is a true and correct copy of

Oil & Gas lease

dated

11/7/05

For record in my office this

17th

day of

November

at

9:21 A. M. and Clerk's File No.

5225

, to be recorded in the

Official Public Records

Records of Reeves County, Texas

TO CLERK OF THE COUNTY COURT

Witness my hand and official seal at Pecos, Texas

this

17th

day of

November

20

05

By *Natoma Ruiz*, Deputy.

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

11705848



**HALLWOOD
PETROLEUM, LLC**

3710 Rawlins Street,
Suite 1500
Texas, TX 75219
Telephone: (214) 393-0221
Fax: (214) 393-0229

December 5, 2005

Texas General Land Office
ATTN: Drew Reid
1700 N. Congress Ave., Suite 600
Austin, TX 78701

RE: Oil and Gas Lease
George W. Brackenridge Foundation, Leroy G. Denman Jr., Chairman
Reeves County, Texas

Dear Mr. Reid:

Enclosed please find a check in the amount of \$384,000.00 representing the bonus consideration for the subject lease. It is my understanding from Bert Dorr that he has already paid you for the sales/administrative fee for processing this lease. If my information is incorrect, please let me know as soon as possible.

Please forward the approval letter for this lease to me at the letterhead address when available. Please let me know if you have any questions.

Sincerely,

Jaymie R. Munchinski
Land Manager

jm
enclosure

06015647

Attn:
Drew Reid

Hallwood Petroleum, LLC ✓

6191

LEASE NUMBER	LEASE DATED	COUNTY/PARISH	STATE	RECORDED		FOR PERIOD	
				BOOK	PAGE	MOS.	BEGINNING
R113-1	11/07/05	REEVES	Texas				11/29/
2,560.0000 GROSS ACRES		ORIGINAL LESSOR: State of Texas					

Prospect:

06015647

Lease State ID :
Payor State ID :
Recorded...
Book:
Page:
File:

.Texas General Land Office
.1700 N. Congress Ave, Ste 600
.Austin TX 78701
ID#:

121
X 384000.00

5.
File No. MF105848
Letter + Bonus
Date Filed: 12/8/05
Jerry E. Patterson, Commissioner
By 

75. 0.02

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

June 1, 2006

Attn: Jaymie R. Munchinski
Hallwood Petroleum, LLC
3710 Rawlins St. Suite 1500
Dallas, Texas. 75219

Re: RELINQUISHMENT ACT LEASE No. M-105848
2,560.00 acres out of Sections 39, 43, 44 & 45,
Blk. 57, PSL, Hudspeth County, Texas

Dear Ms. Munchinski:

The certified copy of the Relinquishment Act lease covering the above referenced tracts has been approved and filed in our records under Mineral File number M-105848. Please refer to this number in all future correspondence concerning the lease.

Your remittance of \$384,125.00, has been applied as the state's portion of the cash bonus \$384,000.00, along with a processing and filing fee in the amount of \$125.00. Please let me know if you should have any questions.

Sincerely,

Drew Reid by ms-

Drew Reid
Minerals Leasing
Energy Resources
(512) 475-1534

MS/DR

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

6.
File No. MF105848
HO letter
Date Filed: 6/1/06
Jerry E. Patterson, Commissioner
By 



MF 105848

Matt Thompson
Associate Landman - Permian South

February 14, 2008

VIA OVERNIGHT MAIL
AND FACSIMILE (512) 475-1543

Mr. Robert Hatter
Texas General Land Office
1700 N. Congress Ave.
Suite 935
Austin, Texas 78701-1495

Re: Notification of Spud
Brackenridge State 57-44 #1
Section 44, Block 57, PSL Survey
Reeves County, Texas

Dear Mr. Hatter:

This letter shall serve as Chesapeake Operating, Inc.'s ("Chesapeake") notice of operations prior to spud as required in Paragraph 10 (B) of the Relinquishment Act Lease Form.

It is anticipated that the above referenced well should spud sometime in the near future. Enclosed you shall find a copy of the survey plat, the Application for Permit to Drill, and the Substandard Acreage Certification all filed with the Texas Railroad Commission by Chesapeake. Additional information will be provided later as it becomes available.

Should you have any questions, please do not hesitate to call me at (405) 879-3141.

Sincerely,

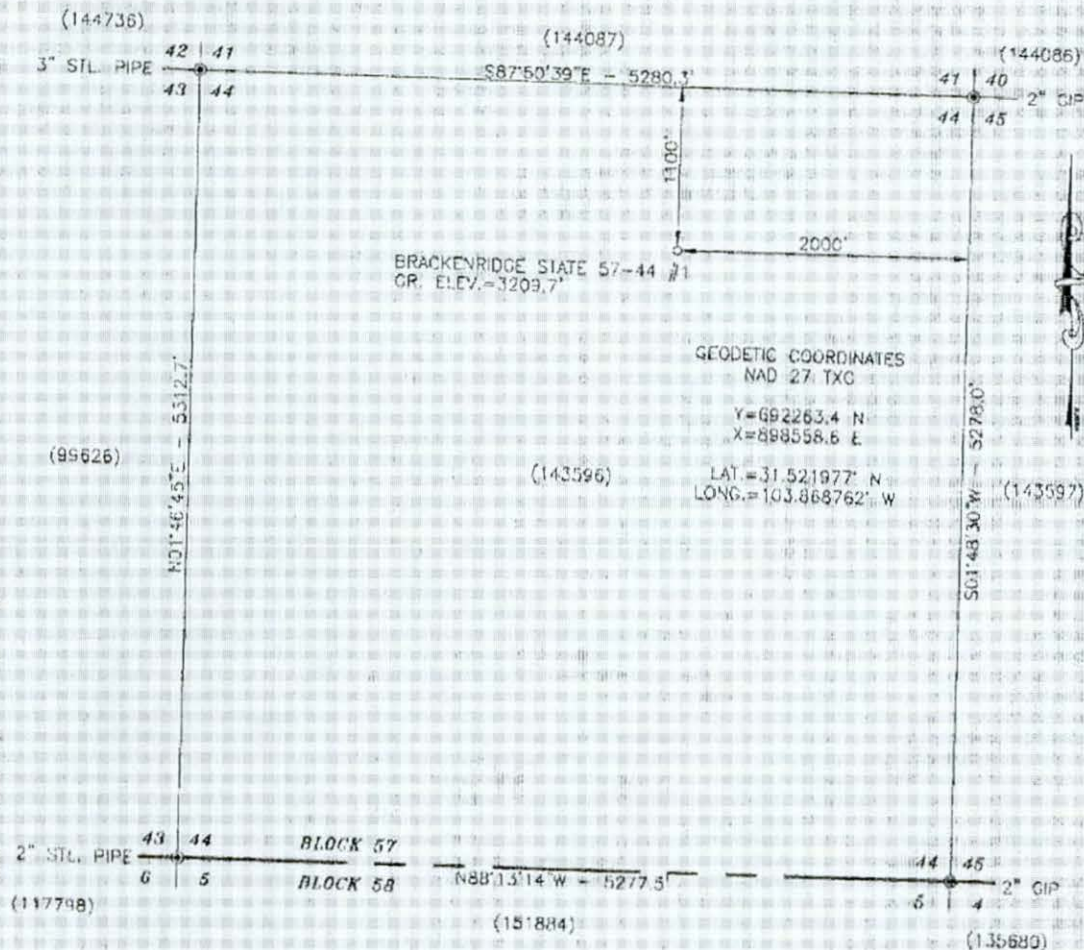
Chesapeake Operating, Inc.

Handwritten signature of Matt Thompson in black ink.
Matt Thompson

Enclosures

W:\Permian_South\Thompson\Wells\Brackenridge State 57-44 #1\GLO Notification Brackenridge State 57-44 #1.doc

SECTION 44, BLOCK 57, P.S.L. SURVEY,
REEVES COUNTY TEXAS



GEODETIC COORDINATES
NAD 27 TXC

Y=692263.4 N
X=888558.6 E

LAT.=31.521977° N
LONG.=103.868762° W

LEGEND

- DENOTES PROPOSED WELL LOCATION
- DENOTES FOUND MONUMENT AS NOTED
- ⊗ DENOTES CALCULATED CORNER
- (143595) DENOTES GENERAL LAND OFFICE NUMBER

NOTES:

1. THIS LOCATION IS APPROXIMATELY 23.0 MILES WEST OF PECOS, TEXAS.
2. SEE DOCUMENTS FILED FOR RECORD IN THIS OFFICE, WHICH DESCRIBES THE RECONSTRUCTION OF THIS SECTION.
3. BEARINGS SHOWN HEREON ARE LAMBERT GRID AND CONFORM TO THE "TEXAS COORDINATE SYSTEM" TEXAS CENTRAL ZONE, NORTH AMERICAN DATUM 1983. DISTANCES ARE SURFACE VALUES.



GARY C. EIDSON TX R.P.L.S. No. 4735
RONALD J. EIDSON TX R.P.L.S. No. 1883



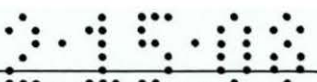
PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO
HOBBS, N.M. 88240
(505) 393-3117

1000 0 1000 2000 FEET
Scale: 1"=1000'

CHESAPEAKE OPERATING, INC.

BRACKENRIDGE STATE 57-44 #1
LOCATED 1100 FEET FROM THE NORTH LINE
AND 2000 FEET FROM EAST LINE OF
SECTION 44, BLOCK 57
PUBLIC SCHOOL LAND SURVEY,
REEVES COUNTY, TEXAS

Survey Date: 12/21/07	Sheet 1 of 1 Sheets
W.O. Number: 07.11.1854	Drawn By: LA REV:
Date: 12/27/07	07/1/1854 Scale: 1"=1000'

API No. _____ Application Status # <u>655312</u> SWR Exception Case/Docket No. _____		 RAILROAD COMMISSION OF TEXAS OIL & GAS DIVISION APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER <i>This facsimile W-1 was generated electronically from data submitted to the RRC.</i> <i>A certification of the automated data is available in the RRC's Austin office.</i>			FORM W-1 07/2004 Permit Status: Pending Approval <i>The RRC has not approved this application.</i> <i>Duplication or distribution of information is at the user's own risk.</i>	
1. RRC Operator No. 147715		2. Operator's Name (as shown on form P-5, Organization Report) CHESAPEAKE OPERATING, INC.		3. Operator Address (include street, city, state, zip):		
4. Lease Name BRACKENRIDGE STATE 57-44		5. Well No. 1				
GENERAL INFORMATION						
6. Purpose of filing (mark ALL appropriate boxes): ☒ New Drill ☐ Recompletion ☐ Reclass ☐ Field Transfer ☐ Re-Enter ☐ Amended ☐ Amended as Drilled (BHL) (Also File Form W-1D)						
7. Wellbore Profile (mark ALL appropriate boxes): ☒ Vertical ☐ Horizontal (Also File Form W-1H) ☐ Directional (Also File Form W-1D) ☐ Sidetrack						
8. Total Depth 18000		9. Do you have the right to develop the minerals under any right-of-way? ☒ Yes ☐ No		10. Is this well subject to Statewide Rule 36 (hydrogen sulfide area)? ☐ Yes ☒ No		
SURFACE LOCATION AND ACREAGE INFORMATION						
11. RRC District No. 08		12. County REEVES		13. Surface Location ☒ Land ☐ Bay/Estuary ☐ Inland Waterway ☐ Offshore		
14. This well is to be located <u>23</u> miles in a <u>W</u> direction from <u>Pecos</u> which is the nearest town in the county of the well site.						
15. Section 44		16. Block 57		17. Survey PSL		
18. Abstract No. A-		19. Distance to nearest lease line: 1100 ft.		20. Number of contiguous acres in lease, pooled unit, or unitized tract: 640		
21. Lease Perpendiculars: <u>1100</u> ft from the <u>N</u> line and <u>2000</u> ft from the <u>E</u> line.		22. Survey Perpendiculars: <u>1100</u> ft from the <u>N</u> line and <u>2000</u> ft from the <u>E</u> line.				
23. Is this a pooled unit? ☐ Yes ☒ No		24. Unitization Docket No:		25. Are you applying for Substandard Acreage Field? ☒ Yes (attach Form W-1A) ☐ No		
FIELD INFORMATION List all fields of anticipated completion including Wildcat. List one zone per line.						
26. RRC District No.	27. Field No.	28. Field Name (exactly as shown in RRC records)	29. Well Type	30. Completion Depth	31. Distance to Nearest Well in this Reservoir	
08	90890700	TOYAH, NW (SHALE)	Gas Well	11978	0.00	
08	00018001	WILDCAT	Oil or Gas Well	18000	0.00	
BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS						
Remarks 			Certificate: I certify that information stated in this application is true and complete, to the best of my knowledge. <u>Bill Spencer</u> Name of filer <u>Feb 14, 2008</u> Date submitted <u>(512)9181062</u> Phone <u>bgsaustin@sbcglobal.net</u> E-mail Address (OPTIONAL)			
RRC Use Only Data Validation Time Stamp: Feb 14, 2008 10:24 AM(Current Version)						

SUBSTANDARD ACREAGE CERTIFICATION

W-1A

www.rrc.state.tx.us

*This facsimile W-1A was originally filed electronically. A certification
of the automated data is available in the RRC's Austin office.*

Rev. 05/2001

1. Operator Name CHESAPEAKE OPERATING, INC.	2. Operator P-5 Number 147715	3. RRC District Number 08
4. Lease, Pooled Unit or Unitized Tract Name BRACKENRIDGE STATE 57-44	5. Lease/ ID Number (if assigned) N/A	6. Purpose of Filing ☐ Only Well ☐ Surplus Acreage ☐ Other Docket # _____
7. Total Acres in Lease, Pooled Unit or Unitized Tract 640	8. Well Number 1	
9. County REEVES	10. API Number	
11. Field Name	Field Number	Dist.
Field 1 TOYAH, NW (SHALE)	90890700	08
Field 2		
Field 3		

CERTIFICATION FOR AN OPERATOR SEEKING A PERMIT ON A LEASE, POOLED UNIT OR UNITIZED TRACT WHICH CONTAINS SUBSTANDARD ACREAGE AS DEFINED BY EITHER STATEWIDE RULE 38 OR BY SPECIAL FIELD RULES.

- A. This lease, pooled unit or unitized tract was established as a separate tract in its present size and shape on
(Field 1) 11/07/2005 and has remained as such since that date.
- B. The ownership in this lease, unitized tract or the drill site tract of a pooled unit has not:
- been the same as or common to the ownership of any adjoining tract at any time after the date set forth in paragraph A.; and,
 - been unitized or pooled with any adjoining tract and accepted as a single tract for any Commission approved development or allowable purpose.

CERTIFICATION:

I declare under penalties prescribed pursuant to the Sec. 91.143, Texas Natural Resources Code, that I am authorized to make the foregoing statements and that the information provided by me or under my direction on this Substandard Acreage Certification is true, correct, and complete to the best of my knowledge.

Bill Spencer

Filer Name and Title

Feb 14, 2008

Date of Certification

(512)9181062

Business Phone

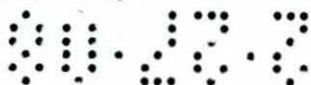
INSTRUCTIONS – Reference: Statewide Rules 37(g) and 38(g)

- File this form as an attachment to the Form W-1 when the subject acreage is substandard for a permit to drill, deepen, plugback, or reenter in any or all applied for fields if the property took its present size and shape prior to the attachment of applicable Commission density regulations. If the described property took its present size and shape subsequent to the adoption of those regulations, a SWR 38 exception may be required.
- Provide the date the lease or unitized tract was formed in paragraph A above.

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

PERMIT TO DRILL, DEEPEN, PLUG BACK, OR RE-ENTER ON A REGULAR OR ADMINISTRATIVE EXCEPTION LOCATION

PERMIT NUMBER 655312	DATE PERMIT ISSUED OR AMENDED Feb 25, 2008	DISTRICT * 08
API NUMBER 42-389-32520	FORM W-1 RECEIVED Feb 14, 2008	COUNTY REEVES
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Vertical	ACRES 640
OPERATOR CHESAPEAKE OPERATING, INC. 147715		NOTICE This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. District Office Telephone No: (432) 684-5581
LEASE NAME BRACKENRIDGE STATE 57-44		WELL NUMBER 1
LOCATION 23 miles W direction from PECOS		TOTAL DEPTH 18000
Section, Block and/or Survey SECTION ◀ 44 BLOCK ◀ 57 ABSTRACT ◀ 5053 SURVEY ◀ PSL/HARRIS, W M		
DISTANCE TO SURVEY LINES 1100 ft. N 2000 ft. E		DISTANCE TO NEAREST LEASE LINE 1100 ft.
DISTANCE TO LEASE LINES 1100 ft. N 2000 ft. E		DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below
FIELD(s) and LIMITATIONS: * SEE FIELD DISTRICT FOR REPORTING PURPOSES * ** THIS PERMIT IS GRANTED PURSUANT TO STATEWIDE RULE ** CASE NO. <n/a>		
FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH NEAREST LEASE
** TOYAH, NW (SHALE) BRACKENRIDGE STATE 57-44	640.00 1100	11,978 0
WILDCAT BRACKENRIDGE STATE 57-44	640.00 1100	18,000 0
RESTRICTIONS: This is a hydrogen sulfide field. This well shall be drilled in accordance with SWR 36.		
' ** ' PRECEDING FIELD NAME INDICATES RULE (R)		
THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS		
This well shall be completed and produced in compliance with applicable special field or statewide spacing and density rules. If this well is to be used for brine mining, underground storage of liquid hydrocarbons in salt formations, or underground storage of gas in salt formations, a permit for that specific purpose must be obtained from Environmental Services prior to construction, including drilling, of the well in accordance with Statewide Rules 81, 95, and 97.		



File No. MF 105848 7.

Will Reports

Date Filed: 3/31/08

Jerry E. Patterson, Commissioner

By [Signature]

4438

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

October 13, 2008

Rebecca Young
Chesapeake Energy Corp.
PO Box 18496.
Oklahoma City, OK

RE: GLO Assignment ID # ~~6575~~ 6576

Dear Ms. Young,

The General Land Office received the following instrument(s) and has filed them in the appropriate files. Please see attached "Exhibit A" for reference.

Partial Assignment of Oil and Gas Leases Without Warranty
executed July 29th, 2008, from Chesapeake Exploration, LLC
as Assignor, to Chesapeake Investments, as Assignee.
Reeves Co. Vol. 800, P. 345.

Filing fees of \$2,400.00 were received in connection with the above lease. If you have any questions, please feel free to call me at (800) 998-4GLO, or at my direct number at (512) 463-6521.

Sincerely,

Beverly Boyd
Mineral Leasing
Energy Resources
512-463-6521

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

Exhibit "A"

<i>GLO ID</i>	<i>County</i>	<i>Lease</i>
6576	Reeves	MF105848

Thursday, October 09, 2008

6576

105848

FILE# 3341

**PARTIAL ASSIGNMENT OF OIL AND GAS LEASES
WITHOUT WARRANTY**

STATE OF TEXAS)
) §
COUNTY OF REEVES)

KNOW ALL MEN BY THESE PRESENTS:

For and in consideration of Ten Dollars and no/100 (\$10.00) and Other Valuable Consideration, the receipt and sufficiency of which are hereby acknowledged, **Chesapeake Exploration, L.L.C.**, an Oklahoma limited liability company, whose mailing address is P.O. Box 18496, Oklahoma City, Oklahoma 73154-0496, hereinafter referred to as "Assignor", does hereby grant, bargain, sell, convey, assign and deliver unto **Chesapeake Investments**, an Oklahoma limited partnership, whose mailing address is P.O. Box 18756, Oklahoma City, Oklahoma 73154, hereinafter referred to as "Assignee", an undivided portion of Assignor's interest in and to the oil and gas lease described in Exhibit "A" attached hereto ("the Lease"), in an amount sufficient to vest Assignee with a 2.5% working interest in the **Brackenridge State 57 44 1 Well** ("the Well") and the lands comprised of All of Section 44, Block 57, PSL Survey, Reeves County, Texas, containing 640.00 unit acres ("the Unit"), including all oil and gas produced therefrom and all downhole and surface equipment associated therewith:

PROVIDED HOWEVER, if Assignor's ownership in the Leases is not uniform as to all depths, zones or formations **and** the foregoing partial assignment would cause Assignor's remaining working interest in any *depths, zones or formations* covered by the Leases (determined after consideration of any carried or reversionary interest) to be less than twelve and one half percent (12.5%) on an eight-eighths basis, then the interest assigned hereunder to Assignee as to *such depths, zones or formations* shall not be the full two and one half percent (2.5%) working interest in the Well and Unit as stated above, but instead shall be proportionately reduced to the same extent as Assignor's reduced interest as of the date of spud of the Well with respect to *such depths, zones or formations*.

The interests assigned hereunder shall derive proportionately from all working interest owned or claimed by Assignor in the Leases, or any other source of ownership in the Unit, contractual or otherwise, as of the effective date of this assignment, including any interests acquired via farmout, non-consent elections, force poolings, etc. To the extent any portion of Assignor's title or ownership interest is reduced after payout or after the assessment of non-consent penalties, or is limited to the wellbore of the Well, Assignee's title or ownership conveyed hereunder shall be proportionately reduced thereby in the same manner as Assignor's title.

Assignor delivers to Assignee the above-described interest at the same net revenue interest owned by Assignor, proportionately reduced to the interest assigned. The interest assigned shall bear a proportionate share of all delay rentals, royalties and other obligations burdening the Leases and shall bear a proportionate share of all costs associated with the drilling, completing, operating and/or plugging and abandonment of any well hereafter drilled on the Leases or lands pooled or unitized therewith.

This assignment is made subject to all the terms and the express and implied covenants and conditions of the Leases and any intervening assignments and agreements affecting same, which terms, covenants and conditions Assignee hereby assumes and agrees to perform with respect to the interest assigned. The terms, covenants and conditions of said leases, assignments and agreements shall be binding upon Assignee, not only in favor of the lessor(s) and any prior assignors and their respective successors and assigns, but also in favor of the Assignor herein and its successors and assigns.

ASN 323-0089



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

Page Two
Partial Assignment of Oil and Gas Leases
CELLC/CI

This assignment is made and accepted without any representation or warranty of title of any kind, either express or implied. In the event that title to all or any portion of the interest assigned should fail, then and in such event, the percentages of the interest assigned herein shall be reduced in the proportion to which the failed portion of the interest bears to the entire interest.

In witness whereof, this instrument is dated the 29th day of July, 2008, but effective as of the date of spud, March 1, 2008, of the **Brackenridge State 57 44 1 Well.**

CHESAPEAKE EXPLORATION, L.L.C.
an Oklahoma limited liability company

By: [Signature] [Signature]
Henry J. Hood, Senior Vice President - Land and Legal & General Counsel kec
[Signature]

346



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

Page Three
Partial Assignment of Oil and Gas Leases
CELLC/CI

STATE OF OKLAHOMA)
) §
COUNTY OF OKLAHOMA)

This instrument was acknowledged before me on this 25th day of July, 2008, by Henry J. Hood, as Senior Vice President - Land and Legal & General Counsel of Chesapeake Exploration, L.L.C.

My Commission Expires:

8/12/08



Rebecca A. Young
Notary Public



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

EXHIBIT "A"

Attached to and made a part of that certain Partial Assignment of Oil and Gas Leases from **Chesapeake Exploration, L.L.C.**, as Assignor, to **Chesapeake Investments**, as Assignee, dated July 29, 2008, covering lands located in Reeves County, Texas.

TX3230456-000

Lessor: State of Texas – George W. Brackenridge Foundation

Lessee: Hallwood Energy II, LP

Lease Date: 11/07/2005

Recorded: Book 717 Page 130

Legal Desc: Insofar and only insofar as it covers the following:
Block 57, PSL Survey, Reeves County, Texas
Section 44: All

105848

Agreements Affecting the Leases:

1. That certain Purchase and Sale Agreement dated June 2, 2006 by and between Chesapeake Exploration Limited Partnership and Hallwood Energy, LP.
2. That certain Joint Operating Agreement dated April 1, 2006 by and between Chesapeake Exploration Limited Partnership and Hallwood Energy, LP.

It is Assignor's intent to convey to Assignee a proportionate share of all of Assignor's right, title and interest, as limited above, in and to the subject lands and well, regardless of the omission of any particular lease or leases, errors in description, incorrect or misspelled names or incorrect recording references.

End of Exhibit "A"



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

FILE# 3341

FILED FOR RECORD ON THE 13TH DAY OF AUGUST A.D. 2008 9:35 A.M.

DULY RECORDED ON THE 14TH DAY OF AUGUST A.D. 2008 4:00 P.M.

BY: Horne Shou DEPUTY

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, REVENUE,
OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR
OR RACE IS UNLAWFUL AND UNENFORCEABLE UNDER FEDERAL
LAW

8.
File No. MF105848
Assignment
Date Filed: 10/13/08
By Jerry E. Patterson, Commissioner

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

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the public records of my office, found in VOL. 800 PAGE 345, THRU 348 OFFICIAL PUBLIC RECORDS

I hereby certify on 08/28/2008



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

BY Josie Flores
JOSIE FLORES, DEPUTY

0.75.00

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

November 5, 2008

Chesapeake Operating, Inc.
PO Box 15496
Oklahoma City, OK 73154

Re: State Lease MF105848 - **Please refer to this lease number with all correspondence**
Brackenridge State 57-44 1
616269

The General Land Office has received and filed the division order submitted for the above-referenced state lease. Please be advised that the payment of royalties attributable to state-owned mineral interests is set by statute. As the execution of division orders may, in some cases, affect the manner in which such payments are paid or calculated, it is the policy of this office not to execute them.

Subject to applicable state law and the state's right to take its production in-kind, the General Land Office acquiesces to the sale of oil and gas under the terms and conditions set out in the oil and gas lease. If you should have questions concerning this matter, please feel free to call me at (512) 463-6521.

Sincerely,

Beverly Boyd, Lease Analyst
Mineral Leasing Division

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

DIVISION ORDER

TO: CHESAPEAKE OPERATING, INC., PAYOR P.O. BOX 18496 OKLAHOMA CITY, OK 73154	PROPERTY NO: 616269 EFFECTIVE: 7/21/2008 PREPARED BY: LINDSEY SMITH/ANITA ROBINSON DATE PREPARED: 10/30/2008 PRODUCT/ZONE: OIL & GAS
--	--

This agreement is made and entered into on October 30, 2008.

The undersigned severally and not jointly certifies it is the legal owner of the interest set out below of all the oil, gas and related liquid hydrocarbons produced from the property described below:

OPERATOR	CHESAPEAKE OPERATING, INC.	OWNER NO:	646157	INT TYPE:	5 (1 = WI, 2 = RI, 3 = ORI)
PROPERTY:	BRACKENRIDGE STATE 57-44 1	OWNER:	STATE OF TEXAS		
LEGAL DESCRIPTION:	SEC 44, BLK 57, PSL SVY REEVES, TEXAS	UNIT ACRES:	640.000000		
		COMMENTS	N/A <i>MF105848</i>		

Status	BPO Net Ac	BPO Lse NRI/RI	BPO Unit Int.	APO1 Net Ac	APO1 Lse NRI/RI	APO1 Unit Int.	APO2 Net Ac	APO2 Lse NRI/RI	APO2 Unit Int.
SM	0.000000	0.10000000	0.10000000	N/A	N/A	N/A	N/A	N/A	N/A

DIVISION OF INTEREST

THIS AGREEMENT DOES NOT AMEND ANY LEASE OR OPERATING AGREEMENT BETWEEN THE INTEREST OWNERS AND THE LESSEE OR OPERATOR OR ANY OTHER CONTRACTS FOR THE PURCHASE OF OIL OR GAS.

The following provisions apply to each interest owner ("Owner") who executes this agreement:

TERMS OF SALE: The undersigned will be paid in accordance with the division of interest set out above. The payor shall pay all parties at the price agreed to by the operator for oil and gas to be sold pursuant to this division order. Purchaser shall compute quantity and make corrections for gravity and temperature and make deductions for impurities in the oil.

PAYMENT: From the effective date, payment is to be made monthly by payor's check, based on this division of interest, for oil runs within 60 days after the end of the month of production and for gas within 90 days after the end of the month of production from the property listed above, less taxes required by law to be deducted and remitted by payor as purchaser. Payments of less than \$100.00 may be accrued before disbursement until the total amount equals \$100.00, or until July 31st of each year, whichever occurs first. However, the Payor may hold accumulated proceeds of less than \$10.00 until production ceases, or the Payor's responsibility for making payment for production ceases, whichever occurs first. Payee agrees to refund to payor any amounts attributable to an interest or part of an interest that payee does not own.

INDEMNITY: The owner agrees to indemnify and hold payor harmless from all liability resulting from payments made to the owner in accordance with such division of interest, including but not limited to attorney fees or judgments in connection with any suit that affects the owner's interest to which payor is made a party.

DISPUTE; WITHHOLDING OF FUNDS: If a suit is filed that affects the interest of the owner, written notice shall be given to payor by the owner together with a copy of the complaint or petition filed. In the event of a claim or dispute that affects title to the division of interest credited herein, payor is authorized to withhold payments accruing to such interest, without interest unless otherwise required by applicable statute, until the claim or dispute is settled.

TERMINATION: Termination of this agreement is effective on the first day of the month that begins after the 30th day after the date written notice of termination is received by either party.

NOTICES: The owner agrees to notify payor in writing of any change in the division of interest, including changes of interest contingent on payment of money or expiration of time. No change of interest is binding on payor until the recorded copy of the instrument of change or documents satisfactorily evidencing such change are furnished to payor at the time the change occurs. Any change of interest shall be made effective on the first day of the month following receipt of such notice by payor. Any correspondence regarding this agreement shall be furnished to the addresses listed unless otherwise advised by either party. In addition to the legal rights provided by the terms and provisions of this division order, an owner may have certain statutory rights under the laws of this state.

WITNESS	SIGNATURE OF INTEREST OWNER	SOCIAL SECURITY/ TAX I.D. NO.	REVENUE ADDRESS
			CORRESPONDENCE ADDRESS

WORK PHONE NUMBER: ()	HOME PHONE NUMBER: ()	FAX NUMBER: ()
---------------------------	---------------------------	--------------------

Failure to furnish your Social Security/Tax I.D. number will result in withholding tax in accordance with federal law, and any tax withheld will not be refundable by payor.

THIS COPY CAN BE RETAINED FOR YOUR RECORDS



File No. MF 105248

DIVISION ORDER

Date Filed: 11/5/08

Jerry E. Patterson, Commissioner

By [Signature]

9.

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

WE HAVE THIS DAY OCTOBER 29, 2008
COMMISSIONER OF THE GENERAL LAND

TENDERED TO

THE SUM OF **\$256,000.00** 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
11/7/2008 TO 11/7/2009 COVERING LESSOR'S INTEREST IN LAND DESCRIBED AS:

Survey: PUBLIC SCHOOL LAND Block/Suffix: 57 Section: 39
Survey: PUBLIC SCHOOL LAND Block/Suffix: 57 Section: 43
Survey: PUBLIC SCHOOL LAND Block/Suffix: 57 Section: 44
Survey: PUBLIC SCHOOL LAND Block/Suffix: 57 Section: 45

RENTAL

LEASE NUMBER TX3230456-000

LEASE DATE: 11/7/2005

PROSPECT: BALMORHEA

RECORDED: BOOK 717 PAGE 130

ENTRY NUMBER: 5225

COUNTY/PARISH REEVES

STATE TX

FOR CREDIT OF:

AMOUNT

017397

COMMISSIONER OF THE GENERAL LAND
OFFICE OF THE STATE OF TEXAS
STEPHEN F. AUSTIN BUILDING
1700 NORTH CONGRESS, SUITE 600
AUSTIN, TX 78701

Acct:
\$200/4TH YR RENTAL

256,000.00

COPY FOR
YOUR RECORDS

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 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.

Date Received **COPY FOR**
Sign Here **YOUR RECORDS**
By _____
Title _____

Subtotal	256,000.00
BANK SERVICE CHARGE \$	0.00
Grand Total	256,000.00
Check No.	38636

THE FACE OF THIS DOCUMENT HAS A COLORED BACKGROUND WITH VOID PANTOGRAPH

CHESAPEAKE OPERATING, INC.
DELAY RENTAL ACCOUNT
P.O. BOX 18496
OKLAHOMA CITY, OK 73154
405/848-8000

BANK OF OKLAHOMA, N.A.
OKLAHOMA CITY, OK

38636

*****256,000 * DOLLARS * 00 * CENTS

DATE
10/29/2008

AMOUNT
\$256,000.00

PAY
TO
THE
ORDER
OF

COMMISSIONER OF THE GENERAL LAND
OFFICE OF THE STATE OF TEXAS
STEPHEN F. AUSTIN BUILDING
1700 NORTH CONGRESS, SUITE 600
AUSTIN, TX 78701

CHESAPEAKE OPERATING, INC.

Jennifer M. Grigsby

THIS DOCUMENT HAS THERMOGRAPHIC INK WITH ANTI-FALSIFICATION WATERMARK. HOLD AT AN ANGLE TO VIEW.

File No. mf105848

10.

RENTAL PAYMENT

Date Filed: 11/4/08

Jerry E. Patterson, Commissioner

By JE



389-32520

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

P dist 08 Jd # 24 6223

STATEMENT OF PRODUCTIVITY OF ACREAGE
ASSIGNED TO PRORATION UNITS

The undersigned states that he is authorized to make this statement; that he has knowledge of the facts concerning the CHESAPEAKE OPERATING INC OPERATOR, BRACKENRIDGE STATE 57-44 LEASE, No. 1 WELL; that such well is completed in the TOYAH, NW (SHALE) Field, REEVES County, Texas and that the acreage claimed, and assigned to such well for proration purposes as authorized by special rule and as shown on the attached certified plat embraces 320 acres which can reasonably be considered to be productive of hydrocarbons.

- CERTIFICATE -

I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

Date 11/13/2009

Signature Gundsey Melott

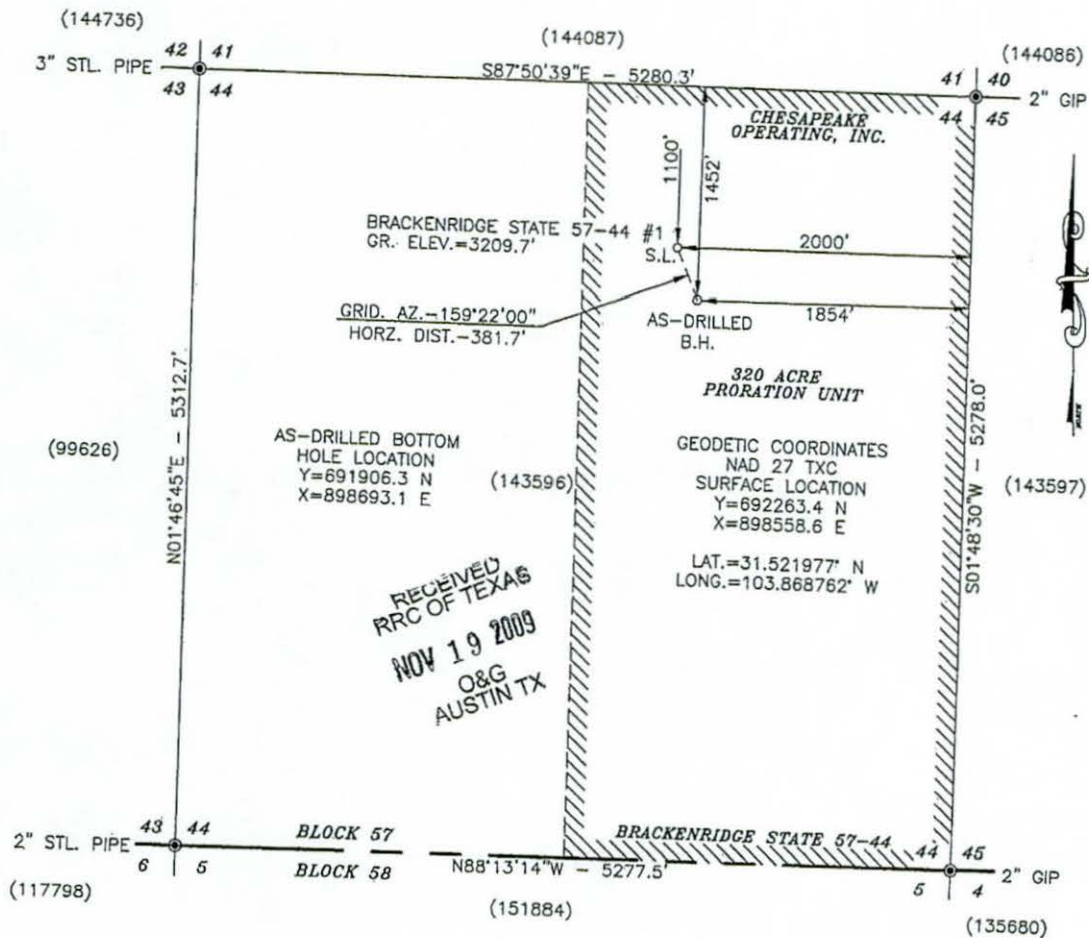
Telephone (405) 935-8323 Title REG. COMP. SPECIALIST
AREA CODE

NO HAD

RECEIVED
RRC OF TEXAS
NOV 19 2009
AUSTIN TX

MF105848

**SECTION 44, BLOCK 57, P.S.L. SURVEY,
REEVES COUNTY
TEXAS**

**NOTES:**

1. THIS LOCATION IS APPROXIMATELY 23.0 MILES WEST OF PECOS, TEXAS.
2. SEE DOCUMENTS FILED FOR RECORD IN THIS OFFICE, WHICH DESCRIBES THE RECONSTRUCTION OF THIS SECTION.
3. BEARINGS SHOWN HEREON ARE LAMBERT GRID AND CONFORM TO THE "TEXAS COORDINATE SYSTEM" TEXAS CENTRAL ZONE, NORTH AMERICAN DATUM 1983. DISTANCES ARE SURFACE VALUES.
4. AS-DRILLED BOTTOM HOLE PLOTTED FROM DATA PROVIDED BY PROFESSIONAL DIRECTIONAL, LTD.

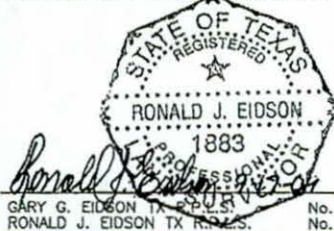
LEGEND

- DENOTES PROPOSED WELL LOCATION
- DENOTES FOUND MONUMENT AS NOTED
- ⊗ DENOTES CALCULATED CORNER
- (143596) DENOTES GENERAL LAND OFFICE NUMBER
- ////// DENOTES PRORATION UNIT

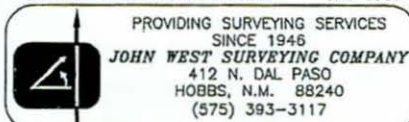
**CHESAPEAKE OPERATING, INC.**

BRACKENRIDGE STATE 57-44 #1
LOCATED 1100 FEET FROM THE NORTH LINE
AND 2000 FEET FROM EAST LINE OF
SECTION 44, BLOCK 57,
PUBLIC SCHOOL LAND SURVEY,
REEVES COUNTY, TEXAS

Survey Date: 12/21/07	Sheet 1 of 1 Sheets
W.O. Number: 09.13.0826	Drawn By: DSR REV:
Date: 09/10/09	RE.W.O.:08132031&09130046 Scale: 1"=1000'



GARY G. EIDSON TX P.S.S. No. 4735
RONALD J. EIDSON TX R.S.S. No. 1883



File No. 105040

Statement of Productivity

Date Filed: 06/04/13

Jerry E. Patterson, Commissioner

By 

14:30:51 Thu Feb 28, 2013

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

INQUIRY

API #: 389 32520

SOURCE: RRC

DIST: 08 LSE/ID: 246223 WELL#: 1

TYPE: GAS CNTY: REEVES

FLD: TOYAH, NW (SHALE)

LSE: BRACKENRIDGE STATE 57-44

OPER: CHESAPEAKE OPERATING, INC.

COMPLETION: 07 21 2008

DRILLING PERMIT #: 655312

W2-G1: 08 13 2008 BUILT: 04 28 2009

R-37 EXCEP CASE #:

ATTACHMENTS: ON FILE

WATER INJECT PERM #:

KEY 'S' TO VIEW ATTACH: _

SALT WATER DISP #:

DOCKET NUMBER:

DRILL COMPLETED: 05 31 2008

DIST W3 APPR DATE: MM DD YYYY

ELEVATION: 3210 GR

TOTAL DEPTH: 18600

WELLBORE PLUGGED:

PLUGBACK DEPTH: 18474

LOCATION SEC: 44

BLK: 57

ABST: 5053

SUR: PSL/HARRIS, W M

SUR/SECT: 001100 FT FROM N

AND 002000 FT FROM E

NOTE=> REMARKS ON FILE FOR THIS DATE

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

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

PRESS 'ENTER' FOR NEXT SCREEN

14:31:59 Thu Feb 28, 2013

DISTRICT > 08 GAS LEDGER INQUIRY
FIELD > TOYAH, NW (SHALE) # 90890 700
OPERATOR > CHESAPEAKE OPERATING, INC. # 147715
LEASE > BRACKENRIDGE STATE 57-44 # 246223 WELL # 1

MM/YYYY	ALLOW	GAS PROD	GAS LIFT	* AMT	* CODE	* AMT	* CODE	CUMU STAT	G/C (MCF/BBL)	RATIO
02/2011	5656 X	4937	0	4937	2				0	
03/2011	6262 X	6003	0	6003	2				0	
04/2011	5820 X	5502	0	5502	2				0	
05/2011	5642 X	5165	0	5165	2				0	
06/2011	5820 X	3788	0	3788	2				0	
07/2011	6014 X	864	0	864	2				0	
08/2011	5580 X	3073	0	3073	2				0	
09/2011	6923 X	6923	0	6923	2				0	
10/2011	5644 X	5644	0	5644	2				0	
11/2011	3780 X	2666	0	2666	2				0	
12/2011	5580 X	4875	0	4875	2				0	
01/2012	5580 X	4441	0	4441	2				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 **

14:32:06 Thu Feb 28, 2013

DISTRICT > 08 GAS LEDGER INQUIRY
FIELD > TOYAH, NW (SHALE) # 90890 700
OPERATOR > CHESAPEAKE OPERATING, INC. # 147715
LEASE > BRACKENRIDGE STATE 57-44 # 246223 WELL # 1

MM/YYYY	ALLOW	GAS PROD	GAS LIFT	* AMT	* CODE	* AMT	* CODE	CUMU STAT	G/C RATIO (MCF/BBL)
02/2012	3685 X	3685	0	3685	2			0	
03/2012	4755 X	4755	0	4755	2			0	
04/2012	4558 X	4558	0	4558	2			0	
05/2012	3627 X	2746	0	2746	2			0	
06/2012	4579 X	4579	0	4579	2			0	
07/2012	3627 X	3024	0	3024	2			0	
08/2012	4743 X	2637	0	2637	2			0	
09/2012	4590 X	2037	0	2037	2			0	
10/2012	4743 X	769	0	769	2			0	
11/2012	4590 X	3281	0	3281	2			0	
12/2012	3038 X	2598	0	2598	2			0	
01/2013	2635 X	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. 105848

RRC Reports

Date Filed: 06/04/13

Jerry E. Patterson, Commissioner

By 

5-21-13

MF 105848

DIVISION ORDER

TO: SHELL WESTERN E&P
P O BOX 576
HOUSTON, TX 77001

PROPERTY: K20819000BSE/001

May 15, 2013

The undersigned severally, and not jointly, certifies it is the legal owner of the interest set out herein and of all the oil, gas, and related liquid hydrocarbons produced from the SHELL WESTERN E&P - BRACKENRIDGE STATE 57-44 1 _____ lease, located in REEVES COUNTY, State of TEXAS, more particularly described as follows:

SEC 44, BLK 57, PSL, A-5053

Effective 7:00 A.M., DATE OF FIRST PRODUCTION, and until further written notice, subject to the conditions, covenants, and directions hereof, you are authorized to receive and to purchase such oil and to give credit for such oil and for such proceeds derived from the sale of gas as set forth in the division order.

THIS AGREEMENT DOES NOT AMEND ANY LEASE OR OPERATING AGREEMENT BETWEEN THE INTEREST OWNERS AND THE LESSEE OR OPERATOR OR ANY OTHER CONTRACTS FOR THE PURCHASE OF OIL AND GAS.

The following provisions apply to each owner ("owner") who executes this agreement:

TERMS OF SALE: The undersigned will be paid in accordance with the division of interest as shown. Payor shall pay all parties at the price agreed to by the operator for oil to be sold pursuant to this division order. Purchaser shall compute quantity and make corrections for gravity and temperature and make deductions for impurities.

The payor shall pay all parties for gas and/or liquid hydrocarbons based on the price provisions set forth in the contract for the purchase of such gas and/or liquid hydrocarbons by the purchaser.

PAYMENT: From the effective date, payment is to be made monthly by the payor's check, based on this division of interest, for the oil run during the preceding calendar month from the property shown herein, less taxes required by law to be deducted and remitted by payor as purchaser.

From the effective date, payment is to be made monthly by payor's check, based on this division of interest, for gas and/or hydrocarbons produced from the property shown herein for the second month preceding the current month, less taxes required by law to be deducted and remitted by payor as purchaser.

Payments of less than \$100 may be accrued before disbursement until the total amount equals \$100 or more, or until April 30th of each year, whichever occurs first. Payee agrees to refund to payor any amounts attributable to an interest or part of an interest that payee does not own.

INDEMNITY: The owner agrees to indemnify and hold payor harmless from all liability resulting from payments made to the owner in accordance with such division of interest, including but not limited to attorney fees or judgments in connection with any suit that affects the owner's interest to which payor is made a party.

DISPUTE, WITHHOLDING OF FUNDS: If a suit is filed that affects the interest of the owner, written notice shall be given to payor by the owner together with a copy of the complaint or petition filed. In the event of a claim or dispute that affects title to the division of interest credited herein, payor is authorized to withhold payments accruing to such interest, without interest, unless otherwise required by applicable statute, until the claim is settled.

TERMINATION: Termination of this agreement is effective on the first day of the month that begins after the 30th day after the date written notice is received by either party.

NOTICES: The owner agrees to notify payor in writing of any change in the division of interest, including changes of interest contingent on payment of money or expiration of time. No change of interest is binding on payor until the recorded copy of the instrument of change or documents satisfactorily evidencing such change are furnished to payor at the time the change occurs. Any change of interest shall be made effective on the first day of the month following receipt of such notice by payor. Any correspondence regarding this agreement shall be furnished to the addresses listed unless otherwise advised by either party.

In addition to the legal rights provided by the terms and provisions of this division order, an owner may have certain statutory rights under the laws of this state.

X _____

BY:

ITS:

COMMISSIONER OF THE
GENERAL LAND OFFICE

Owner Number: COM48200

SSN/TIN: [REDACTED]

Phone No: _____



FRACTIONAL INTEREST

OWNER NO	NAME ADDRESS AND SOCIAL SECURITY NO	FRACTIONAL INTEREST	EX	TI	DECIMAL
COM48200	COMMISSIONER OF THE GENERAL LAND OFFICE STEPHEN F. AUSTIN BUILDING AUSTIN, TX 78701	3/5 X 320/640 X 1/5		RI	0.06000000
COM48200	COMMISSIONER OF THE GENERAL LAND OFFICE	2/5 X 320/640 X 1/5	01	RI	0.04000000

13

File No. MF105848

DIVISION ORDER

Date Filed: 5-21-13

Jerry E. Patterson, Commissioner

By 

CERTIFICATE OF COMPLIANCE
AND TRANSPORTATION AUTHORITY

P-4

5/02—www-1

READ INSTRUCTIONS ON BACK

API 389-32520

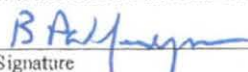
1. Field name exactly as shown on proration schedule TOYAH, NW (SHALE)		2. Lease name as shown on proration schedule BRACKENRIDGE STATE 57-44			
3. Current operator name exactly as shown on P-5 Organization Report MECO IV, LLC		4. Operator P-5 no. 557076	5. Oil Lse/Gas ID no. 246223	6. County Reeves	7. RRC district 08
8. Operator address including city, state, and zip code 1200 17th St., Suite 975 Denver, CO 80202		9. Well no(s) (see instruction E) 1			
		10. Classification ☐ Oil ☒ Gas ☐ Other (see instruction A)		11. Effective Date 09/24/15	
12. Purpose of Filing. (Complete section a or b below.) (See instructions B and G)					
a. Change of: ☒ operator ☐ oil or condensate gatherer ☒ gas gatherer ☒ gas purchaser ☐ gas purchaser system code					
☐ field name from: _____					
☐ lease name from: _____					
OR					
b. New RRC Number for: ☐ oil lease ☐ gas well ☐ other well (specify) _____					
Due to: ☐ new completion or recompletion ☐ reclass oil to gas ☐ reclass gas to oil					
☐ consolidation, unitization, or subdivision (oil lease only)					

13. Authorized GAS WELL GAS or CASINGHEAD GAS Gatherer(s) and/or Purchaser(s). (See instruction G).		Purchaser's RRC Assigned System Code	Percent of Take	Full-well stream
Gatherer	Purchaser			
x		ACCESS MLP OPERATING LLC		100
	x	EAGLECLAW MIDSTREAM Services LLC	238464	100

14. Authorized OIL or CONDENSATE Gatherer(s). (See instruction G).		RRC USE ONLY	
Name of OIL or CONDENSATE Gatherer(s) - List Highest Volume Gatherer First (Attach an additional sheet in same format if more space is needed)	Percent of Take	Reviewer's initials: _____	Approval date: _____

15. PREVIOUS OPERATOR CERTIFICATION FOR CHANGE OF OPERATOR P-4 FILING. Being the PREVIOUS OPERATOR, I certify that operating responsibility for the well(s) designated in this filing, located on the subject lease has been transferred in its entirety to the above named Current Operator. I understand, as Previous Operator, that designation of the above named operator as Current Operator is not effective until this certificate is approved by the Commission.

Shell Western E&P
Name of Previous Operator
Bruce Palfreyman
Name (print)
Vice President - Unconventionals
Title


Signature

☒ Authorized Employee
of previous operator

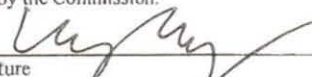
☐ Authorized agent of previous
operator (see instruction G)

09/14/15
Date

(832) 337-3423
Phone with area code

16. CURRENT OPERATOR CERTIFICATION. By signing this certificate as the Current Operator, I certify that all statements on this form are true and correct and I acknowledge responsibility for the regulatory compliance of the subject lease including plugging of well(s) pursuant to Rule 14. I further acknowledge that I assume responsibility for the physical operation, control, and proper plugging of each well designated in this filing. I also acknowledge that I will remain designated as the Current Operator until a new certificate designating a new Current Operator is approved by the Commission.

Thomas J. Corley
Name (print)
Manager
Title
tomc@meccoiv.com
E-mail Address (optional)


Signature

☒ Authorized Employee
of current operator

☐ Authorized agent of current
operator (see instruction G)

9/24/2015
Date

720-932-0220
Phone with area code

File No. MF 105848
County

P4 Operator Change

Date Filed: 11/20/15

George P. Bush, Commissioner

By gm



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

December 9, 2015

Rhonda Deimer
MECO IV, LLC
1200 17th St, Ste 975
Denver, CO 80202

RE: GLO Assignment ID #9496 – MF105848 & MF116656 Reeves County

Dear Ms. Deimer:

The General Land Office received the following instrument and has filed it in the appropriate files.

Assignment, Conveyance and Bill of Sale, effective July 1, 2015, from SWEPI, LP., as assignor to MECO IV, LLC, as assignee. As filed for record in Reeves County, Doc # 15-08828.

Filing fees of \$25.00 were received in connection with the above assignment. Please feel free to contact me if you have any questions.

Best Regards,

Carl Bonn, CPL
Mineral Leasing
Energy Resources
512-463-5407
Email - carl.bonn@glo.texas.gov

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

P.O. Box 12873 • Austin, Texas 78711-2873

512.463.5001 • 800.998.4GLO

glo.texas.gov



ID # 9496

December 3, 2015

Carl Bonn, CPL
Landman, Permanent School Fund – Income Division
Texas General Land Office
1700 North Congress Ave.
Austin, TX 78711-1495

MF 100291 Pecos
104182 Culberson
104183 Culberson
✓ 105848 Reeves
107071 Culberson
✓ 116656 Reeves

RE: Assignments from SWEPI to MECO IV
Pecos, Reeves & Culberson Counties, Texas

Dear Carl:

I finally have the certified copies of the Assignments, Conveyance and Bill of Sale from SWEPI LP into MECO IV, LLC. I've enclosed one for Reeves County, one for Pecos County and one for Culberson County and have attached a separate GLO Assignment Summary form for each county. I've also enclosed our check in the amount of \$150.00 to cover the filing fee.

Please do not hesitate to contact me if you need anything further in this regard or if you have any questions. I can be reached at 720-932-0220, ext. 101 or at rdeimer@mecoiv.com. Thank you very much.

Sincerely,

Rhonda Deimer
Land Administration Manager

Mail to: Texas General Land Office
Attn: Energy Resources
P.O. 12873
Austin, Texas 78711-2873

Texas General Land Office ASSIGNMENT SUMMARY

For General Land Office Use Only

DOCUMENT TYPE: (mark one):

☒ Assignment

☐ Deed of Trust

☐ Merger/Name Change

DOCUMENT RECORDING INFORMATION: (Include all the counties covered by the properties listed below)

County	Volume	Page	Execution Date/Effective Date
Reeves	1199	455	9-22-2015/7-1-15

ASSIGNMENT FEE: \$25 per State Lease (additional \$25 after 90 days)

INTEREST BEING CONVEYED: (mark one)

☒ Working Interest:

☐ Overriding Royalty Interest:

☐ Other (explain):

Remarks:

FROM List all companies or individuals listed in this instrument who are transferring ownership interests, in whole or in part, in the leases shown below	TO List all companies or individuals listed in this instrument who are receiving ownership interests in the leases listed below	% GROSS WI OWNED BY ASSIGNOR	% GROSS WI TRANSFERRED BY ASSIGNOR	% GROSS WI RETAINED BY ASSIGNOR
1. SWEP, LP	Meco IV, LLC	60.0%	60.0%	-0-
2.				
3.				
4.				

Attach additional pages as needed.

LEASES COVERED BY THIS TRANSFER:

State Lease #	COUNTY	BLOCK	SECTION	PART OF SECTION	DEPTH RESTRICTION
1. MF116656	Reeves	56	37	E/2	
2. MF116656	Reeves	56	38	E/2	
3. MF105848	Reeves	57	44	E/2	
4.					

Rhonda Deimer

Preparer's Signature

Rhonda Deimer

Name (please print)

rdimer@mecoiv.com

E-Mail Address

720-932-0220 x 101

Telephone Number

Land Admin. Manager

Title

12-1-2015

Date

I am an authorized representative of the lessee(s) under the State of Texas leases identified herein and represent and certify to the Commissioner of the General Land Office that the information provided on this form is true and correct.

Company Name

Mailing Address

City/State/Zip

MECO IV, LLC

A MERITAGE COMPANY

1200 17th Street

Suite 975

Denver, CO 80202

ID# 9496

MT 105848

MT 116656

15-08828
FILED FOR RECORD
REEVES COUNTY, TEXAS
Sep 28, 2015 at 08:15:00 AM

CH 7-1-15

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

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ASSIGNMENT, CONVEYANCE AND BILL OF SALE

STATE OF TEXAS

COUNTY OF REEVES

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KNOW ALL MEN BY THESE PRESENTS:

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This Assignment, Conveyance and Bill of Sale (this "Conveyance") is dated as of July 1, 2015 (the "Execution Date"), by and between SWEPI LP, a Delaware limited partnership ("Assignor"), and MECO IV, LLC, a Delaware limited liability company ("Assignee"). Each of Assignor and Assignee are sometimes referred to herein individually as a "Party" and collectively as the "Parties."

Capitalized terms used but not defined herein shall have the respective meanings set forth in that certain Purchase and Sale Agreement (the "PSA"), dated as of July 1, 2015, by and between Assignor and Assignee.

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ARTICLE I
CONVEYANCE

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Section 1.1 Conveyance. Subject to the terms and conditions hereof, with effect as of 7:00 a.m. on July 1, 2015, Assignor, for and in consideration of the sum of Ten Dollars (\$10) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, hereby sells, assigns, transfers and conveys unto Assignee, and Assignee hereby accepts from Assignor, all of Assignor's right, title and interest in and to the following (collectively, the "Assets"):

(i) the Hydrocarbon leases, subleases, royalties, overriding royalties, net profits interests, mineral fee interests, carried interests and other rights to Hydrocarbons in place that are described on Exhibit A-1, whether or not the individual Mineral Interest is correctly or completely described on Exhibit A-1, including all pooled or unitized acreage that includes all or a part of any such interests or other rights (the "Mineral Interests"), and all tenements, hereditaments and appurtenances belonging to the Mineral Interests;

(ii) the Undeveloped Locations, the oil, gas, water, CO2, disposal, injection, temporarily abandoned, or other wells described on Exhibit A-2 or which constitute Accepted Discovered Wells, but excluding wells that have been permanently plugged and abandoned, (the "Wells" and together with the Mineral Interests, the "Oil and Gas Interests");

(iii) the surface fee interests and the easements, surface use agreements, rights-of-way, surface leases and other surface rights or interests appurtenant to, and used or held for use in



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connection with the Oil and Gas Interests listed on Exhibit A-3, (the "Surface Interests" and, together with the Oil and Gas Interests, the "Properties");

(iv) the equipment, machinery, fixtures, gas gathering systems, pipelines, manifolds, processing units, compression facilities and other tangible personal property and improvements located on, appurtenant to, and used in connection with the ownership or operation of the Properties at the Effective Time, or otherwise listed on Exhibit A-5 (other than equipment replaced in the ordinary course of business) (the "Equipment")

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(v) the Basic Documents (including without limitation the Material Contracts) and all rights accruing thereunder;

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(vi) Intentionally Omitted

(vii) all Hydrocarbons within, produced from or attributable to the Mineral Interests or Wells from and after the Effective Time;

(viii) the lease records, title records, well logs, production records, regulatory files, environmental files, property accounting records, well files, geological and geophysical data and other records to the extent they pertain to the Assets; excluding however:

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(A) any data, information, software and records to the extent that disclosure or change in ownership in connection with the transactions contemplated by this Agreement is prohibited by applicable Law;

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(B) all legal records and legal files, including but not limited to all work product of and attorney client communications with Seller's counsel, related to Excluded Assets or Retained Obligations;

(C) data and records relating to the sale of the Assets, including bids received from and records of negotiations with third Persons;

(D) any data, information or records to the extent relating to the Excluded Assets or the Retained Obligations;

(E) data, information or records containing Seller's economic, reserves or investment forecasts, analyses, criteria, or rationales or similar information or including Seller's corporate, partnership, financial, tax or legal records (other than title); and

(F) any such data, information or records (including without limitation Seller's proprietary geological or geophysical interpretations, seismic or similar data and information) that are transferrable only upon consent, payment of a license, transfer or other fee or royalty to a third Person, or transferrable only if Purchaser executes a license, royalty or other agreement with a third Person, unless Purchaser pays such fee or royalty or executes such license;



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(The data, records, files, software and information referred to in clauses (A) through (F) above are referred to herein as the "Excluded Records," and subject to such exclusions, the data, records, files, software and information described in this subsection (viii) are referred to herein as "Records");

(ix) any federal, state and local governmental licenses, permits, franchises, orders, exemptions, variances, waivers, authorizations, certificates, consents, rights, privileges and applications therefor ("Governmental Authorizations");

(x) all (i) trade credits, accounts receivable, notes receivable, take-or-pay amounts receivable, and other receivables attributable to the Properties with respect to periods of time from and after the Effective Date or obligations assumed by Purchaser pursuant to the PSA or for which Assignee is obligated to indemnify Assignor (or any affiliate of Assignor) pursuant to the PSA; and (ii) liens and security interests in favor of Assignor or its Affiliate, whether choate or inchoate, under any Law or Basic Document to the extent arising from, or relating to, the ownership, operation, or sale or other disposition on or after the Effective Date of any of the Properties or to the extent arising in favor of Assignor as the operator or non-operator of any Property; and

(xi) the vehicles and rolling stock listed on Exhibit A-4.

EXCEPTING AND RESERVING to Assignor, however, the following (the "Excluded Assets"):

"Excluded Assets" means the following:

- (i) the Excluded Records;
- (ii) the copies of Records retained by Assignor pursuant to Section 7.9 of the PSA;
- (iii) the assets described in Exhibit B, as Assignor understands the description;
- (iv) any rights-of-way, surface or ground leases, easements, franchises, permits, licenses, or other contracts or agreements which by their own terms are not transferable;
- (v) any intellectual property owned by Seller Group (including all data, files and records relating thereto), including without limitation, all software, all trademarks, tradenames and service names, including without limitation, any rights in trademarks and service names, registered or unregistered, containing the word "Shell", the Shell Pecten logo, and any interpretative techniques and processes, including without limitation, any interpretive geological and geophysical information, economic analysis, and any information or other similar proprietary data which might reveal Assignor's or its Affiliates' economic guidelines or other methods or systems by which Assignor or its Affiliates conduct their economic analyses, and any similar proprietary data;
- (vi) any future or existing accounts receivable, tax, contract, insurance premium or other refunds, income or revenue, deposits, insurance or condemnation proceeds or awards,



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rights with respect to operations or claims and causes of action in favor of Assignor (including, without limitation, any joint operating or unit operating agreement audit claims), any of which are attributable to Assignor's ownership of the Assets prior to the Effective Time;

- (vii) Intentionally Omitted;
- (viii) any and all proceeds from production and from the settlements of contract disputes with purchasers of Hydrocarbons or byproducts from the Properties, including, without limitation, settlement of take-or-pay disputes, insofar as said proceeds are attributable to periods of time prior to the Effective Time
- (ix) all rights and interests of Assignor (i) under any policy or agreement of insurance or indemnity (including, without limitation, any rights, claims or causes of action of Assignor against third parties under any indemnities or hold harmless agreements and any indemnities received in connection with Assignor's prior acquisition of any of the Properties) to the extent and only to the extent such rights and interests relate to the ownership of the Properties prior to the Effective Time, but subject to the provisions of the PSA relating to Casualty, and (ii) under any bond;
- (x) all Hydrocarbons produced from the Properties with respect to all periods prior to the Effective Time and all proceeds from the disposition thereof;
- (xi) all "virtual courthouses" of the Assignor and Assignor's exclusive use arrangements with title abstract facilities and all documents and instruments of Assignor that may be protected by an attorney-client privilege and all data that cannot be disclosed to Assignee as a result of confidentiality arrangements under agreements with third parties;
- (xii) all licensed radio frequencies and associated communications infrastructure and equipment, including towers, antennas, data links and network circuits;
- (xiii) all equipment, tools and other equipment brought onto a well site temporarily for purposes of drilling, reworking or maintaining a well, all vehicles and rolling stock not listed on Exhibit A-4, and work over rigs, drilling rigs and related equipment, rental equipment, computers and their associated equipment and software, copy machines, and televisions; and
- (xiv) Any contract which relates to other properties owned by Assignor, which may or may not be listed on Exhibit B or Schedule 1.0 attached to the PSA, including but not limited to any utility contract covering any of the Assets (including but not limited to any contract related to SCADA system data or the reservation of space on a SCADA tower); and
- (xv) Any Properties excluded pursuant to Article 3 or 4.6(b) of the PSA.

TO HAVE AND TO HOLD the Assets unto Assignee, its successors and assigns, forever, subject, however, to the terms and conditions of this Conveyance.

Section 1.2 Special Warranty. Assignor warrants title to the Assets (including the interests in the Oil and Gas Properties reflected on Exhibits A-1 and A-2 of the PSA), subject to



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the Permitted Encumbrances set forth on Exhibit C attached hereto, unto Assignee, its successors and assigns, against all persons claiming or to claim the same or any part thereof by, through or under Assignor, but not otherwise. The Parties acknowledge and agree (1) that the foregoing warranty shall constitute and be considered a special warranty of title by, through and under Assignor under the applicable Laws of the State of Texas, (2) that Purchaser shall have waived and may not assert any breach of said special warranty of title that Purchaser had Knowledge of at or prior to Closing and that should have been brought as a Title Defect, and (3) that any breach of the special warranty of title shall be subject to the Individual Title Threshold and the Aggregate Title Deductible outlined in the PSA. **EXCEPT AS PROVIDED IN THE PRECEDING SENTENCES OF THIS SECTION 1.2, ASSIGNOR MAKES NO WARRANTY OR REPRESENTATION, EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, WITH RESPECT TO ASSIGNOR'S TITLE TO ANY OF THE ASSETS.** Assignor hereby assigns to Assignee all rights, claims and causes of action on title warranties given or made by Assignor's predecessors (other than Affiliates of Assignor), and Assignee is specifically subrogated to all rights which Assignor may have against its predecessors (other than Affiliates of Assignor), to the extent Assignor may legally transfer such rights and grant such subrogation.

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Section 1.3 Disclaimers of Warranties.

(a) ASSIGNEE REPRESENTS THAT IT HAS INSPECTED THE PROPERTIES AND AGREES TO ACCEPT AS OF THE EFFECTIVE TIME THE PHYSICAL AND ENVIRONMENTAL CONDITION OF SAME ON AN "AS IS-WHERE IS" BASIS SUBJECT TO THE TERMS OF THIS CONVEYANCE AND THE PSA. ASSIGNEE ACKNOWLEDGES ALSO THAT PHYSICAL CHANGES IN THE PROPERTIES OR ADJACENT LANDS MAY HAVE OCCURRED AS A CONSEQUENCE OF THE OIL AND GAS DRILLING, PRODUCTION AND RELATED OPERATIONS CONDUCTED ON THE PROPERTIES. THE PROPERTIES MAY CONTAIN UNPLUGGED OR IMPROPERLY PLUGGED WELLS, WELLBORES OR BURIED PIPELINES OR OTHER EQUIPMENT, THE LOCATIONS OF WHICH MAY NOT NOW BE KNOWN TO ASSIGNOR OR BE READILY APPARENT FROM A PHYSICAL INSPECTION OF THE PROPERTIES.

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(b) ASSIGNEE RELEASES ASSIGNOR AND EACH MEMBER OF SELLER GROUP FROM ANY LIABILITY WITH RESPECT TO THE PHYSICAL AND ENVIRONMENTAL CONDITION OF THE PROPERTIES, OTHER THAN AS MAY BE PROVIDED FOR UNDER THIS CONVEYANCE OR THE PSA, WHETHER OR NOT CAUSED BY OR ATTRIBUTABLE TO THE NEGLIGENCE, FAULT, OR STRICT LIABILITY OF ASSIGNOR OR ANY MEMBER OF SELLER GROUP, AND WHETHER OR NOT ARISING DURING THE PERIOD OF, OR FROM, OR IN CONNECTION WITH ASSIGNOR'S OWNERSHIP OF THE PROPERTIES OR USE OF THE PROPERTIES BEFORE OR AT THE EFFECTIVE TIME. WITHOUT LIMITING THE ABOVE, ASSIGNEE WAIVES ANY RIGHT, EXCEPT TO THE EXTENT PROVIDED FOR UNDER THIS CONVEYANCE OR IN THE PSA, TO RECOVER FROM ASSIGNOR OR ANY MEMBER OF SELLER GROUP AND, EXCEPT TO THE EXTENT PROVIDED FOR UNDER THIS CONVEYANCE OR IN THE PSA (INCLUDING ASSIGNOR'S RETENTION OF THE RETAINED

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OBLIGATIONS AS THAT TERM IS DEFINED IN THE PSA), FOREVER RELEASES AND DISCHARGES ASSIGNOR AND EACH MEMBER OF SELLER GROUP FROM ANY AND ALL DAMAGES, CLAIMS, LOSSES, LIABILITIES, PENALTIES, FINES, LIENS, JUDGMENTS, COSTS AND EXPENSES WHATSOEVER, (INCLUDING WITHOUT LIMITATION, ATTORNEYS' FEES AND COSTS), WHETHER DIRECT OR INDIRECT, KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, THAT MAY ARISE ON ACCOUNT OF OR IN ANY WAY BE CONNECTED WITH THE PHYSICAL CONDITION OF THE PROPERTIES AT THE EFFECTIVE TIME OR ANY LAW OR REGULATION APPLICABLE THERETO, INCLUDING WITHOUT LIMITATION, THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT OF 1980, AS AMENDED (42 U.S.C. 9 9601 ET. SEQ.), THE RESOURCE CONSERVATION AND RECOVERY ACT OF 1976 (42 U.S.C. 9 6901 ET. SEQ.), THE CLEAN WATER ACT (33 U.S.C. 99 466 ET. SEQ.), THE SAFE DRINKING WATER ACT (14 U.S.C. 9 1401-1450), THE HAZARDOUS MATERIALS TRANSPORTATION ACT (49 U.S.C. 9 7401 ET. SEQ.) AS AMENDED, THE CLEAN AIR ACT AMENDMENTS OF 1990, AND ANY OTHER APPLICABLE FEDERAL, STATE OR LOCAL LAW, WHETHER OR NOT ARISING DURING THE PERIOD OF, OR FROM, OR IN CONNECTION WITH, ASSIGNOR'S OWNERSHIP OF THE PROPERTIES OR USE OF THE PROPERTIES AT OR PRIOR TO THE EFFECTIVE TIME, AND WHETHER OR NOT ATTRIBUTABLE TO THE STRICT LIABILITY OF ASSIGNOR OR ANY MEMBER OF SELLER GROUP OR TO THE SOLE, JOINT OR CONCURRENT, ACTIVE OR PASSIVE, NEGLIGENCE OF ASSIGNOR OR ANY MEMBER OF SELLER GROUP, EVEN IF CAUSED BY THE NEGLIGENCE OR WILLFUL MISCONDUCT OF ASSIGNOR OR ANY MEMBER OF SELLER GROUP PRIOR TO CLOSING.

(c) ASSIGNEE ACKNOWLEDGES THAT, EXCEPT TO THE EXTENT PROVIDED FOR IN THIS CONVEYANCE OR THE PSA, NONE OF ASSIGNOR, ANY MEMBER OF SELLER GROUP, OR ANY PERSON ACTING ON BEHALF OF ASSIGNOR OR SELLER GROUP, HAS MADE, AND ASSIGNOR HEREBY EXPRESSLY DISCLAIMS AND NEGATES, ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, RELATING TO THE CONDITION OF ANY IMMOVABLE PROPERTY, MOVABLE PROPERTY, EQUIPMENT, INVENTORY, MACHINERY, FIXTURES AND PERSONAL PROPERTY CONSTITUTING PART OF THE ASSETS, INCLUDING, WITHOUT LIMITATION, (a) ANY IMPLIED OR EXPRESS WARRANTY OF MERCHANTABILITY (b) ANY IMPLIED OR EXPRESS WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, (c) ANY IMPLIED OR EXPRESS WARRANTY OF CONFORMITY TO MODELS OR SAMPLES OF MATERIALS, (d) ANY RIGHTS OF ASSIGNEE UNDER APPROPRIATE STATUTES TO CLAIM DIMINUTION OF CONSIDERATION OR RETURN OF THE PURCHASE PRICE, (e) ANY IMPLIED OR EXPRESS WARRANTY OF FREEDOM FROM PATENT OR TRADEMARK INFRINGEMENT, (f) ANY IMPLIED OR EXPRESS WARRANTY OF FREEDOM FROM REDHIBITORY VICES OR DEFECTS OR OTHER VICES OR DEFECTS, WHETHER KNOWN OR UNKNOWN, AND (g) ANY AND ALL IMPLIED WARRANTIES EXISTING UNDER APPLICABLE LAW NOW OR HEREAFTER IN EFFECT, IT BEING THE EXPRESS INTENTION OF ASSIGNOR

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AND ASSIGNEE THAT THE IMMOVABLE PROPERTY, MOVABLE PROPERTY, EQUIPMENT, INVENTORY, MACHINERY, FIXTURES AND PERSONAL PROPERTY SHALL BE CONVEYED TO ASSIGNEE AS IS AND IN THEIR PRESENT CONDITION AND STATE OF REPAIR AND ASSIGNEE REPRESENTS TO ASSIGNOR THAT ASSIGNEE HAS MADE OR CAUSED TO BE MADE SUCH INSPECTIONS WITH RESPECT TO THE IMMOVABLE PROPERTY, MOVABLE PROPERTY, EQUIPMENT, INVENTORY, MACHINERY, FIXTURES AND PERSONAL PROPERTY AS ASSIGNEE DEEMS APPROPRIATE AND ASSIGNEE WILL ACCEPT THE IMMOVABLE PROPERTY, MOVABLE PROPERTY, EQUIPMENT, INVENTORY, MACHINERY, FIXTURES AND PERSONAL PROPERTY AS IS, IN THEIR PRESENT CONDITION AND STATE OF REPAIR.

(d) EXCEPT AS PROVIDED IN THE PSA, ASSIGNOR HEREBY EXPRESSLY NEGATES AND DISCLAIMS, AND ASSIGNEE HEREBY WAIVES, AND ACKNOWLEDGES THAT NONE OF ASSIGNOR, ANY MEMBER OF SELLER GROUP, OR ANY PERSON ACTING ON BEHALF OF ASSIGNOR, HAS MADE, AND ASSIGNEE IS NOT RELYING UPON, ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, OR OTHER ASSURANCE RELATING TO (a) THE ACCURACY, COMPLETENESS OR MATERIALITY OF ANY INFORMATION, DATA OR OTHER MATERIALS (WRITTEN OR VERBAL) NOW, HERETOFORE, OR HEREAFTER FURNISHED TO ASSIGNEE BY OR ON BEHALF OF ASSIGNOR OR (b) PRODUCTION RATES, RECOMPLETION OPPORTUNITIES, DECLINE RATES, GEOLOGICAL OR GEOPHYSICAL DATA OR INTERPRETATIONS, THE QUALITY, QUANTITY, RECOVERABILITY OR COST OF RECOVERY OF ANY HYDROCARBON RESERVES, ANY PRODUCT PRICING ASSUMPTIONS, OR THE ABILITY TO SELL OR MARKET ANY HYDROCARBONS AFTER CLOSING.

(e) ASSIGNEE ACKNOWLEDGES THAT SOME OILFIELD PRODUCTION EQUIPMENT INCLUDED WITHIN THE ASSETS MAY CONTAIN ASBESTOS AND/OR NATURALLY OCCURRING RADIOACTIVE MATERIAL ("NORM"). ASSIGNEE SPECIFICALLY ACKNOWLEDGES THAT NORM MAY AFFIX OR ATTACH ITSELF TO THE INSIDE OF WELLBORES, MATERIALS AND EQUIPMENT AS SCALE OR IN OTHER FORMS, AND THAT WELLS, MATERIALS AND EQUIPMENT INCLUDED WITHIN THE ASSETS AND/OR LOCATED ON A MINERAL INTEREST MAY CONTAIN NORM AND NORM-CONTAINING MATERIAL MAY HAVE BEEN DISPOSED OF ON OR OFF OF A PROPERTY. ASSIGNEE UNDERSTANDS THAT, INASMUCH AS THE PRESENCE OF ASBESTOS AND/OR NORM MAY CONSTITUTE A HEALTH HAZARD, SPECIAL SAFETY AND HANDLING PROCEDURES MAY BE REQUIRED FOR THE REMOVAL AND DISPOSAL OF ASBESTOS AND NORM FROM THE PROPERTIES IF AND WHERE SUCH MAY BE FOUND.

(f) ASSIGNOR CONVEYS ASSIGNOR'S INTERESTS IN AND TO THE ASSETS TO ASSIGNEE WITHOUT ANY WARRANTY OF TITLE, EXPRESS OR IMPLIED, EXCEPT AS SPECIFICALLY PROVIDED FOR IN SECTION 1.2 OF THIS CONVEYANCE. EXCEPT AS PROVIDED FOR IN THE PSA, ASSIGNOR DOES NOT

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MAKE OR PROVIDE (AND ASSIGNOR HEREBY EXPRESSLY DISCLAIMS) AND ASSIGNEE HEREBY WAIVES ANY WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, OR OTHER ASSURANCES CONCERNING THE DESCRIPTION OF THE PROPERTIES, INCLUDING LISTINGS OF NET MINERAL ACRES, PERCENTAGE WORKING INTERESTS OR PERCENTAGE NET REVENUE INTERESTS.

(g) ASSIGNEE ACKNOWLEDGES THAT THE DISCLAIMERS, WAIVERS AND RELEASES CONTAINED IN THIS SECTION 1.3 AND ELSEWHERE IN THIS CONVEYANCE ARE CONSPICUOUS.

ARTICLE 2
ASSUMPTION AND RETENTION OF OBLIGATIONS

Section 2.1 Assumed Obligations. Assignee hereby assumes and agrees to fulfill, perform, pay and discharge all of the Assumed Obligations.

Section 2.2 Basic Documents. Subject to Article 3 and Article 4, Section 10.1.1, and Section 11.1(b) of the PSA, the sale, transfer and conveyance of the Assets to Purchaser will be made subject to, and Purchaser agrees to accept the Assets subject to and agrees to be bound to and to perform, any and all reservations, exceptions, limitations, contracts, assignments, leases and subleases, farmout agreements, joint or unit operating agreements, pooling agreements, letter agreements, production processing or handling agreements, interconnect, transportation, gas sales, metering and allocation, pooling or unitization agreements, easements, rights-of-way and all other agreements or instruments (i) that are contained in the files delivered to Purchaser in the Data Exchange or otherwise delivered to Purchaser prior to the Execution Date or (ii) that are of record with the Texas Secretary of State or any county office, or (iii) that will be delivered to Purchaser for its review prior to Closing or that are referred to therein, (iv) that are listed or referred to on any Exhibit or Schedule to this Agreement, or (v) of which Purchaser has Knowledge prior to the Execution Date, insofar and only insofar as all the foregoing in clauses (i) – (v) pertain to the Properties, Equipment and/or Hydrocarbons produced from the Oil and Gas Properties (the “Basic Documents”).

Section 2.3 Retained Obligations. Notwithstanding Section 2.1, Assignee does not assume and shall not be responsible for, and the Assumed Obligations shall not include, and Assignor shall remain liable for, the Retained Obligations.

ARTICLE 3
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Section 3.1 Further Assurances. Assignor and Assignee agree to take such further actions and to execute, acknowledge and deliver all such further documents as are reasonably requested by the other Party for carrying out the purposes of this Conveyance and the PSA.

Section 3.2 PSA. This Conveyance is delivered pursuant to, and hereby made subject to, the terms and conditions of the PSA. In the event that any provision of this Conveyance is construed to conflict with any provision of the PSA, the provisions of the PSA shall be deemed controlling to the extent of such conflict. The PSA survives the execution and delivery of this Conveyance in accordance with its terms.

Section 3.3 Successors and Assigns. This Conveyance shall bind and inure to the benefit of the Parties and their respective successors and assigns.

Section 3.4 Counterparts. This Conveyance may be executed in counterparts, each of which shall be deemed an original instrument, but all such counterparts together shall constitute but one agreement. No Party shall be bound until such time as all of the Parties have executed counterparts of this Conveyance.

[Signature Page Follows]

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IN WITNESS WHEREOF, this Conveyance has been signed by each of the Parties on the date first above written.

ASSIGNOR:

SWEPI LP

By: Christi Clancy
Name: Christi Clancy
Title: Attorney-in-fact

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ASSIGNEE:

MECO IV, LLC

By: _____
Name: _____
Title: _____

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IN WITNESS WHEREOF, this Conveyance has been signed by each of the Parties on the date first above written.

ASSIGNOR:

SWEPI LP

By: _____
Name: _____
Title: _____

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ASSIGNEE:

MECO IV, LLC

By: 
Name: Sam D. Simeon
Title: Manager

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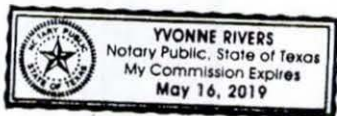


ASSIGNOR:

STATE OF TEXAS

COUNTY OF HARRIS

BE IT KNOWN, that on this 22 day of September, 2015, before me, the undersigned authority, personally came and appeared Chris Clancy appearing herein in his capacity as Attorney-in-fact of SWEPI LP, a Delaware limited partnership, to me personally known to be the identical person whose name is subscribed to the foregoing instrument as the said officer of said limited partnership, and declared and acknowledged to me, Notary, that he executed the same on behalf of said limited partnership with full authority of its Board of Directors, and that the said instrument is the free act and deed of the said limited partnership and was executed for the uses, purposes and benefits therein expressed.



Printed Name: Yvonne Rivers

Notary Public for the State of Texas
County of Harris

ASSIGNEE:

STATE OF COLORADO

COUNTY OF DENVER

BE IT KNOWN, that on this _____ day of _____, 2015, before me, the undersigned authority, personally came and appeared _____ appearing herein in his capacity as _____ of MECO IV, LLC, a Delaware limited liability company to me personally known to be the identical person whose name is subscribed to the foregoing instrument as the said officer of said company, and declared and acknowledged to me, Notary, that he executed the same on behalf of said company with full authority of its Board of Directors, and that the said instrument is the free act and deed of the said company and was executed for the uses, purposes and benefits therein expressed.

Printed Name: _____

Notary Public for the State of Colorado
County of Denver

My commission expires: _____

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ASSIGNOR:

STATE OF TEXAS §
COUNTY OF HARRIS §

BE IT KNOWN, that on this ____ day of _____, 2015, before me, the undersigned authority, personally came and appeared _____ appearing herein in his capacity as _____ of SWEPI LP, a Delaware limited partnership, to me personally known to be the identical person whose name is subscribed to the foregoing instrument as the said officer of said limited partnership, and declared and acknowledged to me, Notary, that he executed the same on behalf of said limited partnership with full authority of its Board of Directors, and that the said instrument is the free act and deed of the said limited partnership and was executed for the uses, purposes and benefits therein expressed.

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Printed Name: _____

Notary Public for the State of Texas
County of Harris

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ASSIGNEE:

STATE OF COLORADO §
COUNTY OF DENVER §

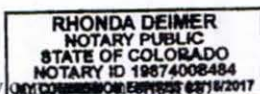
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BE IT KNOWN, that on this 22nd day of September 2015, before me, the undersigned authority, personally came and appeared Sam D. Winegrad appearing herein in his capacity as Manager of MECO IV, LLC, a Delaware limited liability company to me personally known to be the identical person whose name is subscribed to the foregoing instrument as the said officer of said company, and declared and acknowledged to me, Notary, that he executed the same on behalf of said company with full authority of its Board of Directors, and that the said instrument is the free act and deed of the said company and was executed for the uses, purposes and benefits therein expressed.

Rhonda Deimer
Printed Name: Rhonda Deimer

Notary Public for the State of Colorado
County of Denver

My



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ASSIGNOR'S ADDRESS & TELEPHONE
NUMBER

150 N. Dairy Ashford
Houston, TX 77079
832-337-7664

ASSIGNEE'S ADDRESS & TELEPHONE
NUMBER

720-932-0220

MECO IV, LLC
A MERITAGE COMPANY
1200 17th Street
Suite 975
Denver, CO 80202

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EXHIBIT A-1

Attached hereto and made a part of that certain Assignment and Bill of Sale, dated September 22, 2015,
by and between SWEPI LP, as Assignor, and MECO IV, LLC, as Assignee

Pecos MF 100291
Culberson MF 104183
Culberson MF 107071
Culberson MF 104182

TX01806.001	The Estate of Joe Benedum Trees, et al	SONAT Exploration Company	9/10/1998	80.00	80.00	INSOFAR AND ONLY INSOFAR AS THE LEASE COVERS: From the surface down to 3,437 feet below the surface W2NW of Section 18, Block 8, H&GN RR Co Survey, Abstract 6942, 80.00 acres, more or less, Pecos County, Texas	Bk #723/Pg #29	Pecos	North Pecos
TX02503.001	DF Ranch Partners, L.P.	EOG Resources, Inc.	9/8/2004	710.80	710.80	INSOFAR AND ONLY INSOFAR AS THE LEASE COVERS: From the surface down to 9,200' feet below the surface: Section 4, Block 62 T1, T&P RY Co Survey, Abstract 5301, 710.8 Acres, more or less, Culberson County, Texas	Bk #83/Pg #555	Culberson	Culberson
TX02249.001	DF Ranch Partners, L.P.	Chesapeake Exploration LP	8/3/2006	700.00	700.00	INSOFAR AND ONLY INSOFAR AS THE LEASE COVERS: From the surface down to 10,074 feet below the surface Section 2, Block 63 T1, T&P RY Co Survey, Abstract 5295, 700.00 acres, more or less, Culberson County, Texas	Bk # 93/ Pg# 500	Culberson	Culberson
TX02250.001	DF Ranch Partners, L.P.	Chesapeake Exploration LP	8/3/2006	698.00	698.00	INSOFAR AND ONLY INSOFAR AS THE LEASE COVERS: From the surface down to 6,293 feet below the surface Section 3, Block 63 T1, T&P RY Co Survey, Abstract 5089, 698.00 acres, more or less, Culberson County, Texas	Bk # 93/Pg# 216	Culberson	Culberson
TX02605.001	DF Ranch Partners, L.P.	EOG Resources, Inc.	9/8/2004	681.20	681.20	INSOFAR AND ONLY INSOFAR AS THE LEASE COVERS: From the surface down to 9,220 feet below the surface Section 12, Block 63 T1, T&P RY Co, Abstract 5298, 681.2 acres, more or less, Culberson County, Texas	Bk # 83/Pg# 504	Culberson	Culberson
TX02606.001	DF Ranch Partners, L.P.	EOG Resources, Inc.	9/8/2004	640.00	640.00	INSOFAR AND ONLY INSOFAR AS THE LEASE COVERS: From the surface down to the bottom of the Morrow Formation (the east equity of A341 feet below the surface) Section 1, Block 63 T1, T&P RY Co, Abstract 5088, 640 acres, more or less, Culberson County, Texas	Bk # 84/Pg# 565	Culberson	Culberson
TX00250.001	JH Hodge, et al	Reese Cleveland	4/25/1951	632.80	618.98	INSOFAR AS AND ONLY INSOFAR AS THE LEASE COVERS: As to all depths EXCEPT the Mississippi Formation Section 7, Block C-3, Public School Land Survey, 632.80 acres, more or less, Pecos County, Texas	Bk # 181/Pg# 276	Pecos	North Pecos
TX01423.001	James Oliver Neal, et al	Ralph Lowe	3/15/1951	640.00	586.00	INSOFAR AS AND ONLY INSOFAR AS THE LEASE COVERS: From the surface down to the top of the Cherry Canyon Formation (100% WI) and from 5,100' to 7,500' (66.25%) Section 47, Block OW, TTRR Co Survey, Abstract 4913, 640 acres, more or less, Pecos County, Texas	Bk # 177/Pg# 429	Pecos	North Pecos
TX01424.001	Effie Potts Sibley, et al	W.A. Lumpkin	4/10/1952	480.00	318.00	INSOFAR AS AND ONLY INSOFAR AS THE LEASE COVERS: From the surface down to the top of the Cherry Canyon Formation (100% WI) and from 5,100' to 7,500' (66.25%) E2 and E2W2 of Section 48, Block OW, TTRR Co Survey, Abstract 6275, 640 acres, more or less, Pecos County, Texas	Bk # 191/Pg# 451	Pecos	North Pecos
TX01425.001	George W. Athey, et al	F.J. Elyson	3/9/1952	641.01	618.12	INSOFAR AS AND ONLY INSOFAR AS THE LEASE COVERS: From the surface down to the top of the Cherry Canyon Formation Section 44, Block OW, TTRR Co Survey, Abstract 8376, 641.01 acres, more or less, Pecos County, Texas	Bk # 193/Pg# 568	Pecos	North Pecos
TX01425.002	The Midland National Bank, Guardian of the Estate of Dorothy Gentry Light	Secony Mobil Oil Company, Inc.	4/25/1962	641.01	22.89	INSOFAR AS AND ONLY INSOFAR AS THE LEASE COVERS: From the surface down to the top of the Cherry Canyon Formation Section 44, Block OW, TTRR Co Survey, Abstract 8376, 641.01 acres, more or less, Pecos County, Texas	Bk # 295/Pg# 429	Pecos	North Pecos
TX01426.001	Effie Potts Sibley, et al	W.A. Lumpkin	4/10/1952	480.00	480.00	INSOFAR AS AND ONLY INSOFAR AS THE LEASE COVERS: From the surface down to the top of the Cherry Canyon Formation N2 and N2S2 of Section 45, Block OW, TTRR Co Survey, Abstract 4912, 480.00 acres, more or less, Pecos County, Texas	Bk # 191/Pg# 454	Pecos	North Pecos
TX01807.001	The Estate of Joe Benedum Trees, et al	SONAT Exploration Company	11/1/1997	160.00	160.00	INSOFAR AND ONLY INSOFAR AS THE LEASE COVERS: From the surface down to the base of the Delaney Formation NE of Section 12, Block 8, H&GN RR Co Survey, Abstract 5929, 160.00 acres, more or less, Pecos County, Texas	Bk # 715/Pg# 1	Pecos	North Pecos
TX01809.001	The Estate of Joe Benedum Trees, et al	Rock Exploration, Ltd.	9/3/2003	80.00	32.00	INSOFAR AND ONLY INSOFAR AS THE LEASE COVERS: S2SW of Section 17, Block 8, H&GN RR Co Survey, Abstract 202, 80.00 acres, more or less, Pecos County, Texas	Bk # 758/Pg# 703	Pecos	North Pecos



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Reeves

{ MF 116656
MF 105848 }

TX002711.001	Erleen Norm Chalkley	James L. Hall	9/10/1981	160.00	160.00	INsofar AND ONLY INsofar AS THE LEASE COVERS: From the surface down to 2,500 feet below the surface NW of Sec 47, Block 10, MAGN KY Co, Abstract 492, 160 acres, more or less, Pecos County, Texas	Bk# 564/Pg# 669	Pecos	North Pecos
TX000262.001	La Escalera Limited Partnership	Petro-Hunt, LLC	3/14/2005	960.00	416.00	INsofar AS AND ONLY INsofar AS THE LEASE COVERS: Section 1, Block C, GCA&P RR CO Survey, Abstract 1854 SW of Section 43, Block B, GCA&P RR CO Survey, Abstract 2823 NE of Section 55, Block B, GCA&P RR CO Survey, Abstract 2833 960.00 acres, more or less, Pecos County, Texas	Bk# 771/Pg# 852	Pecos	South Pecos
TX01376.001	Harrison Trust	SWEPI LP	4/1/2013	640.00	384.00	E2 of Section 37, Block 56, PSL Survey, Abstract 4577 E2 of Section 38, Block 56, PSL Survey, Abstract 2181 Containing 640.00 acres, more or less, Reeves County, Texas	Bk# 1084/Pg# 551	Reeves	West Reeves
TX002393.001	George W. Brackenridge	Halwood Energy II, LP	11/7/2005	320.00	192.00	INsofar AS AND ONLY INsofar AS THE LEASE COVERS: E2 of Section 44, Block 57, PSL Survey, Abstract 5053, Reeves County, Texas	Bk# 717/Pg# 130	Reeves	West Reeves
TX000251.001	S.M. Halley and wife, Jessie Halley	J.W. Gantt	7/14/1925	640.00	640.00	INsofar AND ONLY INsofar AS THE LEASE COVERS: The depth below 3,600' SW of Section 4, Block B-11, PSL Survey, Abstract 1507 AND All depths E2, NW Section 4, Block B-11, PSL Survey, Abstract 1507, 640.0 acres, more or less, Winkler County, Texas	Bk# 1/Pg# 149	Winkler	Winkler
TX000252.001	Mrs. M.J. Hill	H.H. Adams	3/3/1926	493.38	493.38	INsofar AS AND ONLY INsofar AS THE LEASE COVERS: All depths EXCEPT the Devonian Formation: East 53.38 acres of E2SW of Section 18, Block B-11, PSL Survey, Abstract 187, AND All depths South 160 acres of West 232.5 acres, Section 19, Block B-11, PSL Survey, Abstract 190, AND N2NE of Section 22, Block B-11, PSL Survey, Abstract 188, AND W2NW, S2SE, NWSW of Section 23, Block B-11, PSL Survey, Abstract 189, AND As to the Devonian Formation ONLY: S2SW of Section 23, Block B-11, PSL Survey, Abstract 189, containing 493.38 acres, more or less, Winkler County, Texas	Bk# 1/Pg# 215	Winkler	Winkler
TX000253.001	Eugenia E. Brown	C.O. Collins	9/4/1925	800.00	800.00	INsofar AND ONLY INsofar AS THE LEASE COVERS: Block B-5, PSL Survey All depths Section 3, E2 Depth below 3,000' Section 25, S2SW Depth below the Devonian Formation Sec25: N2SW Block B-11, PSL Survey All depths Section 5: S2SW Depth below 3,163' Section 5: N2SW Depth below 3,000' Section 5: NW	Bk# 1/Pg# 154	Winkler	Winkler
TX000259.001	William A. McCutchen, et ux	W. A. Pater & W. E. Baird, Jr.	5/12/1926	80.00	48.24	INsofar AND ONLY INsofar AS THE LEASE COVERS: The depth from 7,500' to 8,774' below the surface Section 16, Block B-3, PSL Survey, Abstract 1722, 80 acres, more or less, being the North 80 acres of the South 100 acres of the East 160 acres, Winkler County, Texas	Bk# 1/Pg# 292	Winkler	Winkler
TX000260.001	W.L. McCutchen	W.J. Penny	2/8/1947	40.00	19.60	INsofar AND ONLY INsofar AS THE LEASE COVERS: The depth from 7,500' to 8,774' below the surface N4NE of Section 16, Block B-3, PSL Survey, Abstract 1722, 40 acres, more or less, Winkler County, Texas	Bk# 91/Pg# 91	Winkler	Winkler
TX000260.002	M.M. McCutchen, et al	Thomas G. Mann	1/31/1961	40.00	7.54	INsofar AND ONLY INsofar AS THE LEASE COVERS: The depth from 7,500' to 8,774' below the surface Section 16, Block B-3, PSL Survey, Abstract 1722, 40 acres, more or less, being the North 40 acres of the East 160 acres of the South 7/8 of Section 16, Winkler County, Texas	Bk# 175/Pg# 288	Winkler	Winkler
TX000260.003	C.J. Stewart, et al	Thomas G. Mann	6/15/1961	40.00	0.02	INsofar AND ONLY INsofar AS THE LEASE COVERS: The depth from 7,500' to 8,774' below the surface Section 16, Block B-3, PSL Survey, Abstract 1722, 40 acres, more or less, being the North 40 acres of the East 160 acres of the South 7/8 of Section 16, Winkler County, Texas	Bk# 178/Pg# 547	Winkler	Winkler



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TX00260.004	K.B. Yost, et al	Thomas G. Mann	5/22/1961	40.00	6.03	INSOFAR AND ONLY INSOFAR AS THE LEASE COVERS: The depths from 7,500' to 8,774' below the surface Section 16, Block B-3, PSL Survey, Abstract 1722, 40 acres, more or less, being the North 40 acres of the East 140 acres of the South 7/8 of Section 16, Winkler County, Texas	Bk# 176/Pg# 163	Winkler	Winkler
TX00260.005	Ralph F. Wenz, et al	Thomas G. Mann	1/10/1961	40.00	0.43	INSOFAR AND ONLY INSOFAR AS THE LEASE COVERS: The depths from 7,500' to 8,774' below the surface Section 16, Block B-3, PSL Survey, Abstract 1722, 40 acres, more or less, being the North 40 acres of the East 140 acres of the South 7/8 of Section 16, Winkler County, Texas	Bk# 179/Pg# 482	Winkler	Winkler
TX00260.006	Jane Scott Dancy, et al	Thomas G. Mann	1/4/1961	40.00	0.41	INSOFAR AND ONLY INSOFAR AS THE LEASE COVERS: The depths from 7,500' to 8,774' below the surface Section 16, Block B-3, PSL Survey, Abstract 1722, 40 acres, more or less, being the North 40 acres of the East 140 acres of the South 7/8 of Section 16, Winkler County, Texas	Bk# 179/Pg# 505	Winkler	Winkler
TX00260.007	Thomas Fletcher	Thomas G. Mann	1/30/1961	40.00	0.05	INSOFAR AND ONLY INSOFAR AS THE LEASE COVERS: The depths from 7,500' to 8,774' below the surface Section 16, Block B-3, PSL Survey, Abstract 1722, 40 acres, more or less, being the North 40 acres of the East 140 acres of the South 7/8 of Section 16, Winkler County, Texas	Bk# 178/Pg# 538	Winkler	Winkler
TX00260.008	Dorley C. Wenz	Thomas G. Mann	1/4/1961	40.00	0.15	INSOFAR AND ONLY INSOFAR AS THE LEASE COVERS: The depths from 7,500' to 8,774' below the surface Section 16, Block B-3, PSL Survey, Abstract 1722, 40 acres, more or less, being the North 40 acres of the East 140 acres of the South 7/8 of Section 16, Winkler County, Texas	Bk# 178/Pg# 541 (Can't verify)	Winkler	Winkler
TX00260.009	J. Robert King, Jr.	Thomas G. Mann	1/30/1961	40.00	0.02	INSOFAR AND ONLY INSOFAR AS THE LEASE COVERS: The depths from 7,500' to 8,774' below the surface Section 16, Block B-3, PSL Survey, Abstract 1722, 40 acres, more or less, being the North 40 acres of the East 140 acres of the South 7/8 of Section 16, Winkler County, Texas	Bk# 178/Pg# 532	Winkler	Winkler
TX00260.010	Grace King Fletcher, et al	Thomas G. Mann	1/30/1961	40.00	0.02	INSOFAR AND ONLY INSOFAR AS THE LEASE COVERS: The depths from 7,500' to 8,774' below the surface Section 16, Block B-3, PSL Survey, Abstract 1722, 40 acres, more or less, being the North 40 acres of the East 140 acres of the South 7/8 of Section 16, Winkler County, Texas	Bk# 178/Pg# 535	Winkler	Winkler
TX00260.011	John Haley, Jr., et al	Thomas G. Mann	4/7/1961	40.00	1.51	INSOFAR AND ONLY INSOFAR AS THE LEASE COVERS: The depths from 7,500' to 8,774' below the surface Section 16, Block B-3, PSL Survey, Abstract 1722, 40 acres, more or less, being the North 40 acres of the East 140 acres of the South 7/8 of Section 16, Winkler County, Texas	Bk# 178/Pg# 544	Winkler	Winkler
TX00260.012	Edmund McJulian Dapree, et al	Thomas G. Mann	6/21/1961	40.00	0.41	INSOFAR AND ONLY INSOFAR AS THE LEASE COVERS: The depths from 7,500' to 8,774' below the surface Section 16, Block B-3, PSL Survey, Abstract 1722, 40 acres, more or less, being the North 40 acres of the East 140 acres of the South 7/8 of Section 16, Winkler County, Texas	Bk# 178/Pg# 507	Winkler	Winkler
TX00260.013	Continental Oil Company	C. Fred Chambers and W.D. Kennedy	9/15/1961	40.00	3.02	INSOFAR AND ONLY INSOFAR AS THE LEASE COVERS: The depths from 7,500' to 8,774' below the surface Section 16, Block B-3, PSL Survey, Abstract 1722, 40 acres, more or less, being the North 40 acres of the East 140 acres of the South 7/8 of Section 16, Winkler County, Texas	Bk# 179/Pg# 411	Winkler	Winkler
TX00261.001	Guy Oakes	Roy Chadsenworth	2/14/1949	80.00	3.02	INSOFAR AND ONLY INSOFAR AS THE LEASE COVERS: The depths from 7,500' to 8,774' below the surface N4NE and the North 40 acres of East 140 acres of the South 7/8 of Section 16, Block B-3, PSL Survey, Abstract 1722, 80 acres, more or less, Winkler County, Texas	Bk# 96/Pg# 234	Winkler	Winkler
TX00261.002	K.E. Merzian, et al	Roy Chadsenworth	2/14/1949	80.00	4.04	INSOFAR AND ONLY INSOFAR AS THE LEASE COVERS: The depths from 7,500' to 8,774' below the surface N4NE and the North 40 acres of East 140 acres of the South 7/8 of Section 16, Block B-3, PSL Survey, Abstract 1722, 80 acres, more or less, Winkler County, Texas	Bk# 97/Pg# 36	Winkler	Winkler
TX00261.003	North Central Texas Oil Co	Roy Chadsenworth	1/7/1949	80.00	3.02	INSOFAR AND ONLY INSOFAR AS THE LEASE COVERS: The depths from 7,500' to 8,774' below the surface N4NE and the North 40 acres of East 140 acres of the South 7/8 of Section 16, Block B-3, PSL Survey, Abstract 1722, 80 acres, more or less, Winkler County, Texas	Bk# 96/Pg# 231	Winkler	Winkler
TX00723.001	Kate S. Green	Sun Oil Company	9/21/1925	160.00	95.07	INSOFAR AS AND ONLY INSOFAR AS THE LEASE COVERS: Depths below 8,300' W4 of Section 4, Block 34, H&TC RR Co Survey, Abstract 745, 160.00 acres, more or less, Ward County, Texas	Bk# 32/Pg# 463	Ward	Winkler
TX00724.001	John Miller, et al	Clyde Vasson	12/6/1925	320.00	190.14	INSOFAR AS AND ONLY INSOFAR AS THE LEASE COVERS: N2 of Section 11, Block 32, H&TC RR Co Survey, Abstract 140, 320 acres, more or less, Ward County, Texas	Bk# 34/Pg# 393	Ward	Winkler
TX00750.001	State of Texas - Suse Belle Lackland	The Atlantic Refining Company of Magnolia, et al	4/26/1948	240.00	142.61	INSOFAR AS AND ONLY INSOFAR AS THE LEASE COVERS: Depths below 2,594' All of S2 of Section 8, S&VE AND EXCEPT the S1 1/8 (80 acres), Block 32, H&TC RR Co Survey, Abstract 1177, containing 240.00 acres, more or less, Ward County, Texas	Bk# 123/Pg# 573	Ward	Winkler
TX01794.001	State of Texas	Gibson & Johnson	7/8/1930	482.65	448.86	INSOFAR AS AND ONLY INSOFAR AS THE LEASE COVERS: Depths below 3,000' W2 and W2E2 of Section 6, Block 16, University Lands Survey, 482.65 acres, more or less, Ward County, Texas	Bk# 53/Pg# 132	Ward	Winkler

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Page 3 of 4

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TX01906.001	First National Bank of Longview, Texas	Roger L. Stephenson	11/21/1972	3280.00	22.15	INSOFAR AND ONLY INSOFAR AS THE LEASE COVERS All of Sections, SAVE AND EXCEPT the S2SW, Block 26, PSJ Survey All of Sections 14, 23, 24, 31, 32, Block 74	Bk# 265/Pg# 541	Winkler	Winkler
TX01906.002	Methodist Home Foundation	Roger L. Stephenson	12/20/1972	3280.00	22.15	INSOFAR AND ONLY INSOFAR AS THE LEASE COVERS All of Sections, SAVE AND EXCEPT the S2SW, Block 26, PSJ Survey All of Sections 14, 23, 24, 31, 32, Block 74	Bk# 266/Pg# 604	Winkler	Winkler
TX01906.003	The Episcopal Theological Seminary of the Southwest	Roger L. Stephenson	11/16/1972	3280.00	22.15	INSOFAR AND ONLY INSOFAR AS THE LEASE COVERS All of Sections, SAVE AND EXCEPT the S2SW, Block 26, PSJ Survey All of Sections 14, 23, 24, 31, 32, Block 74	Bk# 265/Pg# 538	Winkler	Winkler
TX01906.004	The Bishop Quin Foundation	Roger L. Stephenson	11/16/1972	3280.00	22.15	INSOFAR AND ONLY INSOFAR AS THE LEASE COVERS All of Sections, SAVE AND EXCEPT the S2SW, Block 26, PSJ Survey All of Sections 14, 23, 24, 31, 32, Block 74	Bk# 265/Pg# 535	Winkler	Winkler
TX02610.001	E.W. Eams, et ux	J.W. Grant	11/18/1924	355.50	177.75	INSOFAR AS AND ONLY INSOFAR AS THE LEASE COVERS Depths below the top of the Mississippian Formation *50% WT in depths from top of Mississippian to base of Montoya *100% WT below the base of Montoya West 355.5 acres of Section 29, Block B-19, PSJ Survey, Abstract 743, Ward County, Texas	Bk# 31/Pg# 637	Ward	Winkler



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EXHIBIT A-2

Attached hereto and made a part of that certain Assignment and Bill of Sale, dated September 22, 2015,
by and between SWEPI LP, as Assignor, and MECO IV, LLC, as Assignee

Well Name	Well ID	TX01425.001	Pecos	North Pecos	Secondary Injection Well	Secondary Injection Well
CHARLES B ATHEY C 3	4237133091	TX01425.001	Pecos	North Pecos	1.0000	0.8517
CHARLES B ATHEY C 4	4237133434	TX01425.001	Pecos	North Pecos	1.0000	0.8517
CHARLES B ATHEY C 5	4237133435	TX01425.001	Pecos	North Pecos	1.0000	0.8517
J H HODGE 8	4237137459	TX00250.001	Pecos	North Pecos	0.9750	0.8531
J H HODGE 5	4237120417	TX00250.001	Pecos	North Pecos	1.0000	0.8750
J H HODGE 2	4237105758	TX00250.001	Pecos	North Pecos	1.0000	0.8750
J H HODGE 1	4237104622	TX00250.001	Pecos	North Pecos	1.0000	0.8750
J H HODGE 9	4237137740	TX00250.001	Pecos	North Pecos	0.9750	0.8531
J H HODGE 6	4237130027	TX00250.001	Pecos	North Pecos	1.0000	0.8750
NEAL 47 1	4237137106	TX01423.001	Pecos	North Pecos	0.6625	0.4969
NEAL 47 10	4237137420	TX01423.001	Pecos	North Pecos	0.6625	0.4969
NEAL 47 11	4237137701	TX01423.001	Pecos	North Pecos	0.6625	0.4969
NEAL 47 12	4237137639	TX01423.001	Pecos	North Pecos	0.6625	0.4969
NEAL 47 13	4237137702	TX01423.001	Pecos	North Pecos	0.6625	0.4969
NEAL 47 14	4237137703	TX01423.001	Pecos	North Pecos	0.6625	0.4969
NEAL 47 15	4237137635	TX01423.001	Pecos	North Pecos	0.6625	0.4969
NEAL 47 2	4237137137	TX01423.001	Pecos	North Pecos	0.6625	0.4969
NEAL 47 3	4237137165	TX01423.001	Pecos	North Pecos	0.6625	0.4969
NEAL 47 4	4237137164	TX01423.001	Pecos	North Pecos	0.6625	0.4969
NEAL 47 5	4237137200	TX01423.001	Pecos	North Pecos	0.6625	0.4969
NEAL 47 6	4237137199	TX01423.001	Pecos	North Pecos	0.6625	0.4969
NEAL 47 7	4237137248	TX01423.001	Pecos	North Pecos	0.6625	0.4969
NEAL 47 8	4237137340	TX01423.001	Pecos	North Pecos	0.6625	0.4969
NEAL 47 9	4237137355	TX01423.001	Pecos	North Pecos	0.6625	0.4969
JAMES O NEAL 3	4237120394	TX01423.001	Pecos	North Pecos	Salwater Disposal Well	Salwater Disposal Well
JAMES O NEAL 4	4237132396	TX01423.001	Pecos	North Pecos	1.0000	0.8400
JAMES O NEAL 5	4237132621	TX01423.001	Pecos	North Pecos	1.0000	0.8400
JAMES O NEAL 6	4237132620	TX01423.001	Pecos	North Pecos	1.0000	0.8400
JAMES O NEAL 7	4237132859	TX01423.001	Pecos	North Pecos	1.0000	0.8400
JAMES O NEAL 8	4237132762	TX01423.001	Pecos	North Pecos	1.0000	0.8400
SIBLEY 48 1	4237137259	TX01424.001	Pecos	North Pecos	0.6625	0.4969
SIBLEY 48 10	4237137562	TX01424.001	Pecos	North Pecos	0.6625	0.4969
SIBLEY 48 2	4237137320	TX01424.001	Pecos	North Pecos	0.6625	0.4969
SIBLEY 48 3	4237137354	TX01424.001	Pecos	North Pecos	0.6625	0.4969
SIBLEY 48 4	4237137371	TX01424.001	Pecos	North Pecos	0.6625	0.4969
SIBLEY 48 5	4237137418	TX01424.001	Pecos	North Pecos	0.6625	0.4969

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SIBLEY 48 6	4237137421	TX01424.001	Pecos	North Pecos	0.6625	0.4969
SIBLEY 48 7	4237137464	TX01424.001	Pecos	North Pecos	0.6625	0.4969
SIBLEY 48 8	4237137572	TX01424.001	Pecos	North Pecos	0.6625	0.4969
SIBLEY 48 9	4237137571	TX01424.001	Pecos	North Pecos	0.6625	0.4969
SIBLEY EFFIE POTTS 12	4237133594	TX01424.001	Pecos	North Pecos	Secondary Injection Well	Secondary Injection Well
SIBLEY EFFIE POTTS 4	4237110816	TX01424.001	Pecos	North Pecos	Secondary Injection Well	Secondary Injection Well
SIBLEY EFFIE POTTS 5	4237110817	TX01424.001	Pecos	North Pecos	Secondary Injection Well	Secondary Injection Well
SIBLEY EFFIE POTTS 7	4237132397	TX01424.001	Pecos	North Pecos	Secondary Injection Well	Secondary Injection Well
SIBLEY EFFIE POTTS B 3	4237132759	TX01426.001	Pecos	North Pecos	1.0000	0.8400
SIBLEY EFFIE POTTS B 4	4237133125	TX01426.001	Pecos	North Pecos	1.0000	0.8400
SIBLEY EFFIE POTTS B 5	4237133126	TX01426.001	Pecos	North Pecos	1.0000	0.8400
TREES ESTATE 12 1	4237136829	TX01807.001	Pecos	North Pecos	1.0000	0.7500
TREES ESTATE 12 2	4237136908	TX01807.001	Pecos	North Pecos	1.0000	0.7500
TREES ESTATE 12 3	4237136941	TX01807.001	Pecos	North Pecos	1.0000	0.7500
JOE B TREES ESTATE 1	4237137318	TX01809.001	Pecos	North Pecos	0.4000	0.3000
LA ESCALERA C1 -1H	4237138390	TX00262.001	Pecos	South Pecos	Currently at 0.0000 BPO (0.4000 APO)	Currently at 0.0000 BPO (0.3200 APO)
LA ESCALERA B-55 UNIT 1H	4237137829	TX00262.001	Pecos	South Pecos	0.5000	0.3750
HARRISON STATE 56-38 3 ST	4238932425	TX01376.001	Reeves	West Reeves	0.6000	0.4440
HARRISON STATE 56-37 1	4238932460	TX01376.001	Reeves	West Reeves	0.6000	0.4440
BRACKENRIDGE STATE 57-44 1	4238932520	TX02393.001	Reeves	West Reeves	0.6000	0.4800
DALTEX STATE 55 701	4210932298	n/a	Culberson	Culberson	Currently at 1.0000 BPO (0.5000 APO)	Currently at 0.8000 BPO (0.4000 APO)
DF RANCH 63-1 1	4210932295	TX02606.001	Culberson	Culberson	1.0000	0.8125
DF RANCH 63-3 1H	4210932292	TX02250.001	Culberson	Culberson	1.0000	0.7500
DF RANCH STATE 63-12 1	4210932302	TX02605.001	Culberson	Culberson	1.0000	0.8125
DF RANCH STATE 63-2 1	4210932284	TX02249.001	Culberson	Culberson	1.0000	0.7500
D F RANCH 62-4 1H	4210932314	TX02603.001	Culberson	Culberson	1.0000	0.8125
STATE-TREES 18 1	4237136939	TX01808.001	Pecos	North Pecos	1.0000	0.7500
STATE OF TEXAS 17	4247533649	TX01794.001	Ward	Winkler	0.93	0.74284
W A MCCUTCHEN 1L W A MCCUTCHEN 1U	4249500470 (1L) 4249500470 (1U)	TX00259.001 TX00260.001-.013 TX00261.001-.003	Winkler	Winkler	0.6029	0.4713
M J HILL 22 6	4249505421	TX00252.001	Winkler	Winkler	1.0000	0.8750
M J HILL 23 15	4249505430	TX00252.001	Winkler	Winkler	1.0000	0.8750
M J HILL 23 29	4249531303	TX00252.001	Winkler	Winkler	1.0000	0.8750
M J HILL 30	4249531306	TX00252.001	Winkler	Winkler	1.0000	0.8750
M J HILL 10	4249505425	TX00252.001	Winkler	Winkler	1.0000	0.8750
M J HILL 23 A-28	4249531288	TX00252.001	Winkler	Winkler	1.0000	0.8750
M J HILL 23-11	4249505426	TX00252.001	Winkler	Winkler	1.0000	0.8750
M J HILL 26W	4249510402	TX00252.001	Winkler	Winkler	Secondary Injection Well	Secondary Injection Well
S M HALLEY B-1	4249505362	TX00251.001	Winkler	Winkler	1.0000	0.8750
S M HALLEY B-11	4249505381	TX00251.001	Winkler	Winkler	1.0000	0.8750
S M HALLEY B-12	4249505383	TX00251.001	Winkler	Winkler	1.0000	0.8750
S M HALLEY B-14	4249505386	TX00251.001	Winkler	Winkler	1.0000	0.8750
S M HALLEY B-17	4249505389	TX00251.001	Winkler	Winkler	1.0000	0.8750
S M HALLEY B-18	4249505390	TX00251.001	Winkler	Winkler	1.0000	0.8750

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S M HALLEY B-2	4249505364	TX00251.001	Winkler	Winkler	1.0000	0.8750
S M HALLEY B-20	4249505392	TX00251.001	Winkler	Winkler	1.0000	0.8750
SM HALLEY B-3 WTW	4249505366	TX00251.001	Winkler	Winkler	Secondary Injection Well	Secondary Injection Well
S M HALLEY B-23 (PDBP)	4249505394	TX00251.001	Winkler	Winkler	1.0000	0.8750
S M HALLEY B-39 (PDBP)	4249532263	TX00251.001	Winkler	Winkler	1.0000	0.8750
S M HALLEY B-41	4249532561	TX00251.001	Winkler	Winkler	1.0000	0.8750
S M HALLEY B-42 (PDBP)	4249532956	TX00251.001	Winkler	Winkler	1.0000	0.8750
S M HALLEY B-43 (PDBP)	4249532963	TX00251.001	Winkler	Winkler	1.0000	0.8750
S M HALLEY B-7	4249505373	TX00251.001	Winkler	Winkler	1.0000	0.8750
S M HALLEY B-9	4249505379	TX00251.001	Winkler	Winkler	1.0000	0.8750
S M HALLEY B-15	4249505387	TX00251.001	Winkler	Winkler	1.0000	0.8750
S M HALLEY B-8	4249505375	TX00251.001	Winkler	Winkler	1.0000	0.8750
SM HALLEY B-21 WTW	4249512694	TX00251.001	Winkler	Winkler	Secondary Injection Well	Secondary Injection Well
SM HALLEY B-32 WTW	4249531535	TX00251.001	Winkler	Winkler	Secondary Injection Well	Secondary Injection Well
SM HALLEY B-36 WTW	4249532083	TX00251.001	Winkler	Winkler	Secondary Injection Well	Secondary Injection Well
S M HALLEY B-38 WTW	4249532085	TX00251.001	Winkler	Winkler	Secondary Injection Well	Secondary Injection Well
BRACKENRIDGE STATE 44	HZ #1M WC	NE/4 of the NE/4	Sec. 44, Block 57, PSL Survey, A-5053	0.6000	0.4800	All
HALLEY S M -B-	01CH	E/2 of the NW/4 of the NW/4	Sec. 4, Block B-11, PSL Survey, A-1507	1.0000	0.8750	All
HALLEY S M -B-	02CH	W/2 of the NW/4 of the NW/4	Sec. 4, Block B-11, PSL Survey, A-1507	1.0000	0.8750	All
HALLEY S M -B-	03CH	E/2 of the SW/4 of the NW/4	Sec. 4, Block B-11, PSL Survey, A-1507	1.0000	0.8750	All
HALLEY S M -B-	04CH	W/2 of the SW/4 of the NW/4	Sec. 4, Block B-11, PSL Survey, A-1507	1.0000	0.8750	All
HALLEY S M -B-	05CH	E/2 of the SE/4 of the NW/4	Sec. 4, Block B-11, PSL Survey, A-1507	1.0000	0.8750	All
HALLEY S M -B-	06CH	W/2 of the SE/4 of the NW/4	Sec. 4, Block B-11, PSL Survey, A-1507	1.0000	0.8750	All
HALLEY S M -B-	07CH	E/2 of the NW/4 of the NE/4	Sec. 4, Block B-11, PSL Survey, A-1507	1.0000	0.8750	All
HALLEY S M -B-	08CH	W/2 of the NW/4 of the NE/4	Sec. 4, Block B-11, PSL Survey, A-1507	1.0000	0.8750	All
HALLEY S M -B-	09CH	E/2 of the SW/4 of the NE/4	Sec. 4, Block B-11, PSL Survey, A-1507	1.0000	0.8750	All
HALLEY S M -B-	10CH	W/2 of the SW/4 of the NE/4	Sec. 4, Block B-11, PSL Survey, A-1507	1.0000	0.8750	All
HALLEY S M -B-	11CH	W/2 of the NE/4 of the NW/4	Sec. 4, Block B-11, PSL Survey, A-1507	1.0000	0.8750	All
HALLEY S M -B-	12CH	W/2 of the NW/4 of the SE/4	Sec. 4, Block B-11, PSL Survey, A-1507	1.0000	0.8750	All
HALLEY S M -B-	13CH	W/2 of the SW/4 of the SE/4	Sec. 4, Block B-11, PSL Survey, A-1507	1.0000	0.8750	All
HALLEY S M -B-	1CH	E/2 of the NE/4 of the NW/4	Sec. 4, Block B-11, PSL Survey, A-1507	1.0000	0.8750	All
HALLEY S M -B-	2CH	E/2 of the NW/4 of the SE/4	Sec. 4, Block B-11, PSL Survey, A-1507	1.0000	0.8750	All
HALLEY S M -B-	3CH	E/2 of the SW/4 of the SE/4	Sec. 4, Block B-11, PSL Survey, A-1507	1.0000	0.8750	All
HALLEY S M -B-	4CH	W/2 of the SE/4 of the SE/4	Sec. 4, Block B-11, PSL Survey, A-1507	1.0000	0.8750	All
HALLEY S M -B-	11CF	NE/4 of the NE/4	Sec. 4, Block B-11, PSL Survey, A-1507	1.0000	0.8750	All
HALLEY S M -B-	2LCF	NW/4 of the NE/4	Sec. 4, Block B-11, PSL Survey, A-1507	1.0000	0.8750	All
HALLEY S M -B-	1 DEV	NE/4	Sec. 4, Block B-11, PSL Survey, A-1507	1.0000	0.8750	All
HALLEY S M -B-	1 DEV	E/2 of the SW/4	Sec. 4, Block B-11, PSL Survey, A-1507	1.0000	0.8750	Below 3600'
HALLEY S M -B-	2 DEV	W/2 of the SW/4	Sec. 4, Block B-11, PSL Survey, A-1507	1.0000	0.8750	Below 3600'
HALLEY S M -B-	3 DEV	SE/4	Sec. 4, Block B-11, PSL Survey, A-1507	1.0000	0.8750	All
HALLEY S M -B-	2 WM	SE/4	Sec. 4, Block B-11, PSL Survey, A-1507	1.0000	0.8750	All
HARRISON STATE 37	HZ #1WC	NE/4 of the NE/4	Sec. 37, Block 56, PSL Survey, A-4577	0.6000	0.4440	All
HARRISON STATE 38	HZ #1WC	NE/4 of the NE/4	Sec. 38, Block 56, PSL Survey, A-2181	0.6000	0.4440	All
HARRISON STATE 38	HZ #2WC	NW/4 of the NE/4	Sec. 38, Block 56, PSL Survey, A-2181	0.6000	0.4440	All

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HILL M J	1G	N/2 of East 53.38 acres of the E/2 of the SW/4	Sec. 18, Block B-11, PSL Survey, A-187	1.0000	0.8750	All less and except the Devonian Formation
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EXHIBIT A-3

Attached hereto and made a part of that certain Assignment and Bill of Sale, dated September 22, 2015,
by and between SWEPI LP, as Assignor, and MECO IV, LLC, as Assignee

MC00185.001	Texas Pacific Land Trust	SWEPI	Surface Lease	5 year 30' roadway easement	8/1/2014	Section 11, Block 65 T1, T&PR RR Co, Culberson County, Texas	YES		Culberson
RW80694.001	The Estate of Joe Bedum Trees, et al	Union Oil Company of California	Right-of-Way	P/L Easement for SWD	11/1/1999	Section 12 and NW of Section 18, Block 8, H&GN RR Co, Pecos County, Texas	YES	DOC #64940 B711 P294	Pecos
RW02838.001	Jerome Hoelcher, Inc.	SWEPI LP	Right-of-Way	P/L Easement for SWD	8/19/2013	Sections 7 and 18, Block C3, PSL Survey, Culberson County, Texas Section 18, Block C3, PSL Survey, Reeves County, Texas	NO	DOC #2013-127518 B085 P003 DOC #2013-127519 B085 P009	Pecos and Reeves
RW80558.001	Cox Brothers Farms	SONAT Exploration Company	Right-of-Way	Roadway Easement	6/1/1998	SE of Section 11, Block 8, H&GN Ry Co Survey, Pecos County, Texas	NO	703/309	Pecos
RW06346.001	U/W/O Edith L. Tines, deceased, et al	SWEPI LP	Right-of-Way	P/L Easement	7/17/2014	Section 64, Block OW, Mtn. WC Spidel Survey, Abstract 4845, Pecos County, Texas	YES		Pecos
RW80557.001	Vest & Pigmon	Oxy's Energy Company	Damage Settlement Agreement	Compromise Settlement Agreement and Release	12/30/1993	PSL Survey, Block B-5 Sections 3, 4, 5, 6, 7, 8, 15, 16, 17, 24, 25, 26, 27, 36, 37, 38, 39 PSL Survey, Block B-12 Sections 1, 2, 3, 12, 13, 24, 25 Winkler County, Texas	NO		Winkler
PT00002.001	Stout & Brown Properties, Inc.	Shell Oil Company	Surface Lease		5/30/2014	Section 36, Block 26, PSL Survey, Winkler County, Texas	NO	DOC #14-18304	Winkler

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EXHIBIT A-4

Attached hereto and made a part of that certain Assignment and Bill of Sale, dated September 22, 2015,
by and between SWEPI LP, Assignor, and MECO IV, LLC, as Assignee.

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EXHIBIT A-5

Attached hereto and made a part of that certain Assignment and Bill of Sale, dated September 22, 2015,
by and between SWEPI LP, as Assignor, and MECO IV, LLC, as Assignee

Unit ID	Plant ID	Equipment		Equipment Name
		Type	Equipment Number	
Permian	2097 M J HILL 22 6	Vessel	F-1500	Heater-Treater
Permian	2097 M J HILL 22 6	Tank	T-1710	Tank
Permian	2097 M J HILL 22 6	Pipe	M J Hill 22 6A	Facility Piping
Permian	2097 M J HILL 22 6	Tank	T-1600	Tank
Permian	2098 M J HILL 23 15	Pipe	M J Hill 23 15	Facility Piping
Permian	2098 M J HILL 23 CTB	Vessel	F-1500 1H	Heater-Treater
Permian	2098 M J HILL 23 CTB	Pipe	M J Hill 23 CTB	Facility Piping
Permian	2098 M J HILL 23 CTB	Tank	T-1600	Tank
Permian	2098 M J HILL 23 CTB	Tank	T-1700	Tank
Permian	2098 M J HILL 23 CTB	Vessel	F-1500 2H	Heater-Treater
Permian	2099 M J HILL 26 WIW	Pipe	M J Hill 26 WIW	Facility Piping
Permian	2099 M J HILL 26 WIW	Tank	T-1600	Tank
Permian	2099 M J HILL 26 WIW	Tank	T-1610	Tank
Permian	2101 S M HALLEY B-12	Vessel	V-1901	Separator
Permian	2101 S M HALLEY B-41	Vessel	V-1200	Separator
Permian	2101 S M HALLEY B-41	Tank	T-1600	Tank
Permian	2101 S M HALLEY B-42	Vessel	V-1400	Free-Water-Knock-Out (FWKO)
Permian	2101 S M HALLEY B-43	Vessel	V-1300	Separator
Permian	2101 S M HALLEY CTB	Vessel	V-1900	Fuel Gas Scrubber
Permian	2101 S M HALLEY CTB	Vessel	V-1901	Separator
Permian	2101 S M HALLEY CTB	Vessel	V-1400	Free-Water-Knock-Out (FWKO)
Permian	2101 S M HALLEY CTB	Tank	T-1610	Tank
Permian	2101 S M HALLEY CTB	Pipe	S M Halley CTB	Facility Piping
Permian	2101 S M HALLEY CTB	Tank	T-1600	Tank
Permian	2101 S M HALLEY CTB	Vessel	F-1520	Heater-Treater
Permian	2101 S M HALLEY CTB	Tank	T-1620	Tank
Permian	2101 S M HALLEY CTB	Tank	T-1700	Tank
Permian	2101 S M HALLEY CTB	Tank	T-1710	Tank
Permian	2101 S M HALLEY CTB	Vessel	F-1500	Heater-Treater
Permian	2101 S M HALLEY CTB	Vessel	F-1510	Heater-Treater
Permian	3000 SIBLEY 48 4	Vessel	V-1200	Separator
Permian	3000 SIBLEY 48 CTB	Tank	T-1720	Tank
Permian	3000 SIBLEY 48 CTB	Tank	T-1600	Tank
Permian	3000 SIBLEY 48 CTB	Tank	T-1610	Tank
Permian	3000 SIBLEY 48 CTB	Tank	T-1700	Tank
Permian	3000 SIBLEY 48 CTB	Tank	T-1710	Tank
Permian	3000 SIBLEY 48 CTB	Tank	T-1730	Tank
Permian	3000 SIBLEY 48 CTB	Vessel	F-1500	Heater-Treater
Permian	3000 SIBLEY 48 CTB	Vessel	V-1200	Separator
Permian	3000 SIBLEY 48 CTB	Vessel	V-1400	Free-Water-Knock-Out (FWKO)
Permian	3000 SIBLEY 48 CTB	Vessel	V-1901	Separator
Permian	3000 SIBLEY 48 CTB	Vessel	V-1911	Separator
Permian	3000 SIBLEY 48 CTB	Vessel	V-1921	Separator
Permian	3000 SIBLEY 48 CTB	Vessel	V-1931	Separator
Permian	3003 EFFIE POTTS SIBLEY B CTB	Vessel	West Scrubber	Scrubber
Permian	3003 EFFIE POTTS SIBLEY B CTB	Vessel	F-1510	Heater-Treater

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Permian	3003 EFFIE POTTS SIBLEY B CTB	Pipe	Effie Potts Sibley B	Facility Piping
Permian	3003 EFFIE POTTS SIBLEY B CTB	Vessel	F-1500	Heater-Treater
Permian	3003 EFFIE POTTS SIBLEY B CTB	Tank	T-1600	Tank
Permian	3003 EFFIE POTTS SIBLEY B CTB	Tank	T-1610	Tank
Permian	3003 EFFIE POTTS SIBLEY B CTB	Tank	T-1700	Tank
Permian	3003 EFFIE POTTS SIBLEY B CTB	Tank	T-1710	Tank
Permian	3003 EFFIE POTTS SIBLEY B CTB	Vessel	East Scrubber	Scrubber
Permian	BRACKENRIDGE STATE 57-44 1	Vessel	V-1210	Fuel Gas Scrubber
Permian	BRACKENRIDGE STATE 57-44 1	PSV	PSH-1600	Pressure Safety Hatch
Permian	BRACKENRIDGE STATE 57-44 1	Vessel	V-1200	Vertical 3PH Separator
Permian	BRACKENRIDGE STATE 57-44 1	PSV	PSV-1200	Pressure Safety Valve
Permian	BRACKENRIDGE STATE 57-44 1	PSV	PSV-1800	Pressure Safety Valve
Permian	BRACKENRIDGE STATE 57-44 1	PSV	PVRV-1600	Pressure Vacuum Relief Valve
Permian	BRACKENRIDGE STATE 57-44 1	Pipe	Brackenridge State 57-44 1	Facility Piping
Permian	BRACKENRIDGE STATE 57-44 1	Tank	T-1600	Produced Water Storage Tank
Permian	CHARLES B ATHEY C CTB	Vessel	F-1500	Vessel
Permian	CHARLES B ATHEY C CTB	Tank	T-1600	Tank
Permian	CHARLES B ATHEY C CTB	Tank	T-1700	Tank
Permian	CHARLES B ATHEY C CTB	Tank	T-1710	Tank
Permian	CHARLES B ATHEY C CTB	Tank	T-1720	Tank
Permian	CHARLES B ATHEY C CTB	Vessel	F-1510	Vessel
Permian	COYANOSA SWD	Tank	T-1604	Tank
Permian	COYANOSA SWD	Tank	T-1600	Tank
Permian	COYANOSA SWD	Tank	T-1601	Tank
Permian	COYANOSA SWD	Tank	T-1602	Tank
Permian	COYANOSA SWD	Tank	T-1603	Tank
Permian	DF RANCH 63-1 1	Vessel	V-1210	Fuel Gas Scrubber
Permian	DF RANCH 63-1 1	Vessel	V-1200	Horizontal 3Ph Separator
Permian	DF RANCH 63-1 1	PSV	PVRV-1600	Pressure Vacuum Relief Valve
Permian	DF RANCH 63-1 1	PSV	PSH-1700	Pressure Safety Hatch
Permian	DF RANCH 63-1 1	PSV	PSV-1200	Pressure Safety Valve
Permian	DF RANCH 63-1 1	PSV	PSV-1800	Pressure Safety Valve
Permian	DF RANCH 63-1 1	PSV	PSV-1810	Pressure Safety Valve
Permian	DF RANCH 63-1 1	PSV	PSH-1600	Pressure Safety Hatch
Permian	DF RANCH 63-1 1	PSV	PVRV-1700	Pressure Vacuum Relief Valve
Permian	DF RANCH 63-1 1	Pipe	DF Ranch 63-1 1	Facility Piping
Permian	DF RANCH 63-1 1	Tank	T-1600	Produced Water Storage Tank
Permian	DF RANCH 63-1 1	Tank	T-1610	Produced Water Storage Tank
Permian	DF RANCH 63-1 1	Tank	T-1700	Oil Storage Tank
Permian	DF RANCH 63-3 1H ST	Vessel	C-1600	Vessel
Permian	DF RANCH 63-3 1H ST	Vessel	V-1200	2-Phase Separator
Permian	DF RANCH STATE 62-4 1H	PSV	PSH-1610	Pressure Safety Hatch
Permian	DF RANCH STATE 62-4 1H	PSV	PSV-1200	Pressure Safety Valve
Permian	DF RANCH STATE 62-4 1H	PSV	PSV-1210	Pressure Safety Valve
Permian	DF RANCH STATE 62-4 1H	PSV	PSV-1800	Pressure Safety Valve
Permian	DF RANCH STATE 62-4 1H	PSV	PSH-1600	Pressure Safety Hatch
Permian	DF RANCH STATE 62-4 1H	PSV	PVRV-1600	Pressure Vacuum Relief Valve
Permian	DF RANCH STATE 62-4 1H	PSV	PVRV-1610	Pressure Vacuum Relief Valve
Permian	DF RANCH STATE 62-4 1H	Pipe	DF Ranch State 62-4 1	Facility Piping
Permian	DF RANCH STATE 62-4 1H	Tank	T-1600	Produced Water Storage Tank
Permian	DF RANCH STATE 62-4 1H	Tank	T-1610	Produced Water Storage Tank
Permian	DF RANCH STATE 62-4 1H	Vessel	C-2000	Column
Permian	DF RANCH STATE 62-4 1H	Vessel	V-1200	Vertical 3Ph Separator

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Permian	DF RANCH STATE 62-4 1H	Vessel	V-1210	Fuel Gas Scrubber
Permian	DF RANCH STATE 63-12 1	Tank	T-1610	Produced Water Storage Tank
Permian	DF RANCH STATE 63-12 1	PSV	PVRV-1610	Pressure Vacuum Relief Valve
Permian	DF RANCH STATE 63-12 1	PSV	PVRV-1700	Pressure Vacuum Relief Valve
Permian	DF RANCH STATE 63-12 1	Pipe	DF Ranch State 63-12 1	Facility Piping
Permian	DF RANCH STATE 63-12 1	Tank	T-1600	Produced Water Storage Tank
Permian	DF RANCH STATE 63-12 1	PSV	PVRV-1600	Pressure Vacuum Relief Valve
Permian	DF RANCH STATE 63-12 1	Tank	T-1700	Oil Storage Tank
Permian	DF RANCH STATE 63-12 1	Vessel	V-1200	Horizontal 3PH Separator
Permian	DF RANCH STATE 63-12 1	Vessel	V-1210	Fuel Gas Scrubber
Permian	DF RANCH STATE 63-12 1	PSV	PSV-1820	Pressure Safety Valve
Permian	DF RANCH STATE 63-12 1	PSV	PSH-1600	Pressure Safety Hatch
Permian	DF RANCH STATE 63-12 1	PSV	PSH-1610	Pressure Safety Hatch
Permian	DF RANCH STATE 63-12 1	PSV	PSH-1700	Pressure Safety Hatch
Permian	DF RANCH STATE 63-12 1	PSV	PSV-1200	Pressure Safety Valve
Permian	DF RANCH STATE 63-12 1	PSV	PSV-1800	Pressure Safety Valve
Permian	DF RANCH STATE 63-2 1	PSV	PVRV-1700	Pressure Vacuum Relief Valve
Permian	DF RANCH STATE 63-2 1	PSV	PSV-1800	Pressure Safety Valve
Permian	DF RANCH STATE 63-2 1	PSV	PSV-1820	Pressure Safety Valve
Permian	DF RANCH STATE 63-2 1	PSV	PVRV-1600	Pressure Vacuum Relief Valve
Permian	DF RANCH STATE 63-2 1	PSV	PVRV-1610	Pressure Vacuum Relief Valve
Permian	DF RANCH STATE 63-2 1	Vessel	V-1210	Fuel Gas Scrubber
Permian	DF RANCH STATE 63-2 1	Pipe	DF Ranch State 63-2 1	Facility Piping
Permian	DF RANCH STATE 63-2 1	Tank	T-1600	Produced Water Storage Tank
Permian	DF RANCH STATE 63-2 1	Tank	T-1610	Produced Water Storage Tank
Permian	DF RANCH STATE 63-2 1	Tank	T-1700	Oil Storage Tank
Permian	DF RANCH STATE 63-2 1	Vessel	V-1200	Vertical 3PH Separator
Permian	DF RANCH STATE 63-2 1	PSV	PSV-1200	Pressure Safety Valve
Permian	DF RANCH STATE 63-2 1	PSV	PSH-1700	Pressure Safety Hatch
Permian	DF RANCH STATE 63-2 1	PSV	PSH-1600	Pressure Safety Hatch
Permian	DF RANCH STATE 63-2 1	PSV	PSH-1610	Pressure Safety Hatch
Permian	HARRISON STATE 56-37 1	Vessel	V-1200	Separator
Permian	HARRISON STATE 56-37 1	Tank	T-1700	Tank
Permian	HARRISON STATE 56-37 1	Heater	H-1510	Heater
Permian	HARRISON STATE 56-37 1	Pipe	Harrison State 56-37 1	Facility Piping
Permian	HARRISON STATE 56-37 1	Tank	T-1600	Tank
Permian	HARRISON STATE 56-38 3 ST	Vessel	V-1300	Horizontal Separator
Permian	HARRISON STATE 56-38 3 ST	Vessel	V-1210	Fuel Gas Scrubber
Permian	HARRISON STATE 56-38 3 ST	PSV	PSV-1800	Pressure Safety Valve
Permian	HARRISON STATE 56-38 3 ST	Heater	H-1510	Heater
Permian	HARRISON STATE 56-38 3 ST	PSV	PSH-1600	Pressure Safety Hatch
Permian	HARRISON STATE 56-38 3 ST	PSV	PSV-1200	Pressure Safety Valve
Permian	HARRISON STATE 56-38 3 ST	PSV	PSV-1300	Pressure Safety Valve
Permian	HARRISON STATE 56-38 3 ST	Vessel	V-1200	Vertical 3PH Separator
Permian	HARRISON STATE 56-38 3 ST	PSV	PSV-1810	Pressure Safety Valve
Permian	HARRISON STATE 56-38 3 ST	PSV	PSV-1820	Pressure Safety Valve
Permian	HARRISON STATE 56-38 3 ST	PSV	PVRV-1600	Pressure Vacuum Relief Valve
Permian	HARRISON STATE 56-38 3 ST	Pipe	Harrison State 56-38 3	Facility Piping
Permian	HARRISON STATE 56-38 3 ST	Tank	T-1600	Produced Water Storage Tank
Permian	J H HODGE 5	Pipe	JH Hodge 5	Facility Piping
Permian	J H HODGE 5	Vessel	T-1603	Separator
Permian	J H HODGE 5	Vessel	T-1604	Separator
Permian	J H HODGE 8	Heater	H-1510	Heater

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Permian	J H HODGE 8	Tank	T-1600	Tank
Permian	J H HODGE 8	Tank	T-1700	Tank
Permian	J H HODGE 8	Vessel	V-1200	Separator
Permian	J H HODGE CTB	Tank	T-1600	Tank
Permian	J H HODGE CTB	Tank	T-1610	Tank
Permian	J H HODGE CTB	Vessel	F-1500	Heater-Treater
Permian	J H HODGE CTB	Vessel	V-1200	Separator
Permian	J H HODGE CTB	Vessel	V-1901	Separator
Permian	JAMES O NEAL CTB	Tank	T-1710	Tank
Permian	JAMES O NEAL CTB	Pipe	James O Neal CTB	Facility Piping
Permian	JAMES O NEAL CTB	Tank	T-1600	Tank
Permian	JAMES O NEAL CTB	Vessel	F-1500	Heater-Treater
Permian	JAMES O NEAL CTB	Vessel	F-1510	Heater-Treater
Permian	NEAL 47 CTB	Vessel	V-1931	Separator
Permian	NEAL 47 CTB	Vessel	V-1941	Separator
Permian	NEAL 47 CTB	Vessel	V-1951	Separator
Permian	NEAL 47 CTB	Vessel	V-1911	Separator
Permian	NEAL 47 CTB	Tank	T-1720	Tank
Permian	NEAL 47 CTB	Tank	T-1610	Tank
Permian	NEAL 47 CTB	Tank	T-1620	Tank
Permian	NEAL 47 CTB	Tank	T-1700	Tank
Permian	NEAL 47 CTB	Tank	T-1710	Tank
Permian	NEAL 47 CTB	Tank	T-1600	Tank
Permian	NEAL 47 CTB	Tank	T-1730	Tank
Permian	NEAL 47 CTB	Vessel	F-1500	Heater-Treater
Permian	NEAL 47 CTB	Vessel	SN: 0622	Bottle
Permian	NEAL 47 CTB	Vessel	V-1400	Free-Water-Knock-Out (FWKO)
Permian	NEAL 47 CTB	Vessel	V-1901	Separator
Permian	TREES ESTATE CTB	Pipe	Trees Estate CTB	Facility Piping
Permian	TREES ESTATE CTB	Tank	T-1600	Tank
Permian	TREES ESTATE CTB	Tank	T-1620	Tank
Permian	TREES ESTATE CTB	Tank	T-1700	Tank
Permian	TREES ESTATE CTB	Tank	T-1710	Tank
Permian	TREES ESTATE CTB	Vessel	V-1900	Fuel Gas Scrubber
Permian	TREES ESTATE CTB	Tank	T-1720	Tank
Permian	TREES ESTATE CTB	Vessel	F-1500	Heater-Treater
Permian	TREES ESTATE CTB	Vessel	V-1400	Free-Water-Knock-Out (FWKO)
Permian	TREES ESTATE CTB	Vessel	V-1410	Free-Water-Knock-Out (FWKO)
Permian	W A MCCUTCHEN 1L	Tank	T-1600	Tank
Permian	W A MCCUTCHEN 1L	Vessel	V-1200	Separator

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EXHIBIT B

Attached hereto and made a part of that certain Assignment and Bill of Sale, dated September 22, 2015,
by and between SWEPI LP, as Assignor, and MECO IV, LLC, as Assignee

Booster compressor	S M HALLEY B-41	Winkler	Not used between 2013-2015; moved off location early August	O L
Conex material	Coyanosa Yard	Pecos	Conex material used for other Permian properties in laydown yard; moved off location early August	1
All vehicles and rolling stock	All properties and locations			1 9 9

In addition, the following wells located in Culberson County, Texas are considered as Excluded Assets

- Rector Canyon State 24#1, API 4210932250, Lease Number 250797 and 216455
 - Rector Canyon State 24#2H, API 4210932253, Lease Number 253625
 - DF Ranch State 62-6#1, API 4210932304, Lease Number 251625
 - DF Ranch State 62-30#1H, API 4210932305, Lease Number 252849
 - DF Ranch State 62-28#1H, API 4210932313, Lease Number 252878
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EXHIBIT C

Attached hereto and made a part of that certain Assignment and Bill of Sale, dated September 22, 2015,
by and between SWEPI LP, as Assignor, and MECO IV, LLC, as Assignee

The term "Permitted Encumbrances" means any or all of the following:

- (a) royalties and any overriding royalties, net profits interests, free gas arrangements, production payments, reversionary interests and other similar burdens on production to the extent that the net cumulative effect of such burdens does not reduce Assignor's Net Revenue Interest below that shown in Exhibit A-2 or increase Assignor's Working Interest above that shown in Exhibit A-2 without a proportionate increase in the Net Revenue Interest of Assignor;
- (b) all Basic Documents applicable to the Oil and Gas Interests, to the extent that the net cumulative effect of such instruments does not reduce Assignor's Net Revenue Interest below that shown in Exhibit A-2 or increase Assignor's Working Interest above that shown in Exhibit A-2 without a proportionate increase in the Net Revenue Interest of Assignor;
- (c) rights of first refusal, preferential rights to purchase and similar rights, with respect to which waivers are obtained from the appropriate parties, or the appropriate time period for asserting any such right has expired without an exercise of the right, and third Person consent to assign rights with respect to the Assets;;
- (d) liens for Taxes or assessments not yet delinquent or, if delinquent, contested in good faith by appropriate actions and disclosed to Purchaser prior to the Execution Date;
- (e) materialman's, mechanic's, repairman's, employee's, contractor's, operator's and other similar liens or charges arising in the ordinary course of business for amounts not yet delinquent (including any amounts being withheld as provided by Law), or if delinquent, being contested in good faith by appropriate actions and disclosed to Purchaser prior to the Execution Date;
- (f) all rights to consent by, required notices to, filings with, or other actions by Governmental Authorities in connection with the sale or conveyance of the Oil and Gas Interests therein to Assignee if they are not required or customarily obtained prior to the sale or conveyance;
- (g) excepting circumstances where such rights have already been triggered, rights of reassignment arising upon final intention to abandon or release any of the Oil and Gas Interests;
- (h) easements, rights-of-way, covenants, servitudes, permits, surface leases and other rights in respect of surface operations to the extent that the net cumulative effect of such rights do not reduce Assignor's Net Revenue Interest below that shown in Exhibit A-2 or increase Assignor's Working Interest above that shown in Exhibit A-2 without a proportionate increase in the Net Revenue Interest of Assignor, and which do not prevent or unreasonably and adversely affect operations as currently conducted on the lands covered by the Oil and Gas Interests;
- (i) the dedications created by the Williams Gas Gathering Agreement or any calls on production in the Material Contracts listed on Schedule 6.1(k) to the PSA;

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97-4-37

EXHIBIT C

Attached hereto and made a part of that certain Assignment and Bill of Sale, dated September 22, 2015,
by and between SWEPI LP, as Assignor, and MECO IV, LLC, as Assignee

(j) all rights reserved to or vested in any Governmental Authorities to control or regulate any of the Assets in any manner or to assess Tax with respect to the Assets, the ownership, use or operation thereof, or revenue, income or capital gains with respect thereto, and all rights, obligations and duties under all applicable Laws of any such Governmental Authority or under any franchise, grant, license or permit issued by any Governmental Authority;

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(k) any lien, charge or other encumbrance on or affecting the Assets which is expressly waived, by Assignee at or prior to Closing or which is discharged by Assignor at or prior to Closing and all defects or irregularities resulting from failure to record releases of liens, production payments or mortgages that have expired by their own terms or the enforcement of which are barred by applicable statutes of limitation;

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(l) the matters described in Schedule 6.1(g) (litigation schedule);

(m) any matters shown on Exhibits A-1 or A-2;

(n) any defect in title to any Asset except an Oil and Gas Interest; and

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(o) any other liens, charges, encumbrances, defects or irregularities that (i) do not, individually or in the aggregate, materially detract from the value of or materially interfere with the use or ownership of the Oil and Gas Interests subject thereto or affected thereby (as currently used or owned), and (ii) do not reduce Assignor's Net Revenue Interest below that shown in Exhibit A-2 or increase Assignor's Working Interest above that shown in Exhibit A-2 without a proportionate increase in the Net Revenue Interest of Assignor.

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Inst No. 15-08828
DIANNE O. FLOREZ
COUNTY CLERK
2015 Sep 28 at 08:15 AM
REEVES COUNTY, TEXAS
By: *N.J. Spinning* DEPUTY



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CLERKS OFFICE

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File No. MF105848
Assign #9496(WF) SWEP
to MeCo IV

Date Filed: 12-7-15
George P. Bush, Commissioner
By CB

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

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the public records of my office, found in VOL. 1199 PAGE 455, THRU 485

I hereby certify on RECORD 11/19/15



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS
BY Mary Abila DEPUTY
MARY ABILA



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

November 14, 2016

Atlantic Resources Company, LLC
Attn: Mary Quintana, Sr. Lease/Division Order Analyst
P.O. Box 3759
Midland, TX 79702

Re: *GLO Assignment ID #9891, Reeves County
MF-105848 and MF-116656*

Dear Ms. Quintana:

The General Land Office received the following instrument and has filed it in the appropriate files.

Assignment, Conveyance and Bill of Sale, effective 10/01/16 from Enerquest Oil & Gas, LLC, Assignor to Atlantic Resources Holding Co., LLC, Assignee. Filed for record under Doc. 16-14273.

Filing fees in the amount of \$50.00 were received in connection with the above assignment.

Please feel free to contact me at (512) 463-5407 or email carl.bonn@glo.texas.gov if you have further questions.

Best Regards,

Carl Bonn, CPL
Mineral Leasing-Energy Resources



PO Box 3759
Midland, TX 79702

300 North Marienfeld, Suite 600
Midland, Texas 79701

P 432.683.3272
F 432.683.3244

November 1, 2016

TD 9891

VIA CERTIFIED MAIL – 7016-0340-0000-8441-4606

Texas General Land Office
Mineral Leasing Division
Attn: Drew Reid
1700 N. Congress Ave., Room 600
Austin, Texas 78701-1495

MF 105848
MF 116656

RE: Assignments of Oil and Gas Lease –
Enerquest Oil & Gas LLC
E/2 Section 37, Block 56, T-4, T&P RR Co. Survey;
E/2 Section 38, Block 56, T-4, T&P RR. Co. Survey
E/2 Section 44, Block 57, T-4, T&P RR Co. Survey
Reeves County, Texas

Dear Mr. Reid:

Pursuant to the requirements set forth by Status and in the State Surveyed School Land Lease Form (Unknown) please find enclosed a certified copy of that certain:

- 1). Assignment, Conveyance and Bill of Sale, between Enerquest Oil and Gas, LLC, as Assignor and Atlantic Resources Holding Co., LLC, effective October 1, 2016, recorded as Instrument Number 16-14273 of the Official Public Records of Reeves County, Texas, filed of record on October 27, 2016, covering that certain Oil and Gas Lease dated November 7, 2005, from George W. Brackenridge Foundation, as agent for the State of Texas, as Lessor, to Hallwood Energy II, L.P., as Lessee, recorded in Volume 717, Page 130 of the Official Public Records of Reeves County, Texas and Oil and Gas Lease dated April 1, 2003, from the Roddy L. Harrison, Trustee of the Harrison Trust, as agent for the State of Texas, as Lessor, to SWEPI LP., as Lessee, recorded in Volume 1084, page 531 of the Official Public Records of Reeves County, Texas:

Covering the following described lands and depths;

- Tract 1: East Half (E/2) of Section 37, Block 56, PSL Survey, limited to those depths from the surface down to a subsurface depth of 18,800 feet;
- East Half (E/2) of Section 38, Block 56, PSL Survey, limited to those depths from the surface down to a subsurface depth of 18,464 feet; and
- Tract 2: East Half (E/2) of Section 44, Block 57, PSL Survey, limited to those depths from the surface down to a subsurface depth of 18,554 feet.

xc Deb Cantu w/ Relse 11-14-16

- 2). Release of State Oil and Gas Lease effective for all purposes as of April 1, 2013 between the State of Texas, acting by and through its agent, Harrison Trust, Roddy L. Harrison, Trustee as Lessor and Wood Petroleum land Management, Inc., as Lessee, recorded in Volume 699, Page 29, as Entry 001555 of the Official Public Records of Real Property of Reeves County, Texas, covering Section 37 and 38, Block 56, PSL Survey, Reeves County, Texas

MF=104871

Also enclosed is check No. 2072 in amount of \$50.00 for filing fee for certified copies. Please let me know if you require further information by contacting me at 432-683-3272 or email at mquintana@arcoperating.com.

Sincerely,

Atlantic Resources Company, LLC


Mary Quintana
Sr. Lease/Division Order Analyst



/mq

Enclosure



Atlantic Resources Holding Company, LLC - P.O. Box 3759 - Midland, TX 79702

To: Texas General Land Office
1700 N. Congress Avenue
Austin, TX 78701

Vendor Code
TEX160

Check Date
11/01/2016

Check Amount
\$50.00

002072
Check Number
1075-2072

Invoice #	Invoice Amt
10/31/2016-TEX160	50.00
Assignment Filing Fees	
Enerquest Oil & Gas LLC	
Reeves Co., TX	

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17703363

Mail to: Texas General Land Office

Attn: Energy Resources

P.O. 12873

Austin, Texas 78711-2873

Texas General Land Office
ASSIGNMENT SUMMARY

For General Land Office Use Only

DOCUMENT TYPE: (mark one):

Assignment

Deed of Trust

Merger/Name Change

DOCUMENT RECORDING INFORMATION: (Include all the counties covered by the properties listed below)

County	File No.	Page	Execution Date/Effective Date
Reeves	16-14273		Oct. 25, 2016/ Oct. 1, 2016

ASSIGNMENT FEE: \$25 per State Lease (additional \$25 after 90 days)

INTEREST BEING CONVEYED: (mark one)

Working Interest:

Overriding Royalty Interest:

Other (explain):

Remarks:

FROM List all companies or individuals listed in this instrument who are transferring ownership interests, in whole or in part, in the leases shown below	TO List all companies or individuals listed in this instrument who are receiving ownership interests in the leases listed below	% GROSS WI OWNED BY ASSIGNOR	% GROSS WI TRANSFERRED BY ASSIGNOR	% GROSS WI RETAINED BY ASSIGNOR
1 Enerquest Oil & Gas LLC	Atlantic Resources Holding Co., LLC Sec. 37	40.00%	29.60%	0
2.	Sec. 38	40.00%	29.60%	0
3.	Sec. 44	40.00%	32.00%	0
4.				

Attach additional pages as needed.

LEASES COVERED BY THIS TRANSFER:

State Lease #	COUNTY	BLOCK	SECTION	PART OF SECTION	DEPTH RESTRICTION
1	Reeves	56	37	E/2	Surface down to a subsurface depth of 18,800 feet
2.	Reeves	56	38	E/2	Surface down to a subsurface depth of 18,464 feet
3.	Reeves	57	44	E/2	Surface down to a subsurface depth of 18,554 feet
4.					

Mary Quintana

Preparer's Signature

Mary Quintana

Name (please print)

mquintana@arcoperating.com

E-Mail Address

432-683-3272

Telephone Number

Lease Analyst

Title

11-1-16

Date

I am an authorized representative of the lessee(s) under the State of Texas leases identified herein and represent and certify to the Commissioner of the General Land Office that the information provided on this form is true and correct.

Atlantic Resources Holding Co., LLC

Company Name

Mailing Address

P.O. Box 3759

Midland, Texas 79702

City/State/Zip

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

ASSIGNMENT, CONVEYANCE AND BILL OF SALE

STATE OF TEXAS §
COUNTY OF REEVES §

KNOW ALL MEN BY THESE PRESENTS:

This Assignment, Conveyance and Bill of Sale ("Assignment") is executed and delivered by **ENERQUEST OIL & GAS, LLC**, whose address is 12368 Market Drive, Oklahoma City, Oklahoma 73114 (referred to herein as "Assignor"), to **ATLANTIC RESOURCES HOLDING CO., LLC**, whose address is P.O. Box 3759, Midland, Texas 79702 (referred to herein as "Assignee").

Assignor, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, by these presents, GRANTS, BARGAINS, SELLS, CONVEYS, ASSIGNS, TRANSFERS, SETS OVER and DELIVERS unto Assignee, all of Assignor's right, title and interest, whether or not such interests are accurately or completely described in Exhibit A attached hereto, in and to the following (collectively, the "Properties"):

- A. The oil, gas and/or mineral leases described or referred to in Exhibit A attached hereto and incorporated herein for all purposes, together with all amendments, supplements, renewals, extensions or ratifications thereof (the "Leases"), the lands and depths covered by the Leases described or referred to in Exhibit A (the "Lands"), all Leases and Lands related to the Wells (defined below), and all reversionary, back-in, net profits, carried, convertible, non-consent, operating rights and other interests in, incident to or appurtenant to the Lands, Leases or Wells, together with any rights that arise by operation of law or otherwise in all lands pooled, unitized, communitized or consolidated with the Lands and/or Leases (the "Oil and Gas Properties");
- B. All oil, gas, water, supply, disposal (including without limitation, salt water disposal) or injection wells located on the Oil and Gas Properties or on lands with which the Oil and Gas Properties may have been pooled, communitized or unitized, whether producing, operating, shut-in, temporarily abandoned, abandoned, standing or otherwise (the "Wells");
- C. All severed crude oil, natural gas, and other hydrocarbons and other minerals or materials of every kind and description produced from the Oil and Gas Properties and either: (i) in storage tanks on the Effective Date, or (ii) sold on or after the Effective Date (the "Substances");

- D. All equipment, fixtures, improvements, personal property and physical facilities or interests therein that are used or held for use in connection with the ownership or operation of the Oil and Gas Properties and Wells;
- E. To the extent related to the Oil and Gas Properties and Wells, all of the contracts, agreements and instruments by which the Properties are bound, or that relate to or are otherwise applicable to the Properties, or any of them, or the production of Hydrocarbons in association therewith, including all operating agreements, unitization, pooling and communitization agreements, declarations and orders, joint venture agreements, farmin and farmout agreements, water rights and disposal agreements, exploration agreements, participation agreements, exchange agreements, transportation or gathering agreements, agreements for the sale and purchase of oil, gas or casinghead gas, processing agreements, area of mutual interest agreements, salt water disposal agreements, equipment leases, governmental permits and licenses of Assignor (other than bonds), to the extent such permits and licenses are transferable; all easements and rights-of-way used or held for use in connection with the Oil and Gas Properties and any amendments, ratifications or extensions of the foregoing (the "**Contracts**"); and
- F. To the extent related or pertaining to the Properties: all lease files; land files; well files; sales contract files; title and contract files; gas processing files; division order files; abstracts; title opinions; land surveys; proprietary and non-proprietary geologic and proprietary geophysical and non-proprietary data (including all interpretations of such non-proprietary data, but excluding all interpretations of such proprietary data); non-confidential logs; maps; engineering data and reports; reserve studies and evaluations (including, without limitation, studies and evaluations by outside consultants and advisors); files and all other books, records, data, files, maps and accounting records, or any of them, or used or held for use primarily in connection with the maintenance or operation thereof; all technical information or data in the possession of Assignor; and all of Assignor's computer records, but excluding any data, software and records to the extent disclosure or transfer is prohibited or subjected to payment of a fee or other consideration by any license agreement or other agreement with any entity or person other than an affiliate of Assignor, or by applicable law, and for which no consent to transfer has been received or for which Buyer has not agreed in writing to pay the fee or other consideration, as applicable, (subject to such exclusions, collectively, the "**Records**").

Without limiting the foregoing, all interests, lands and leases, whether now owned by Assignor or hereafter acquired by operation of law or otherwise that relate to the Properties are intended to be conveyed hereby, even though the Assignor's interest in said lands or leases be incorrectly described in, or a description of such interest be omitted from, Exhibit A.

TO HAVE AND TO HOLD all and singular the Properties, together with all rights, titles, interests, estates, remedies, powers and privileges thereunto appertaining unto Assignee and its respective

successors, legal representatives and assigns forever. Assignor covenants that Assignor has good right and authority to convey the same.

Assignor hereby warrants title to the Oil and Gas Properties to Assignee to be free and clear of all liens and encumbrances created by, through or under Assignor and warrants and agrees to defend its title to the Properties, to the extent of the interests set forth on Exhibit A, against any claims by, through or under Assignor, but not otherwise. Assignee shall have the right of full substitution and subrogation in and to any and all rights and actions of warranty which Assignor has or may have against any and all prior owners and vendors of the Properties. The specific working and net revenue interests set forth on Exhibit A are included for warranty purposes and shall not expand or limit the interests hereby conveyed, it being the intent of Assignor to convey to Assignee all of its undivided interest in the Oil and Gas Properties, Wells, Contracts, Records and other Properties.

ASSIGNOR EXPRESSLY DISCLAIMS AND NEGATES AS TO PERSONAL PROPERTY AND FIXTURES INCLUDED IN THE PROPERTIES: (i) ANY IMPLIED OR EXPRESS WARRANTY OF MERCHANTABILITY; (ii) ANY IMPLIED OR EXPRESS WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE; (iii) ANY IMPLIED OR EXPRESS WARRANTY AS TO CONDITION; and (iv) ANY IMPLIED OR EXPRESS WARRANTY OF CONFORMITY TO MODELS OR SAMPLES OF MATERIALS. By acceptance hereof, Assignee agrees that to the extent required to be operative, the disclaimers of warranties contained herein are "conspicuous" disclaimers for purposes of any applicable law, rule or order.

This Assignment is made by Assignor and accepted by Assignee subject to the terms, provisions and conditions of that certain Letter Agreement dated September 29, 2016 (the "**Letter Agreement**"), by and between Assignor and Assignee, which Letter Agreement contains certain covenants that are intended by Assignor and Assignee to run with the Land; provided, however, third parties may conclusively rely upon this Assignment to vest title to the Properties in Assignee. If the event of any conflict between the terms of this Assignment and the Letter Agreement, the terms of the Letter Agreement shall control.

Assignor covenants and agrees to execute and deliver to Assignee such other and additional instruments and documents as may be necessary to fully convey all of Assignor's interest in the Properties to Assignee.

This Assignment may be executed in multiple counterparts, each of which is an original and all of which are substantially identical and shall together constitute but one and the same Assignment. This Assignment shall be binding and effective as to any party hereto that executes it, whether or not it is executed by all parties.

[Remainder of the Page Intentionally Left Blank; Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be duly executed as of the date of acknowledgment of Assignor's and Assignee's signatures below. This Assignment shall be effective at 7:00 a.m. (in the locale where the properties are located) on October 1, 2016 (the "Effective Date").

ASSIGNOR:

ENERQUEST OIL & GAS, LLC

By: Gregory W. Olson
Name: Gregory W. Olson
Title: President

ASSIGNEE:

ATLANTIC RESOURCES HOLDING CO., LLC

By: Will Ahney
Name: Will Ahney
Title: President

[Remainder of the Page Intentionally Left Blank; Acknowledgement Page Follows]

STATE OF OKLAHOMA

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COUNTY OF OKLAHOMA

The foregoing instrument was acknowledged before me this 25th day of October, 2016, by Gregory W Olson, as President of ENERQUEST OIL & GAS, LLC, an Oklahoma limited liability company, on behalf of the company.



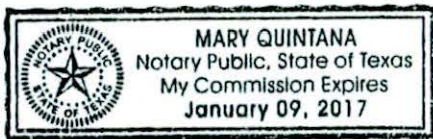
Xochitl Rodriguez
Notary Public in and for the State of Oklahoma
My Commission Expires: 11/08/18

STATE OF TEXAS

§
§
§

COUNTY OF MIDLAND

The foregoing instrument was acknowledged before me this 26th day of October, 2016, by Will Abney, as President of ATLANTIC RESOURCES HOLDING CO., LLC, a Texas limited liability company, on behalf of the company.



Mary Quintana
Notary Public in and for the State of Texas
My Commission Expires: 01-09-17

Acknowledgement Page to that certain Assignment and Bill of Sale
effective October 1, 2016,
by and between Enerquest Oil & Gas, LLC, as Assignor,
and Atlantic Resources Holding Co., LLC, as Assignee

True & Correct Copy of a
document on file at
Reeves County Texas,
Dianne O. Florez, County Clerk
Page 5 of 7

Exhibit A
to
**that certain Assignment and Bill of Sale dated effective September 29, 2016,
by and between EnerQuest Oil & Gas, LLC , as Assignor
and Atlantic Resources Company, LLC, as Assignee**

Leases:

Oil and Gas Lease dated November 7, 2005, from George W. Brackenridge Foundation, as agent for the State of Texas, as Lessor, to Hallwood Energy II, L.P., as Lessee, recorded in Volume 717, Page 130 of the Official Public Records of Reeves County, Texas.

MF 105848

Oil and Gas Lease dated April 1, 2013, from the Roddy L. Harrison, Trustee of the Harrison Trust, as agent for the State of Texas, as Lessor, to SWEPI LP, as Lessee, recorded in Volume 1084, Page 531 of the Official Public Records of Reeves County, Texas.

MF 116656

Lands and Depths:

The following described lands and depths located in Reeves County, Texas:

Tract 1: East Half (E/2) of Section 37, Block 56, PSL Survey, limited to those depths from the surface down to a subsurface depth of 18,800 feet;

East Half (E/2) of Section 38, Block 56, PSL Survey, limited to those depths from the surface down to a subsurface depth of 18,464 feet; and

Tract 2: East Half (E/2) of Section 44, Block 57, PSL Survey, limited to those depths from the surface down to a subsurface depth of 18,554 feet.

Wells:

Harrison State 56-37 No. 1 Well, API No. 42-389-32460, located in Section 37, Block 56, PSL Survey, Reeves County, Texas

Harrison State 56-38 3ST Well, API No. 42-389-32425, located in Section 38, Block 56, PSL Survey, Reeves County, Texas

Brackenridge State 57-44 No. 1 Well, API No. 42-389-32520, located in East Half of Section 44, Block 57, PSL Survey, Reeves County, Texas

Interests of Assignor:

<u>Tract 1:</u>	Working Interest of Assignor	40.00%
	Net Revenue Interest of Assignor	29.60%

Tract 2: Working Interest of Assignor 40.00%
Net Revenue Interest of Assignor 32.00%



Inst No. 16-14273
DIANNE O. FLOREZ
COUNTY CLERK
2016 Oct 27 at 11:12 AM
REEVES COUNTY, TEXAS
By: RL Dianne O. Florez, DEPUTY

Page -7-

True & Correct Copy of a
document on file at
Reeves County Texas,
Dianne O. Florez, County Clerk
Page 7 of 7

MF 105848

File No. Assign ID # 9891
Energus (S) Atlantic

Date Filed: 11-14-14
George P. Bush, Commissioner

By AT

11. 0.10

THE STATE OF TEXAS
COUNTY OF REEVES

I, Dianne O. Flores, Clerk of the County Court in and
for said County and State do hereby certify that the foregoing is a true and correct copy of
Warrant Subpoena - Bill of Sale dated 10-01-2014
filed for record in my office this 27th day of October at

11:28 A.M., under Clerk's File No. 10-14273, to be recorded in the
Official Public Records
Records of Reeves County, Texas.

this 27 day of October, 2014.

By Dianne Flores Deputy, DIANNE O. FLORES, COUNTY CLERK
REEVES COUNTY, TEXAS



Shut-In Affidavit

Texas General Land Office
George P. Bush, Commissioner
1700 North Congress Avenue
Austin, Texas 78701-1495

Please respond fully to all applicable questions on this affidavit. Shut-in status may be denied for failure to provide information establishing the validity of this request for shut-in status. For a shut-in lease contained within a unit; separate affidavits must be submitted for each state lease within the unit.

State Lease No. MF 105848		Operator Atlantic Resources Company, LLC	
Lease Name Brackenridge State		Field Name Toyah, NW (Shale)	
Area Delaware Basin	Tract	Part E/2	Acres 320
Section 44	Block 57	Survey PSL	County Reeves
State's NRI in Lease: 10% (1/2 of 1/5th)			
Unit Name (if applicable)		State's Unit NRI (if applicable)	
Total Shut-In Due: \$1,200 (Split 50/50 between Agent and GLO)		Explain how payment was calculated: Delay Rental amount is \$1.00/acre or \$320 total. This amount does not meet the minimum requirement per the terms of the lease so \$1,200 is due.	
SHUT-IN PAYMENTS		Wells must be capable of producing in paying quantities. TAC, Title 31, Part 1, Chapter 9, Subchapter C, Rule 9.36, (e). Affidavit required.	

Reason for Shut-In – Be Specific—(Add page as needed)

Williams owns and operates the pipeline that transfers gas produced from the Brackenridge lease to the sales point. There is a meter (owned by Williams) at the edge of the Brackenridge lease ("Lease Meter"). Atlantic Resources Company, LLC ("Atlantic") has suspected issues for some time and has arranged to have the accuracy of the Lease Meter tested at Atlantic's expense. Those tests indicate that the Lease Meter is fully operational and that gas is flowing from the Brackenridge lease; however, the sales meter downstream does not show any gas volumes. It has become clear that there is a leak in Williams' line and Atlantic does not have any ability to fix the leak because Williams owns the line. In summary, Atlantic has been producing gas volumes, paying a transportation fee, but not receiving payment for the gas at the sales meter. After repeated attempts to get Williams to assist us with the problem, Williams has finally acknowledged that there is an issue but has not taken any steps to address the issue and it is unclear when they will do so. Atlantic does not have access to any alternative markets for this lease. As a result, Atlantic is tendering shut-in payment for lack of a suitable market.

Explain when and how shut-in is expected to be resolved (Add page as needed)

Atlantic Resources Company, LLC ("Atlantic") is currently working closely with Williams' operations and field staff as well as their management to isolate, identify and repair the problem. Once the issue is located, it will then be repaired by Williams. Given that Atlantic does not own or operate this pipeline, we cannot speculate as to the timing of the repair, however we are actively working the issue and attempting to resolve this matter as soon as possible.

Add Pages as need for additional wells.

WELL INFORMATION			
☐ OIL ☒ GAS	Well Name: Brackenridge State 57-44 1	API: 42-389-32520	RRC: Dist#-Lease# 08-246223
Produced in Past: ☒ Yes ☐ No	Completion Date: 7/21/2008	Shut-In Date: 11/3/17	
Provide average daily production rate. Define basis for production report (prior or current) from monthly production report or well test data.			
Basis for production report of average: ☐ Well Test ☒ Monthly Average ☐ RRC Well Test			
GAS 1	mcf/d	OIL 1	bbbls/d
		WATER 1	bbbls/d

☐ OIL ☐ GAS	Well Name:	API:	RRC: Dist#-Lease#
Produced in Past: ☐ Yes ☐ No	Completion Date:	Shut-In Date:	
Provide average daily production rate. Define basis for production report (prior or current) from monthly production report or well test data.			
Basis for production report of average: ☐ Well Test ☐ Monthly Average ☐ RRC Well Test			
GAS	mcf/d	OIL	bbbls/d
		WATER	bbbls/d

☐ OIL ☐ GAS	Well Name:	API:	RRC: Dist#-Lease#
Produced in Past: ☐ Yes ☐ No	Completion Date:	Shut-In Date:	
Provide average daily production rate. Define basis for production report (prior or current) from monthly production report or well test data.			
Basis for production report of average: ☐ Well Test ☐ Monthly Average ☐ RRC Well Test			
GAS	mcf/d	OIL	bbbls/d
		WATER	bbbls/d

☐ OIL ☐ GAS	Well Name:	API:	RRC: Dist#-Lease#
Produced in Past: ☐ Yes ☐ No	Completion Date:	Shut-In Date:	
Provide average daily production rate. Define basis for production report (prior or current) from monthly production report or well test data.			
Basis for production report of average: ☐ Well Test ☐ Monthly Average ☐ RRC Well Test			
GAS	mcf/d	OIL	bbbls/d
		WATER	bbbls/d

List all producing wells in the same Railroad Commission designated field and Reservoir within 1,000 feet of this lease. If there are wells more than 1,000 feet from the lease, draining the lease, list these also.

Operator	Lease Name & Well #	API	RRC: Dist#-Lease#
RRC Field & Reservoir Name:		RRC Field Code:	
Distance	Completion Interval	Status	

Operator	Lease Name & Well #	API	RRC: Dist#-Lease#
RRC Field & Reservoir Name:		RRC Field Code:	
Distance	Completion Interval	Status	

Operator	Lease Name & Well #	API	RRC: Dist#-Lease#
RRC Field & Reservoir Name:		RRC Field Code:	
Distance	Completion Interval	Status	

Contact for Shut-in: Travis Hutt
 Operator's Representative
 Phone: 432-253-8330 Email: thutt@arcoperating.com
 Mailing Address: 300 N. Marienfeld, Ste. 1000, Midland, Texas 79701

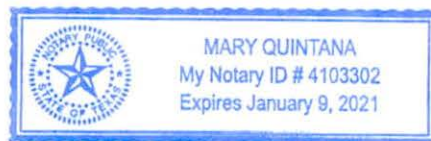
I certify that this statement is true and correct.

Signature: [Signature] Print Name: Travis Hutt

Title: Land Manager

Sworn and subscribed to before me, the undersigned authority this 13th day of December, 2017.

[Signature]
 Notary Public in and for
Midland County, State of Texas



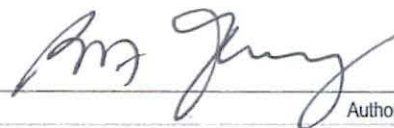
Revised 4/12/2017

Atlantic Resources Company, LLCP.O. Box 3759
Midland, TX 79702JPMorgan Chase Bank, N.A.
Dallas, Texas
32-61/1110

18705023

008466

8466

PAY Six hundred dollars and no centsTO THE
ORDER OFDATE
12/13/2017**AMOUNT**
\$**600.00*Texas General Land Office
1700 N. Congress Avenue
Austin, TX 78701

Authorized Signature

⑈008466⑈

Atlantic Resources Company, LLC - P.O. Box 3759 - Midland, TX 79702

To: Texas General Land Office
1700 N. Congress Avenue
Austin, TX 78701Vendor Code
TEX160Check Date
12/13/2017Check Amount
+\$600.00008466
Check Number
1075-8466

Invoice #	Invoice Amt
12/12/2017	600.00
Shut in payment for Brackenridge State 57-44	
1	
The E/2 Section 44, Block 57, PSL Survey, Reeves County, TX	

12/ 18705023



PO Box 3759
Midland, TX 79702

300 North Marienfeld, Suite 1000
Midland, Texas 79701

P 432.683.3272
F 432.683.3244

December 13, 2017

VIA CERTIFIED MAIL

RETURN RECEIPT – 7011 3500 0002 4956 8201

Texas General Land Office
1700 North Congress Avenue
Austin, Texas 78701
Attn: Susan Draughn

**Re: Shut-In Payment
Brackenridge State 57-44 1 (API – 42-389-32520)
E/2 Section 44, Block 57,
PSL Survey, Reeves County, Texas
MF - 105848**

Dear Ms. Draughn:

Pursuant to that Oil and Gas Lease dated November 7, 2005, by and between the State of Texas, acting by and through its agent, George W. Brackenridge Foundation, Leroy G. Denman Jr., Chairman, as Lessor, and Hallwood Energy II, L.P., as Lessee, covering the East one-half of Section 44, Block 57, PSL Survey, Reeves County, Texas, recorded in Volume 717, Page 130 of the Official Public Records of Reeves County, Texas (the "Lease"), Atlantic Resources Company, LLC ("Atlantic") hereby tenders shut-in payment for the referenced well.

Atlantic, as current operator and owner of the Lessee interest in the Lease, is making this shut-in payment because of the lack of a suitable market for produced gas from the referenced well.

Attached please find check number 8466 in the amount of Six Hundred and 0/100 Dollars (\$600.00), being half of the minimum required payment under Provision 14 of the Lease. Additionally, please find attached the completed Shut-In Affidavit required by the General Land Office.

Should you have any questions or require further clarification, please contact me at 432-253-8330 or thutt@arcoperating.com.

Sincerely,

Atlantic Resources Company, LLC

By: 

Name: Travis Hutt

Title: Land Manager

File No. MF105848
Shut in affidavit + County
payment.
Date Filed: 1/4/18
George P. Bush, Commissioner
By SSD

75.51.71



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

January 4, 2018

Mr. Travis Hutt
Atlantic Resources Company, LLC
300 N. Marienfeld, Suite 1000
Midland, TX 79701

Re: **State Lease MF105848** – Relinquishment Act Land (RAL)
320 acres, E/2 in Section 44, Block 57, PSL Survey, Reeves County, Texas
Shut-In: Brackenridge State 57-44 1, API 42-389-32520, RRC 08-246223

Dear Mr. Hutt,

This acknowledges receipt of shut-in payment in the total amount of \$600.00 for the subject shut-in well by the Texas General Land Office on December 27, 2017.

The Shut-In Royalty Committee has accepted the shut-in payment on behalf of the GLO and this shut-in is valid until the shut-in anniversary date of December 1, 2018.

Please notify us when the well returns to production.

Yours truly,

Susan Draughn, Landman
Energy Resources/ Mineral Leasing
Direct: 512.463.6521 / Email: susan.draughn@glo.texas.gov
Website: www.glo.texas.gov

18.

File No. MF105848

Letter accepting shut-in County

Date Filed: 1/4/18

George P. Bush, Commissioner

By SSD

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☐ Return Receipt (electronic) \$ _____
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☐ Adult Signature Required \$ _____
☐ Adult Signature Restricted Delivery \$ _____

Postmark
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Postage

\$

Total Postage \$

\$

Sent To

Street and Apt. 1

City, State, ZIP+4®

Atlantic Resources Company
300 North Marienfeld Street
Suite 600
Midland, TX 79701

Certified Mail service provides the following benefits:

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- A unique identifier for your mailpiece.
- Electronic verification of delivery or attempted delivery.
- A record of delivery (including the recipient's signature) that is retained by the Postal Service™ for a specified period.

Important Reminders:

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- Certified Mail service is *not* available for international mail.
- Insurance coverage is *not* available for purchase with Certified Mail service. However, the purchase of Certified Mail service does not change the insurance coverage automatically included with certain Priority Mail items.
- For an additional fee, and with a proper endorsement on the mailpiece, you may request the following services:
 - Return receipt service, which provides a record of delivery (including the recipient's signature). You can request a hardcopy return receipt or an electronic version. For a hardcopy return receipt, complete PS Form 3811, *Domestic Return Receipt*; attach PS Form 3811 to your mailpiece; for an electronic return receipt, see a retail associate for assistance. To receive a duplicate return receipt for no additional fee, present this USPS®-postmarked Certified Mail receipt to the retail associate.
 - Restricted delivery service, which provides delivery to the addressee specified by name, or to the addressee's authorized agent.
 - Adult signature service, which requires the signee to be at least 21 years of age (not available at retail).
 - Adult signature restricted delivery service, which requires the signee to be at least 21 years of age and provides delivery to the addressee specified by name, or to the addressee's authorized agent (not available at retail).
- To ensure that your Certified Mail receipt is accepted as legal proof of mailing, it should bear a USPS postmark. If you would like a postmark on this Certified Mail receipt, please present your Certified Mail item at a Post Office™ for postmarking. If you don't need a postmark on this Certified Mail receipt, detach the barcoded portion of this label, affix it to the mailpiece, apply appropriate postage, and deposit the mailpiece.

IMPORTANT: Save this receipt for your records.

USPS TRACKING#

MIDLAND / ODDESSA



TX 797 2 L

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USPS
Permit No. G-10

9590 9402 1749 6074 7798 32

**United States
Postal Service**

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

MF 105848

TRAVIS MATTHEWS

TEXAS GENERAL LAND OFFICE

PO BOX 12873

AUSTIN, TX 78711-2873



SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse 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.

1. Article Addressed to:

Atlantic Resources Company
300 North Marienfeld Street
Suite 600
Midland, TX 79701



9590 9402 1749 6074 7798 32

2. Article Number (Transfer from service label)

7016 2070 0000 7391 9769

COMPLETE THIS SECTION ON DELIVERY

A. Signature

☒ ☐ Agent☐ Addressee

B. Received by (Printed Name)

Eddie Terrazas

C. Date of Delivery

4/24/18

D. Is delivery address different from item 1?

☐ Yes

If YES, enter delivery address below:

☐ No

3. Service Type

☐ Adult Signature☐ Adult Signature Restricted Delivery☒ Certified Mail®☐ Certified Mail Restricted Delivery☐ Collect on Delivery☐ Collect on Delivery Restricted Delivery

Mail

Mail Restricted Delivery

(0)

☐ Priority Mail Express®☐ Registered Mail™☐ Registered Mail Restricted Delivery☐ Return Receipt for Merchandise☐ Signature Confirmation™☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt


```

DISTRICT> 08      GAS WELL DATA INQUIRY - PAGE 1      SCHEDULE > 05 / 18
FIELD > TOYAH, NW (SHALE)      # 90890 700 TYPE FIELD> CAPACITY
OPERATOR> ATLANTIC RESOURCES COMPANY, LLC # 036555      DRILL PMT > 655312
LEASE > BRACKENRIDGE STATE 57-44      API # > 389 32520
COUNTY > REEVES      RRCID 246223 WELL # 1      ALLOW EFF > 05/01/2018
TYPE WELL> PRODUCING      TOP ALLOW >
OFFSHORE> BAYS/EST      STATE      CYCL ALLOW>
OP LACK>
OTHER >
SCHED REM > SEE REMARKS      NO G-10 TEST REQUIRED

```

```

CAPABILITY> 0
"@ " AMOUNT> 9999999999      DATE> MM/YYYY      HIGH DLY AVG> 9999999999      DATE> MM/YYYY
SPEC ALLOW > 100      CODE> ADMINISTRATIVE
G-10 TEST > 12/12/2015      TYPE > E LAST UTIL>      G-1 TEST > 07/25/2008
DELIV TMP > 51      DELIV LTR EFFEC>      G-1 POTE > NOT REQ.
DELIV CODE > DEL < 100      CAL DEL POTE >      TEMPERATURE> 268
WH PRESS CD>      SIWH> 750      BHP CD>      BHP >
GAS GRAV > .606      COND GRAV >      GOR >
ACRES-FT >      ACRES > 320.0000      G1 TEST GAS> 5988
SUPP ISSUED> 04/13/2018      SUPP REMARKS >

```

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GO TO RRCID <      > ENTER=PG2 PF1=HELP      PF3=DRL PMT PF4=RESTART
PF5=NEXT WELL PF6=FLD PF7=PROR SCH PF8=P4 PF9=LDGR PF10=G-10 PF11=RMKS PF12=G-1

```

15:14:19 Mon Apr 23, 2018

DISTRICT > 08 GAS LEDGER INQUIRY
FIELD > TOYAH, NW (SHALE) # 90890 700
OPERATOR > ATLANTIC RESOURCES COMPANY, LLC # 036555
LEASE > BRACKENRIDGE STATE 57-44 # 246223 WELL # 1

MM/YYYY	ALLOW	GAS PROD	GAS LIFT	* AMT	* CODE	* AMT	* CODE	CUMU STAT	G/C RATIO (MCF/BBL)
04/2016	12874 X	2938	0	2938	2				0
05/2016	2864 X	2864	0	2864	2				0
06/2016	2940 X	2649	0	2649	2				0
07/2016	3038 X	2421	0	2421	2				0
08/2016	3038 X	1484	0	1484	2				0
09/2016	2940 X	1344	0	1344	2				0
10/2016	2852 X	1109	0	1109	2				0
11/2016	2640 X	1118	0	1118	2				0
12/2016	1395 N	1090	0	1090	2				0
01/2017	1116 N	475	0	13	1	462	2		0
02/2017	1316 N	727	0	25	1	702	2		0
03/2017	1085 N	697	0	697	2				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 GAS LEDGER INQUIRY
 FIELD > TOYAH, NW (SHALE) # 90890 700
 OPERATOR > ATLANTIC RESOURCES COMPANY, LLC # 036555
 LEASE > BRACKENRIDGE STATE 57-44 # 246223 WELL # 1

MM/YYYY	ALLOW	GAS PROD	GAS LIFT	* AMT	* CODE	* AMT	* CODE	CUMU STAT	G/C RATIO (MCF/BBL)
04/2017	879 N	879	0	879	2			0	
05/2017	1224 N	1224	0	1224	2			0	
06/2017	1258 N	1258	0	35	1	1223	2	0	
07/2017	1564 N	1564	0	15	1	1549	2	0	
08/2017	1585 N	1585	0	10	1	1575	2	0	
09/2017	807 N	807	0	6	1	801	2	0	
10/2017	757 N	757	0	757	2			0	
11/2017	201 N	201	0	201	2			0	
12/2017	837 N	0	0					0	
01/2018	744 N	0	0					0	
02/2018	196 N	0	0					0	
03/2018	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 **

Search Criteria:

Lease Name: BRACKENRIDGE STATE 57-44, Lease No.: 246223 , Well No.: 1

Well Type: Gas

District: 08

Lease Production and Disposition

Date Range: Mar 2017 - Feb 2018

Date	GW Gas (M	Condensate	Production Disposition	Production Disposition	Operator N	Operator N	Field Name	Field No.
Mar 2017	697	697	0	0	ATLANTIC F	36555	TOYAH, NV	90890700
Apr 2017	879	879	0	0				
May 2017	1,224	1,224	0	0				
Jun 2017	1,258	1,258	0	0				
Jul 2017	1,564	1,564	0	0				
Aug 2017	1,585	1,585	0	0				
Sep 2017	807	807	0	0				
Oct 2017	757	757	0	0				
Nov 2017	201	201	0	0				
Dec 2017	0	0	0	0				
Jan 2018	0	0	0	0				
Feb 2018	0	0	0	0				
Total	8972	8972	0	0				

Search Criteria:

Lease Name: BRACKENRIDGE STATE 57-44, Lease No.: 246223 , Well No.: 1

Well Type: Gas

District: 08

Lease Production and Disposition

Date Range: Mar 2017 - Feb 2018

Date	GW Gas (M		Condensate		Operator	N Operator	Field Name	Field No.
	Production	Disposition	Production	Disposition				
Mar 2017	697	697	0	0	ATLANTIC F	36555	TOYAH, NV	90890700
Apr 2017	879	879	0	0				
May 2017	1,224	1,224	0	0				
Jun 2017	1,258	1,258	0	0				
Jul 2017	1,564	1,564	0	0				
Aug 2017	1,585	1,585	0	0				
Sep 2017	807	807	0	0				
Oct 2017	757	757	0	0				
Nov 2017	201	201	0	0				
Dec 2017	0	0	0	0				
Jan 2018	0	0	0	0				
Feb 2018	0	0	0	0				
Total	8972	8972	0	0				



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

Certified USPS 7016 2070 0000 7391 9769

April 24, 2018

Atlantic Resources Company
300 North Marienfeld Street
Suite 600
Midland, TX 79701

Re: State Lease **MF 105848** being 320 acres, Section 44, Block 57, PSL Lands, Reeves County Texas.

Dear Atlantic Resources Company:

Our records indicate that RRC Lease Number 246223 has terminated effective February 1, 2018 due to no production. The Texas Administrative Code dealing with Shut-In Royalty is Title 31, Part 1, Chapter 9, Subchapter C, Rule §9.36.

You have thirty days from the receipt of this letter in which to present evidence to the General Land Office that this termination has not occurred. If such evidence has not been presented at the expiration of the 30 day period, the lease shall be endorsed "terminated" with no further communication from this office prior to the endorsement.

Pursuant to the Texas Administrative Code, we request that you file with this office a certified, recorded copy of a Release of State Oil and Gas Lease, effective as of the termination date and recorded in the county in which the lease tract is located. After recording the release, mail a certified copy of the release, along with the filing fee of \$25.00, to my attention at the GLO.

We look forward to hearing from you.

Yours truly,

Travis Matthews
Landman, Energy Resources
512-463-5118
512-475-1543 (fax)
travis.matthews@glo.texas.gov

File No. MF105848 (19)
REEVES County
TERMINATION LETTER
Date Filed: 4/24/18
By TM George P. Bush, Commissioner

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
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Certified Mail Fee

\$

Extra Services & Fees (check box, add fee as appropriate)

- ☐ Return Receipt (hardcopy) \$ _____
☐ Return Receipt (electronic) \$ _____
☐ Certified Mail Restricted Delivery \$ _____
☐ Adult Signature Required \$ _____
☐ Adult Signature Restricted Delivery \$ _____

Postage

\$

Total Postage and Fees

\$

Sent To

Street and Apt. No., or PO Box No.

City, State, ZIP+4®

Atlantic Resources Company, LLC
PO BOX 3759
Midland, TX 79702-3759

MF105848

Postmark
Here

7016 2070 0000 7390 0000 0202 9T02

Certified Mail service provides the following benefits:

- A receipt (this portion of the Certified Mail label).
- A unique identifier for your mailpiece.
- Electronic verification of delivery or attempted delivery.
- A record of delivery (including the recipient's signature) that is retained by the Postal Service™ for a specified period.

Important Reminders:

- You may purchase Certified Mail service with First-Class Mail®, First-Class Package Service®, or Priority Mail® service.
- Certified Mail service is *not* available for international mail.
- Insurance coverage is *not* available for purchase with Certified Mail service. However, the purchase of Certified Mail service does not change the insurance coverage automatically included with certain Priority Mail items.
- For an additional fee, and with a proper endorsement on the mailpiece, you may request the following services:
 - Return receipt service, which provides a record of delivery (including the recipient's signature). You can request a hardcopy return receipt or an electronic version. For a hardcopy return receipt, complete PS Form 3811, *Domestic Return Receipt*; attach PS Form 3811 to your mailpiece;

for an electronic return receipt, see a retail associate for assistance. To receive a duplicate return receipt for no additional fee, present this USPS®-postmarked Certified Mail receipt to the retail associate.

- Restricted delivery service, which provides delivery to the addressee specified by name, or to the addressee's authorized agent.
- Adult signature service, which requires the signee to be at least 21 years of age (not available at retail).
- Adult signature restricted delivery service, which requires the signee to be at least 21 years of age and provides delivery to the addressee specified by name, or to the addressee's authorized agent (not available at retail).
- To ensure that your Certified Mail receipt is accepted as legal proof of mailing, it should bear a USPS postmark. If you would like a postmark on this Certified Mail receipt, please present your Certified Mail item at a Post Office™ for postmarking. If you don't need a postmark on this Certified Mail receipt, detach the barcoded portion of this label, affix it to the mailpiece, apply appropriate postage, and deposit the mailpiece.

IMPORTANT: Save this receipt for your records.

USPS TRACKING #



9590 9402 1749 6074 7597 59



First-Class Mail
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USPS
Permit No. G-10

United States
Postal Service



Texas General Land Office

George P. Bush, Commissioner

P.O. Box 12873

Austin, Texas 78711-2873

ATTN: Aurora Jordan 7th Energy

ME 105848

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse 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.

1. Article Addressed to:

Atlantic Resources Company,
PO BOX 3759 LLC
Midland, TX 79702-3759



9590 9402 1749 6074 7597 59

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

Michelle Rogers

☐ Agent☐ Addressee

B. Received by (Printed Name)

Michelle Rogers

C. Date of Delivery

6-15-18

D. Is delivery address different from item 1?

☐ Yes

If YES, enter delivery address below:

☒ No

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☐ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery
- ☐ Insured Mail
- ☐ Insured Mail Restricted Delivery

- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☐ Return Receipt for Merchandise
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

7016 2070 0000 7390 5939

(over \$500)

Domestic Return Receipt



Texas General Land Office

Reconciliation Billing

George P. Bush, Commissioner

PO Box 12873
Austin, TX 78711-2873
(800) 998-4456
8:00 - 5:00 M-F

Atlantic Resources Company, LLC
PO Box 3759
Midland, TX 79702-3759

Billing Date: 6/4/2018
Billing Due Date: 7/4/2018
Customer Number: C000089494

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
18I00533	MF105848	\$1,701.53	\$0.00	\$226.72	\$60.77	\$1,989.02
Total Due		\$1,701.53	\$0.00	\$226.72	\$60.77	\$1,989.02

Penalty and interest have been calculated thru 6/30/2018. Payment remitted after 6/30/2018 will result in additional penalty and interest charges.

Contact Info: David Jacquet (512) 463-5262 or david.jacquet@glo.texas.gov

NOTICE

- Please update GLO1 and GLO2 production reports to correct volumes.
- Please do not update GLO3 report to include billed royalty, penalty or interest. This receivable has already been recorded.
- For other royalty reporting questions, visit <http://www.glo.texas.gov>, call (512) 463-6850 or email us at glo123@glo.texas.gov.

This notice does not constitute an Audit Billing Notice as defined in Section 52.135 of the Texas Natural Resources Code and, consequently, does not preclude the TGLO from conducting further examinations of these leases, time periods or issues.

Detach and return with payment

Reconciliation Billing

Atlantic Resources Company, LLC

Billing Date: 6/4/2018

Billing Due Date: 7/4/2018

Customer Number: C000089494

Remit Payment To:

Texas General Land Office

PO Box 12873

Austin, TX 78711-2873

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
18I00533	MF105848	\$1,701.53	\$0.00	\$226.72	\$60.77	\$1,989.02
Total Due		\$1,701.53	\$0.00	\$226.72	\$60.77	\$1,989.02
Amt. Paid						

Customer ID: C000089494
 Invoice Number:
 GLO Lease: MF105848
 GLO Review: ATLANTIC RESOURCES COMPANY LLC
 Review Period: September 2016 Through August 2017

Category Gas
 Auditor/AE: DJACQUET
 Billing Date: 5/31/2018
 P&I Calculation Date: 6/30/2018
 Royalty Rate: 10.00%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	RRC Number	Gas/Oil Volume	Tract Participation Rate	Price	BTU	Gross Value	Royalty Due	Royalty Paid	Additional Royalty Due	Number of Days Late	Interest Rate For Additional Royalty	Penalty Rate From Additional Royalty	Interest Rate From Additional Royalty2	Revenue Due
Jan-17	08-246223	358	1	\$3.13	0.95	\$1,062.92	\$106.29	\$0.00	\$106.29	472	4.75%	\$25.00	\$5.71	\$137.00
Feb-17	08-246223	439	1	\$2.56	0.95	\$1,065.68	\$106.57	\$0.00	\$106.57	441	4.75%	\$25.00	\$5.30	\$136.87
Mar-17	08-246223	677	1	\$2.27	0.95	\$1,459.42	\$145.94	\$0.00	\$145.94	411	4.75%	\$25.00	\$6.69	\$177.63
Apr-17	08-246223	836	1	\$2.44	0.98	\$1,995.58	\$199.56	\$0.00	\$199.56	380	4.75%	\$25.00	\$8.34	\$232.90
May-17	08-246223	997	1	\$1.76	0.95	\$1,663.65	\$166.37	\$0.00	\$166.37	350	4.75%	\$25.00	\$6.30	\$197.67
Jun-17	08-246223	1,027	1	\$2.15	0.95	\$2,096.57	\$209.66	\$0.00	\$209.66	319	4.75%	\$25.00	\$7.09	\$241.75
Jul-17	08-246223	1,552	1	\$2.58	0.95	\$3,796.79	\$379.68	\$0.00	\$379.68	288	4.75%	\$37.97	\$11.31	\$428.96
Aug-17	08-246223	1,584	1	\$2.58	0.95	\$3,874.62	\$387.46	\$0.00	\$387.46	258	4.75%	\$38.75	\$10.03	\$436.24
TOTALS		7,470				\$17,015.22	\$1,701.53	\$0.00	\$1,701.53			\$226.72	\$60.77	\$1,989.02

COMMENTS: BILLING ON ROYALTIES NOT PAID ON VOLUMES REPORT TO THE RRC VS REPORTED TO THE GLO FOR RRC ID # 08-246223.

COLUMN (3) VOLUMES SHOWN ARE THE UNDER REPORTED VOLUMES BASED ON THE DIFFERENCE BETWEEN THE TOTAL OF LEASE USE, RESIDUE, VENTED OR FLARED SALES.
 COLUMNS (5) & (6) THE PRICES AND BTU FACTORS WERE DETERMINED BY CALCULATING AN AVERAGE PRICE AND BTU REPORTED FOR RESIDUE GAS PER GLO2 REPORTS.
 COLUMNS (12),(13),(14) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENT:
<http://www.glo.texas.gov/energy-business/oil-gas/rrac/forms/penalty-interest-assessment-rules.pdf>

NOTE 1: PLEASE REMIT PAYMENT OF THIS INVOICE SEPARATELY FROM REGULAR ROYALTY PAYMENTS. THE PREFERRED METHOD OF PAYMENT IS BY CHECK ACCOMPANIED WITH THE BOTTOM HALF OF THE ATTACHED INVOICE. IF PAYMENT IS MADE THROUGH ACH DEBIT, NOTIFY THE AUDITOR AS TO THE REMITTANCE DATE SO THE INVOICE CAN BE PROPERLY CREDITED.

ATTN: NETA CORNELISON
 CERTIFIED MAIL: 7016 2070 0000 7390 5939

File No. MF 105848

(20)

County

Recon Billing

Date Filed: 6/11/18

George P. Bush, Commissioner

By AT

Susan Draughn

From: Robert Hatter
Sent: Wednesday, June 20, 2018 10:46 AM
To: Susan Draughn; Daryl Morgan
Subject: FW: E/2 Section 44, Block 57, PSL Survey, Reeves County, Texas
Attachments: Brackenridge State 57-44 Shut In Letter 1-4-18.pdf; Brackenridge Sate 57-44 file.pdf

From: Randy Boatright [mailto:rboat@boatrightogm.com]
Sent: Wednesday, June 20, 2018 10:24 AM
To: Robert Hatter <Robert.Hatter@GLO.TEXAS.GOV>
Subject: FW: E/2 Section 44, Block 57, PSL Survey, Reeves County, Texas

Robert,
I sent my letter requesting a release and got this message in response.
Randy

Randy J. Boatright, Trustee
George W. Brackenridge Foundation
1 Riverwalk Place
700 North St. Mary's Street
Suite 875
San Antonio, Texas 78205

Direct Number : 210-860-0557
Main Office No: 210-693-0819

randy@boatrightogm.com

From: Travis Hutt <thutt@arcoperating.com>
Date: Wednesday, June 20, 2018 at 9:59 AM
To: "rboat@boatrightogm.com" <rboat@boatrightogm.com>
Subject: E/2 Section 44, Block 57, PSL Survey, Reeves County, Texas

Randy,

Per our discussion, I have attached the confirmation letter that we received from Susan Draughn at the GLO where she acknowledges accepting our shut-in payment. We have been working with the gas purchaser to fix an issue with the gathering line on this lease. Once this issue is resolved, and we can sell gas again, we will begin producing this well.

Let me know if I can answer any additional questions.

Travis Hutt

Land Manager

Atlantic Resources Company, LLC

300 North Marienfield Street, Suite 1000

Midland, Texas 79701

Telephone: (432) 683-3272

Direct: (432) 253-8330

Mobile: (214) 532-8889

Website: www.arcoperating.com



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

January 4, 2018

Mr. Travis Hutt
Atlantic Resources Company, LLC
300 N. Marienfeld, Suite 1000
Midland, TX 79701

Re: **State Lease MF105848** – Relinquishment Act Land (RAL)
320 acres, E/2 in Section 44, Block 57, PSL Survey, Reeves County, Texas
Shut-In: Brackenridge State 57-44 1, API 42-389-32520, RRC 08-246223

Dear Mr. Hutt,

This acknowledges receipt of shut-in payment in the total amount of \$600.00 for the subject shut-in well by the Texas General Land Office on December 27, 2017.

The Shut-In Royalty Committee has accepted the shut-in payment on behalf of the GLO and this shut-in is valid until the shut-in anniversary date of December 1, 2018.

Please notify us when the well returns to production.

Yours truly,

Susan Draughn, Landman
Energy Resources/ Mineral Leasing
Direct: 512.463.6521 / Email: susan.draughn@glo.texas.gov
Website: www.glo.texas.gov

File No. MF 105848
Email Re: is the County
lease terminated or shut in?
Date Filed: 6/20/18
George P. Bush, Commissioner
By SSD



Shut-In Affidavit

Texas General Land Office
George P. Bush, Commissioner
1700 North Congress Avenue
Austin, Texas 78701-1495

Please respond fully to all applicable questions on this affidavit. Shut-in status may be denied for failure to provide information establishing the validity of this request for shut-in status. For a shut-in lease contained within a unit; separate affidavits must be submitted for each state lease within the unit.

MF 105848

State Lease No. MF 10548		Operator Atlantic Resources Company, LLC	
Lease Name Brackenridge State		Field Name Toyah, NW (Shale)	
Area Delaware Basin	Tract	Part E/2	Acres 320
Section 44	Block 57	Survey PSL	County Reeves
State's NRI in Lease: 10% (1/2 of 1/5th)			
Unit Name (if applicable)		State's Unit NRI (if applicable)	
Total Shut-In Due: \$1,200 (Split 50/50 between Agent and GLO)		Explain how payment was calculated: Delay Rental amount in lease is \$1.00/acre or \$320 total. This amount does not meet the minimum requirement per the terms of the lease so \$1,200.00 is due.	
SHUT-IN PAYMENTS		Wells must be capable of producing in paying quantities. TAC, Title 31, Part 1, Chapter 9, Subchapter C, Rule 9.36, (e). Affidavit required.	

Reason for Shut-In – Be Specific—(Add page as needed)

Williams owns and operates the pipeline that transfers gas produced from the Brackenridge lease to the sales point. There is a meter (owned by Williams) at the edge of the Brackenridge lease ("Lease Meter"). Atlantic Resources Company, LLC ("Atlantic") has suspected issues for some time and has arranged to have the accuracy of the Lease Meter tested at Atlantic's expense. Those tests indicate that the Lease Meter is fully operational and that gas is flowing from the Brackenridge lease; however the sales meter downstream does not show any gas volumes. It has become clear that there is a leak in Williams' line and Atlantic does not have any ability to fix the leak because Williams owns the line. In summary, Atlantic has been producing gas volumes, paying a transportation fee, but not receiving payment for the gas at the sales meter. After repeated attempts to get Williams to assist us with the problem, Williams has finally acknowledged that there is an issue but has not taken any steps to address the issue and it is unclear when they will do so. Atlantic does not have access to any alternative markets for this lease. As a result, Atlantic is tendering shut-in payment for lack of a suitable market.

Explain when and how shut-in is expected to be resolved (Add page as needed)

Atlantic Resources Company, LLC ("Atlantic") has been working closely with Williams operations and field staff as well as their management to isolate, identify and repair the problem. Once the issue is located, it will then be repaired by Williams. Given that Atlantic does not own or operate this pipeline, we cannot speculate as to the timing of the repair, however we are actively working on the issue and attempting to resolve this matter as soon as possible.

Add Pages as need for additional wells.

WELL INFORMATION			
☐ OIL ☒ GAS	Well Name:	API:	RRC: Dist#-Lease#
	Brackenridge State 57-44 1	42-389-32520	08-246223
Produced in Past:	Completion Date:	Shut-In Date:	
☒ Yes ☐ No	7/21/2008	11/3/17	
Provide average daily production rate.			
Define basis for production report (prior or current) from monthly production report or well test data.			
Basis for production report of average: ☐ Well Test ☒ Monthly Average ☐ RRC Well Test			
GAS 1	OIL 1	WATER 1	
mcf/d	bbls/d	bbls/d	

☐ OIL ☐ GAS	Well Name:	API:	RRC: Dist#-Lease#
Produced in Past:	Completion Date:	Shut-In Date:	
☐ Yes ☐ No			
Provide average daily production rate.			
Define basis for production report (prior or current) from monthly production report or well test data.			
Basis for production report of average: ☐ Well Test ☐ Monthly Average ☐ RRC Well Test			
GAS	OIL	WATER	
mcf/d	bbls/d	bbls/d	

☐ OIL ☐ GAS	Well Name:	API:	RRC: Dist#-Lease#
Produced in Past:	Completion Date:	Shut-In Date:	
☐ Yes ☐ No			
Provide average daily production rate.			
Define basis for production report (prior or current) from monthly production report or well test data.			
Basis for production report of average: ☐ Well Test ☐ Monthly Average ☐ RRC Well Test			
GAS	OIL	WATER	
mcf/d	bbls/d	bbls/d	

☐ OIL ☐ GAS	Well Name:	API:	RRC: Dist#-Lease#
Produced in Past:	Completion Date:	Shut-In Date:	
☐ Yes ☐ No			
Provide average daily production rate.			
Define basis for production report (prior or current) from monthly production report or well test data.			
Basis for production report of average: ☐ Well Test ☐ Monthly Average ☐ RRC Well Test			
GAS	OIL	WATER	
mcf/d	bbls/d	bbls/d	

List all producing wells in the same Railroad Commission designated field and Reservoir within 1,000 feet of this lease. If there are wells more than 1,000 feet from the lease, draining the lease, list these also.

Operator	Lease Name & Well #	API	RRC: Dist#-Lease#
RRC Field & Reservoir Name:		RRC Field Code:	
Distance	Completion Interval	Status	

Operator	Lease Name & Well #	API	RRC: Dist#-Lease#
RRC Field & Reservoir Name:		RRC Field Code:	
Distance	Completion Interval	Status	

Operator	Lease Name & Well #	API	RRC: Dist#-Lease#
RRC Field & Reservoir Name:		RRC Field Code:	
Distance	Completion Interval	Status	

Contact for Shut-in: Travis Hutt

Operator's Representative

Phone: 432-253-8330

Email: thutt@arcoperating.com

Mailing Address: 300 N. Marienfeld, Ste. 1000, Midland, Texas 79701

I certify that this statement is true and correct.

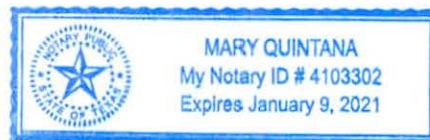
Signature: [Signature]

Print Name: Travis Hutt

Title: VP - Land & Business Development

Sworn and subscribed to before me, the undersigned authority this 16th day of November, 2018.

[Signature]
Notary Public in and for
Midland County, State of Texas



Revised 4/12/2017



PO Box 3759
Midland, TX 79702

300 North Marienfeld, Suite 1000
Midland, Texas 79701

P 432.683.3272
F 432.683.3244

November 16, 2018

**VIA CERTIFIED MAIL
RETURN RECEIPT – 7017 2400 0000 7941 2130**

Texas General Land Office
1700 North Congress Avenue
Austin, Texas 78701

Attn: Susan Draughn

**Re: Shut-In Payment
Brackenridge State 57-44 1 (API – 42-389-32520)
E/2 Section 44, Block 57,
PSL Survey, Reeves County, Texas
MF - 105848**

Dear Ms. Draughn:

Pursuant to that Oil and Gas Lease dated November 7, 2005, by and between the State of Texas, acting by and through its agent, George W. Brackenridge Foundation, Leroy G. Denman Jr., Chairman, as Lessor, and Hallwood Energy II, L.P., as Lessee, covering the East one-half of Section 44, Block 57, PSL Survey, Reeves County, Texas, recorded in Volume 717, Page 130 of the Official Public Records of Reeves County, Texas (the "Lease"), Atlantic Resources Company, LLC ("Atlantic") hereby tenders second shut-in payment for the referenced well.

Atlantic, as current operator and owner of the Lessee interest in the Lease, is making this shut-in payment because of the lack of a suitable market for produced gas from the referenced well.

Attached please find check number 010884 in the amount of Six Hundred and N0/100 Dollars (\$600.00), being half of the minimum required payment under Provision 14 of the Lease. Additionally, please find attached the completed Shut-In Affidavit required by the General Land Office.

Should you have any questions or require further clarification, please contact Travis Hutt at 432-253-8330 or thutt@arcoperating.com.

Sincerely,

Atlantic Resources Company, LLC

By: 
Name: Mary Quintana
Title: Sr. Lease/Division Order Analyst

THE KEY TO DOCUMENT SECURITY • HEAT ACTIVATED THUMB PRINT • ADDITIONAL SECURITY FEATURES INCLUDED • SEE BACK FOR DETAILS

Atlantic Resources Company, LLC

P.O. Box 3759
Midland, TX 79702

JPMorgan Chase Bank, N.A.
Dallas, Texas
32-61/1110

010884

10884

19703498

PAY Six hundred dollars and no cents
TO THE
ORDER OF

DATE
11/16/2018

AMOUNT
\$**600.00*

Texas General Land Office
1700 N. Congress Avenue
Austin, TX 78701



Authorized Signature

⑈010884⑈

Atlantic Resources Company, LLC - P.O. Box 3759 - Midland, TX 79702

To: Texas General Land Office
1700 N. Congress Avenue
Austin, TX 78701

Vendor Code
TEX160

Check Date
11/16/2018

Check Amount
\$600.00

010884
Check Number
1075-10884

Invoice #	Invoice Amt
11/14/2018	600.00
George W. Brackenridge Foundation Brackenridge State 57-44 1 E/2 Section 44, Block 57 PSL Survey Reeves County, TX The Oil & Gas Lease requires that shut-in payment amount either double delay rental amount (in this instance \$1/acre) or a minimum of \$1200 split between the GLO and the Agent.	

121

19703498

01.05.17

File No. MF 105848
Shut in affidavit County
& payment
Date Filed: 1/2/19
George P. Bush, Commissioner
By SSD

44-38861-1000



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

January 2, 2019

Ms. Mary Quintana
Atlantic Resources Company, LLC
300 N. Marienfield, Suite 1000
Midland, TX 79701

Re: **State Lease MF105848** – Relinquishment Act Land (RAL)
320 acres, E/2 in Section 44, Block 57, PSL Survey, Reeves County, Texas
Shut-In: Brackenridge State 57-44 1, API 42-389-32520, RRC 08-246223

Dear Ms. Quintana,

This acknowledges receipt of shut-in payment in the total amount of \$600.00 for the subject shut-in well by the Texas General Land Office on November 20, 2018.

The Shut-In Royalty Committee has accepted the shut-in payment on behalf of the GLO and this shut-in is valid until the shut-in anniversary date of December 1, 2019.

Please notify us when the well returns to production.

Yours truly,

Susan Draughn, Landman
Energy Resources/ Mineral Leasing
Direct: 512.463.6521 / Email: susan.draughn@glo.texas.gov
Website: www.glo.texas.gov

File No. MF 105848
letter accepting County
split-in
Date Filed: 1/2/19
George P. Bush, Commissioner
By SSD



Shut-In Affidavit
Texas General Land Office
George P. Bush, Commissioner
1700 North Congress Avenue
Austin, Texas 78701-1495

Please respond fully to all applicable questions on this affidavit. Shut-in status may be denied for failure to provide information establishing the validity of this request for shut-in status. For a shut-in lease contained within a unit; separate affidavits must be submitted for each state lease within the unit.

State Lease No. MF 105848		Operator Recovery Operating LP	
Lease Name Brackenridge State 57-44		Field Name Toyah, NW (Shale)	
Area	Tract	Part E/2	Acres 320
Section 44	Block 57	Survey PSL Survey	County Reeves
State's NRI in Lease: 0.10			
Unit Name (if applicable)		State's Unit NRI (if applicable)	
Total Shut-In Due: \$1200.00		Explain how payment was calculated: GLO Requirement of \$1200 per Shut In Well.	
SHUT-IN PAYMENTS		Wells must be capable of producing in paying quantities. TAC, Title 31, Part 1, Chapter 9, Subchapter C, Rule 9.36, (e). Affidavit required.	

Reason for Shut-In – Be Specific—(Add page as needed)

The Gas Transmission Line Belonging to the Purchaser Gatherer is in need of repair due to leaks. The Well is shut in awaiting repair to the Sales line by the Purchaser/ Gatherer.

Explain when and how shut-in is expected to be resolved (Add page as needed)

A repair to the line is anticipated to happen sometime in the first quarter of 2020. The well will be returned to production at this time.

Add Pages as need for additional wells.

WELL INFORMATION			
☐ OIL ☒ GAS	Well Name: Brackenridge State 57-44 # 1	API: 42-389-32520	RRC: Dist#-Lease# 08-246223
Produced in Past: ☒ Yes ☐ No	Completion Date: 05-31-2008	Shut-In Date: 11-30-2017	
Provide average daily production rate. Define basis for production report (prior or current) from monthly production report or well test data.			
Basis for production report of average: ☐ Well Test ☒ Monthly Average ☐ RRC Well Test			
GAS mcf/d	OIL bbls/d	WATER bbls/d	

☐ OIL ☐ GAS	Well Name:	API:	RRC: Dist#-Lease#
Produced in Past: ☐ Yes ☐ No	Completion Date:	Shut-In Date:	
Provide average daily production rate. Define basis for production report (prior or current) from monthly production report or well test data.			
Basis for production report of average: ☐ Well Test ☐ Monthly Average ☐ RRC Well Test			
GAS mcf/d	OIL bbls/d	WATER bbls/d	

☐ OIL ☐ GAS	Well Name:	API:	RRC: Dist#-Lease#
Produced in Past: ☐ Yes ☐ No	Completion Date:	Shut-In Date:	
Provide average daily production rate. Define basis for production report (prior or current) from monthly production report or well test data.			
Basis for production report of average: ☐ Well Test ☐ Monthly Average ☐ RRC Well Test			
GAS mcf/d	OIL bbls/d	WATER bbls/d	

☐ OIL ☐ GAS	Well Name:	API:	RRC: Dist#-Lease#
Produced in Past: ☐ Yes ☐ No	Completion Date:	Shut-In Date:	
Provide average daily production rate. Define basis for production report (prior or current) from monthly production report or well test data.			
Basis for production report of average: ☐ Well Test ☐ Monthly Average ☐ RRC Well Test			
GAS mcf/d	OIL bbls/d	WATER bbls/d	

List all producing wells in the same Railroad Commission designated field and Reservoir within 1,000 feet of this lease. If there are wells more than 1,000 feet from the lease, draining the lease, list these also.

Operator N/A	Lease Name & Well #	API	RRC: Dist#-Lease#
RRC Field & Reservoir Name:		RRC Field Code:	
Distance	Completion Interval	Status	

Operator	Lease Name & Well #	API	RRC: Dist#-Lease#
RRC Field & Reservoir Name:		RRC Field Code:	
Distance	Completion Interval	Status	

Operator	Lease Name & Well #	API	RRC: Dist#-Lease#
RRC Field & Reservoir Name:		RRC Field Code:	
Distance	Completion Interval	Status	

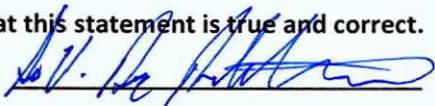
Contact for Shut-in: N/A

Operator's Representative

Phone: _____ Email: _____

Mailing Address: _____

I certify that this statement is true and correct.

Signature:  Print Name: S.V. "Doc" Robertson

Title: Partner

Sworn and subscribed to before me, the undersigned authority this _____ day of _____, 20____.

Notary Public in and for _____

_____ County, State of _____

Revised 4/12/2017

RECOVERY OPERATING LP
12329 SPRING CREEK LN
SAN ANGELO, TX 76904

FIRST FINANCIAL BANK
855-800-3462

20703386

2190

88-112/1113

63

CHECK ARMOR
TRADE PROTECTION

11/30/2019

PAY TO THE ORDER OF Texas General Land Office

\$ **1,200.00

One Thousand Two Hundred Only*****

DOLLARS

Texas General Land Office
P.O. Box 12873
Austin, Texas 78711

MEMO

Brackenridge 57-44 # 1 Shut in Royalty

[Signature]
AUTHORIZED SIGNATURE

MP

⑈002190⑈

RECOVERY OPERATING LP

2190

Texas General Land Office
Shut in Royalty

11/30/2019

1,200.00

20703386

Checking

Brackenridge 57-44 # 1 Shut in Royalty

X 1,200.00

RECOVERY OPERATING LP

12329 SPRING CREEK LANE

SAN ANGELO, TEXAS 76904

11-29-2019

TEXAS GENERAL LAND OFFICE
1700 NORTH CONGRESS AVENUE
AUSTIN, TEXAS 78701-1495

RE: Brackenridge State 57-44 # 1 Shut in Royalty

Please find enclosed Recovery Operating LP check Number 2190 for \$ 1200.00 for the Shut in Royalty payment for the Brackenridge State 57-44 Well # 1 MF 105848 API # 42-389-32520 for the Shut-in term of 12-1-2019 to 12-1-2020.

If you any questions, please contact me.



S.V. "Doc" Robertson

Owner/ Partner

325-450-3682

File No. MF105848
Shut-in payment County
and affidavit
Date Filed: 12/4/19
George P. Bush, Commissioner
By SSD



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

December 4, 2019

Mr. S. V. Robertson
Recovery Operating LP
12329 Spring Creek Lane
San Angelo, TX 76904

Re: **State Lease MF105848** – Relinquishment Act Land (RAL)
320 acres, E/2 in Section 44, Block 57, PSL Survey, Reeves County, Texas
Shut-In: Brackenridge State 57-44 1, API 42-389-32520, RRC 08-246223

Dear Mr. Robertson:

This acknowledges receipt of shut-in payment in the total amount of \$1200.00 for the subject shut-in well by the Texas General Land Office on December 2, 2019. Please note that the \$1200.00 required shut-in payment is shared equally with the surface owner, therefore it appears that the state has been overpaid by \$600.00 that should have been paid to the surface owner. It is the lease owner's responsibility to pay the surface owner. You may request a refund of the \$600.00 overpayment to the state by sending a written request for refund and providing the tax identification number for the account that the payment was drawn.

The Shut-In Royalty Committee has accepted the shut-in payment on behalf of the GLO and this shut-in is valid until the shut-in anniversary date of December 1, 2020.

The shut-in payment was received from Recovery Operating LP. If Recovery has been assigned the lease from Atlantic Resources Company, LLC, please provide a certified copy of the assignment to the Texas General Land Office along with the \$25.00 fee for each state lease assigned.

Please let me know if I can answer any questions and notify the GLO when the well returns to production.

Yours truly,

Susan Draughn, Landman
Energy Resources/ Mineral Leasing
Direct: 512.463.6521 / Email: susan.draughn@glo.texas.gov
Website: www.glo.texas.gov

File No. MF105848
Letter accepting _____ County
shut-in _____
Date Filed: 12/4/19 _____
George P. Bush, Commissioner
By SSP _____



961BR 484
V01 BR 484

REFUND REQUEST FORM

TEXAS GENERAL LAND OFFICE
TEXAS VETERANS LAND BOARD

P.O. BOX 12873

Austin, Texas 78711-2873

Requester Info:

Date: January 15, 2020

Requested By: S.V. Robertson

Phone Number: 325-450-3682

Refund to:

Comptroller Payee #: 81-3816398 7.000

Name: Recovery Operating Lp

Address: 12328 Spring Creek Lane

San Angelo, TX 76904

REGISTER NUMBER	DATE RECEIVED	FILE NUMBER	REFUND AMOUNT	REASON FOR REFUND	WARRANT NUMBER
20703386	12/2/2019	MF105848	\$600.00	Overpayment of Shut-In	141419595
TOTAL REFUND			\$600.00		

Program Area Energy Resources/Mineral Leasing

Date refund completed 1/22/2020

Requested by Susan Draughn

Date warrant mailed 1/23/2020

Supervisor approval

Printed Name Dustin Oslick

Deputy Director approval*

Printed Name

*Refunds requested for \$1,000.00 or more must have Deputy Director approval.

Chief Clerk approval**

**Refunds requested for \$100,000.00 or more must have Chief Clerk approval.

CC Chief Clerk on refund requests between \$10,000.00 - \$99,999.99

Record copy: GLO Receiver

Revised: 09/28/2015

RECOVERY OPERATING LP

12329 SPRING CREEK LANE

SAN ANGELO, TEXAS 76904

12-31-2019

TEXAS GENERAL LAND OFFICE

1700 NORTH CONGRESS AVENUE

AUSTIN, TEXAS 78711-2873

Attn: Susan Draughn

RE: Overpayment of Shut in Royalty

We received your letter advising that we had overpaid for the Shut-In Royalty on State Lease Number MF105848 (Brackenridge State 57-44 # 1) in the amount of \$600.00. This letter is to serve as a request to have the \$600.00 refunded to Recovery Operating LP. The Tax ID # that you requested is as follows: 81-3816398.

Pertaining to the assignment fee our records indicate that a \$ 25.00 fee for each lease was paid to the GLO earlier in the year when the properties were acquired from Atlantic Resources Company LLC.

If you have any questions, please feel free to contact me anytime.

Sincerely,

S.V. Robertson

325-450-3682 doc.robertson@verizon.net



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

December 4, 2019

Mr. S. V. Robertson
Recovery Operating LP
12329 Spring Creek Lane
San Angelo, TX 76904

Re: **State Lease MF105848** – Relinquishment Act Land (RAL)
320 acres, E/2 in Section 44, Block 57, PSL Survey, Reeves County, Texas
Shut-In: Brackenridge State 57-44 1, API 42-389-32520, RRC 08-246223

Dear Mr. Robertson:

This acknowledges receipt of shut-in payment in the total amount of \$1200.00 for the subject shut-in well by the Texas General Land Office on December 2, 2019. Please note that the \$1200.00 required shut-in payment is shared equally with the surface owner, therefore it appears that the state has been overpaid by \$600.00 that should have been paid to the surface owner. It is the lease owner's responsibility to pay the surface owner. You may request a refund of the \$600.00 overpayment to the state by sending a written request for refund and providing the tax identification number for the account that the payment was drawn.

The Shut-In Royalty Committee has accepted the shut-in payment on behalf of the GLO and this shut-in is valid until the shut-in anniversary date of December 1, 2020.

The shut-in payment was received from Recovery Operating LP. If Recovery has been assigned the lease from Atlantic Resources Company, LLC, please provide a certified copy of the assignment to the Texas General Land Office along with the \$25.00 fee for each state lease assigned.

Please let me know if I can answer any questions and notify the GLO when the well returns to production.

Yours truly,

Susan Draughn, Landman
Energy Resources/ Mineral Leasing
Direct: 512.463.6521 / Email: susan.draughn@glo.texas.gov
Website: www.glo.texas.gov

File No. MF105848
Refund _____ County

Date Filed: 1/23/20
George P. Bush, Commissioner
By SSD _____

1.70.50



Shut-In Affidavit

Texas General Land Office
George P. Bush, Commissioner
1700 North Congress Avenue
Austin, Texas 78701-1495

Please respond fully to all applicable questions on this affidavit. Shut-in status may be denied for failure to provide information establishing the validity of this request for shut-in status. For a shut-in lease contained within a unit; separate affidavits must be submitted for each state lease within the unit.

State Lease No. MF 105848		Operator Recovery Operating LP	
Lease Name Brackenridge State 57-44		Field Name Toyah, NW (Shale)	
Area	Tract	Part E/2	Acres 320
Section 44	Block 57	Survey PSL Survey	County Reeves
State's NRI in Lease: 0.10			
Unit Name (if applicable)		State's Unit NRI (if applicable)	
Total Shut-In Due: \$1200.00 \$600 - GLO		Explain how payment was calculated: GLO Requirement of \$1200 per Shut In Well.	
SHUT-IN PAYMENTS		Wells must be capable of producing in paying quantities. TAC, Title 31, Part 1, Chapter 9, Subchapter C, Rule 9.36, (e). Affidavit required.	

Reason for Shut-In – Be Specific—(Add page as needed)

The Gas Transmission Line Belonging to the Purchaser Gatherer is in need of repair due to leaks. The Well is shut in awaiting repair to the Sales line by the Purchaser/ Gatherer.

Explain when and how shut-in is expected to be resolved (Add page as needed)

Recovery Operating LP is currently in negotiations with Salt Creek to accept the gas from this well into their low pressure line.

Add Pages as need for additional wells.

WELL INFORMATION			
☐ OIL ☒ GAS	Well Name: Brackenridge State 57-44 # 1	API: 42-389-32520	RRC: Dist#-Lease# 08-246223
Produced in Past: ☒ Yes ☐ No	Completion Date: 05-31-2008	Shut-In Date: 11-30-2017	
Provide average daily production rate. Define basis for production report (prior or current) from monthly production report or well test data. Basis for production report of average: ☐ Well Test ☒ Monthly Average ☐ RRC Well Test			
GAS mcf/d	OIL bbls/d	WATER bbls/d	

☐ OIL ☐ GAS	Well Name:	API:	RRC: Dist#-Lease#
Produced in Past: ☐ Yes ☐ No	Completion Date:	Shut-In Date:	
Provide average daily production rate. Define basis for production report (prior or current) from monthly production report or well test data. Basis for production report of average: ☐ Well Test ☐ Monthly Average ☐ RRC Well Test			
GAS mcf/d	OIL bbls/d	WATER bbls/d	

☐ OIL ☐ GAS	Well Name:	API:	RRC: Dist#-Lease#
Produced in Past: ☐ Yes ☐ No	Completion Date:	Shut-In Date:	
Provide average daily production rate. Define basis for production report (prior or current) from monthly production report or well test data. Basis for production report of average: ☐ Well Test ☐ Monthly Average ☐ RRC Well Test			
GAS mcf/d	OIL bbls/d	WATER bbls/d	

☐ OIL ☐ GAS	Well Name:	API:	RRC: Dist#-Lease#
Produced in Past: ☐ Yes ☐ No	Completion Date:	Shut-In Date:	
Provide average daily production rate. Define basis for production report (prior or current) from monthly production report or well test data. Basis for production report of average: ☐ Well Test ☐ Monthly Average ☐ RRC Well Test			
GAS mcf/d	OIL bbls/d	WATER bbls/d	

List all producing wells in the same Railroad Commission designated field and Reservoir within 1,000 feet of this lease. If there are wells more than 1,000 feet from the lease, draining the lease, list these also.

Operator N/A	Lease Name & Well #	API	RRC: Dist#-Lease#
RRC Field & Reservoir Name:		RRC Field Code:	
Distance	Completion Interval	Status	

Operator	Lease Name & Well #	API	RRC: Dist#-Lease#
RRC Field & Reservoir Name:		RRC Field Code:	
Distance	Completion Interval	Status	

Operator	Lease Name & Well #	API	RRC: Dist#-Lease#
RRC Field & Reservoir Name:		RRC Field Code:	
Distance	Completion Interval	Status	

Contact for Shut-in: S.V. "Doc" Robertson

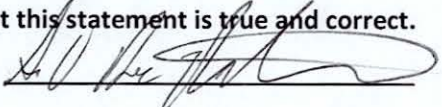
Operator's Representative

Phone: 325-450-3682

Email: doc.robertson@verizon.net

Mailing Address: 12329 Spring Creek Lane San Angelo, Texas 76904

I certify that this statement is true and correct.

Signature: 

Print Name: S.V. "Doc" Robertson

Title: Partner

Sworn and subscribed to before me, the undersigned authority this 3rd day of November, 2020.

Notary Public in and for

County, State of

Revised 4/12/2017

21702177

FIRST FINANCIAL BANK
855-660-5852

2702

88-112/1113

63

CHECK GUARANTEE

11/3/2020

RECOVERY OPERATING LP
12329 SPRING CREEK LN
SAN ANGELO, TX 76904

PAY TO THE ORDER OF Texas General Land Office

\$ **600.00

Six Hundred Only*****

DOLLARS

Texas General Land Office
P.O. Box 12873
Austin, Texas 78711

MEMO

Shut In Royalty 2020-2021


AUTHORIZED SIGNATURE

MP

⑈002702⑈ ⑈111301122⑈ ⑈6311010066⑈

RECOVERY OPERATING LP

2702

Texas General Land Office
Shut in Royalty

11/3/2020

600.00

Bracket Ridge 57-44 #1

21702177

121

Checking

Shut In Royalty 2020-2021

X 600.00

RECOVERY OPERATING LP
12329 SPRING CREEK LANE
SAN ANGELO, TEXAS 76904

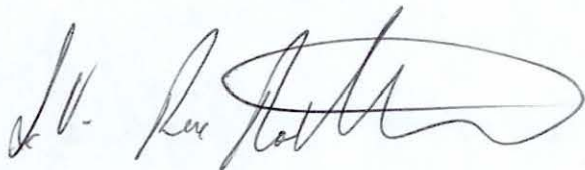
11-03-2020

TEXAS GENERAL LAND OFFICE
1700 NORTH CONGRESS AVENUE
AUSTIN, TEXAS 78701-1495

RE: Brackenridge State 57-44 # 1 Shut in Royalty

Please find enclosed Recovery Operating LP check Number 2702 for
\$ 600.00 for the Shut in Royalty payment for the Brackenridge State
57-44 Well # 1 MF 105848 API # 42-389-32520 for the Shut-in term of
12-1-2020 to 12-1-2021.

If you any questions, please contact me.

A handwritten signature in black ink, appearing to read "S.V. Doc Robertson", with a large, stylized flourish at the end.

S.V. "Doc" Robertson
Recovery Operating LP
325-450-3682

File No. MF 105848
Shut in payment County
and affidavit
Date Filed: 2/25/2021
George P. Bush, Commissioner
By SSD



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

December 4, 2019

Mr. S. V. "Doc" Robertson
Recovery Operating LP
12329 Spring Creek Lane
San Angelo, TX 76904

Re: **State Lease MF105848** – Relinquishment Act Land (RAL)
320 acres, E/2 in Section 44, Block 57, PSL Survey, Reeves County, Texas
Well: Brackenridge State 57-44 1, API 42-389-32520, RRC 08-246223
Shut-in declined

Dear Mr. Robertson:

The General Land Office received payment of \$600.00 on November 9, 2020, for a continued shut-in of the referenced well. According to our records this well has been shut-in since November 3, 2017 (date provided on first affidavit), with explanation for shut-in being a leak in the production line. Each subsequent shut-in affidavit has explained the same problem with the line and that a repair or alternate solution was forthcoming. At the time of the shut-in Atlantic Resources sent an affidavit stating that monthly production prior to shut-in was 1mcf/day and 1bbl/day. We do not consider this well to be capable of producing in paying quantities which is a prerequisite for shut-in payments.

The Shut-In Royalty Committee is declining the shut-in payment received on November 9, 2020. Shut-in is not automatically approved. Due to the time elapsed with the problems not resolved, the committee deems the lease terminated. Recovery Operating LP may request a refund of the \$600.00 payment by sending a written request by mail or email (to my email address). Please provide the Tax Identification number for Recovery Operating LP for the GLO to complete the refund request.

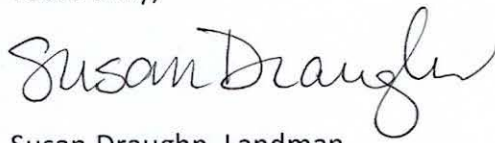
Last year after the shut-in payment was received from Recovery Operating LP and accepted by the GLO a letter was sent acknowledging the payment and requesting a certified copy of the assignment of lease from Atlantic Resources to Recovery Operating LP. GLO records do not indicate said assignment as received. Please provide a certified copy of the assignment to the Texas General Land Office along with a filing fee of twenty-five dollars (\$25.00) for each state lease assigned.

Additionally, Title 31, §9.92, of the Texas Administrative Code requires that a recorded original or certified copy of a Release of each State Lease, along with a filing fee of twenty-five dollars (\$25.00) per lease, be filed with our office.

Lastly, when the well has been plugged, copies of Railroad Commission Form W-3 are required to be filed with our office.

If you have questions concerning this matter, please feel free to e-mail me at the address below my signature.

Yours truly,

A handwritten signature in cursive script that reads "Susan Draughn". The signature is written in black ink and is positioned above the typed name and contact information.

Susan Draughn, Landman

Energy Resources/ Mineral Leasing

Direct: 512.463.6521 / Email: susan.draughn@glo.texas.gov

Website: www.glo.texas.gov

File No. MF105848
Shut in decline County
Letter
Date Filed: 2/25/2021
George P. Bush, Commissioner
By SSD

Susan Draughn

From: Doc Robertson <doc.robertson@verizon.net>
Sent: Thursday, December 17, 2020 10:48 AM
To: Susan Draughn
Cc: dlr99@sbcglobal.net
Subject: [EXTERNAL] MF 105848 - Brackenridge State 57-44-1

Susan,

We received your letter notifying us that the GLO was terminating our Brackenridge State 57-44-1 (MF 105848). I attempted to call you yesterday at your Office and cell number but could not reach you. I left a message on your cell phone but have not received a return call. I would like to discuss this matter as we do not agree with the action the GLO has taken and feel that said action was taken without cause. I would like to discuss this with before we respond.

Thanks

Doc Robertson
Recovery Operating LP
325-450-3682

CAUTION: This email originated from OUTSIDE of the Texas General Land Office. Links or attachments may be dangerous. Please be careful clicking on any links or opening any attachments.

File No. MF105848
Email Re: Recovery County
Operating shut in
Date Filed: 2/25/21
George P. Bush, Commissioner
By SSD

Susan Draughn

From: Doc Robertson <doc.robertson@verizon.net>
Sent: Monday, December 21, 2020 9:21 AM
To: Susan Draughn
Cc: Larry Hargrave
Subject: Re: [EXTERNAL] Brackenridge 57-44-1 Recompletion Prospect Info
Attachments: Brackenridge - Armstrong Assignment.pdf

Susan,

Please find attached a copy of the Assignment from Atlantic to Recovery for the Brackenridge State and the Armstrong State as per your request. Our records indicate this information was sent to the GLO however we do not have an issue with paying the \$ 25.00 filling fee again. As for the communication with Williams we never had any type contact with them as Brazos Midstream acquired the Williams assets at the same time we were acquiring these leases from Atlantic. We have had multiple communications with Brazos on the matter and will provide you with them. Please be patient for the supporting documents as we are working remotely away from our Office and will have to send someone in to retrieve the files.

Thanks

Doc Robertson
Recovery Operating LP
325-450-3682

-----Original Message-----

From: Susan Draughn <Susan.Draughn@GLO.TEXAS.GOV>
To: Doc Robertson <doc.robertson@verizon.net>
Cc: Larry Hargrave <Larry.Hargrave@glo.texas.gov>
Sent: Fri, Dec 18, 2020 2:32 pm
Subject: RE: [EXTERNAL] Brackenridge 57-44-1 Recompletion Prospect Info

Doc,

Thank you for the information you sent. The GLO will need additional information regarding the shut in request.

The subject well was first shut in November 3, 2017, according to the affidavit submitted by Atlantic Resources. Conversations with Atlantic regarding the shut in described the lack of market due to a leak in the Williams gas line and the expected plans for repair. Year two the GLO allowed a continuation of the shut-in for Atlantic because repair was expected within a short period. Then year three when Recovery requested to continue the shut-in, the GLO was told that as the new operator, Recovery Operating needed a little time to get the problem with the gas line resolved to resume production, and a third year shut-in was allowed. The Shut-in were approved to allow opportunity for solutions due to difficult circumstances. The subject well has not resumed production since the initial shut-in.

In order to consider a continuation of shut in, the GLO is requesting the following:

1. Please provide any correspondence or other documentation regarding attempts to resolve the production line problem. Provide any communications or other documentations with Williams pipeline, the company first identified by Atlantic as finding a leak in their line. Documentations should describe the pipeline company's identification of the leak and the terms for repair, and any notifications of continued problems and/or resolutions to return the well to sales. What has been done to repair the line or find an alternate line? Please provide documentation.
2. Please provide a copy of all assignments, including amendments or corrections to assignments, showing how Recovery obtained a controlling interest in state lease MF105848. Note: The last assignment in the GLO file record is when Atlantic resources assigned a portion of the lease to North Reeves Development LLC, filed in Reeves Co. in Document 17-13282 and in Culberson Co. in Document 4216. You may attach a copy of any assignments in an email to me.

3. Please provide certified copies of any assignments and amended or corrected assignments, as required per the lease agreement, that show the lease title record into Recovery Resources. The GLO needs certified copies of any assignment of the lease after the one noted above. There is a required \$25 filing fee payable to the GLO per state lease assigned. Please provide certified copies of any assignments of the subject lease after the one noted in #1 above.

Susan Draughn, Landman
Energy Resources | Texas General Land Office
Cell: 512-468-9995 | Direct: 512-463-6521
Email: susan.draughn@glo.texas.gov

From: Doc Robertson <doc.robertson@verizon.net>
Sent: Thursday, December 17, 2020 1:30 PM
To: Susan Draughn <Susan.Draughn@GLO.TEXAS.GOV>
Subject: [EXTERNAL] Brackenridge 57-44-1 Recompletion Prospect Info

Susan,

Please find attached several files that indicates our efforts to establish a Gas Market and a Geological Evaluation for a recompletion to bring the well into a productive status. We have identified recompletion zones that offset producers have been successful with. The information enclosed is proprietary and is to be used only for the purpose to establish Recovery Operating LP has been working for a solution for bringing this well on line and not just letting the well be shut in.

Our plan is to secure a gas market with Salt Creek, Recomplete the well in the Wolfcamp A & B and Bone Springs Zones. Upon a successful recompletion of this well it would be our goal to develop the remaining acreage on the Lease.

Please let me know if you need further information.

Thanks

Doc Robertson
Recovery Operating LP
325-450-3682

CAUTION: This email originated from OUTSIDE of the Texas General Land Office. Links or attachments may be dangerous. Please be careful clicking on any links or opening any attachments.

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

ASSIGNMENT, CONVEYANCE AND BILL OF SALE

STATE OF TEXAS

COUNTY OF REEVES

§
§
§

KNOW ALL MEN BY THESE PRESENTS:

This Assignment, Conveyance and Bill of Sale (this "Assignment") is made and entered into effective as of January 1, 2019 at 7:00 a.m. (the "Effective Time"), by and among ATLANTIC RESOURCES HOLDING CO., LLC, whose address is 300 North Marienfeld, Suite 1000, Midland, Texas 79701 and NORTH REEVES DEVELOPMENT LLC, whose address is P.O. Box 845, New York, NY 10150 (collectively hereinafter referred to as "Assignor"), and RECOVERY OPERATING LP, (referred to hereinafter as "Assignee"), whose address is 12329 SPRING CREEK LANE, SAN ANGELO TEXAS 76904

NOW THEREFORE, for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Assignor does hereby GRANT, BARGAIN, SELL, ASSIGN, TRANSFER and CONVEY to Assignee, notwithstanding the foregoing words of grant, without warranty of title of any kind, express, implied or otherwise, and subject to the terms and conditions hereinafter set out, all of Assignor's right, title and interest in, to and under (i) the oil and gas leases described in Exhibit "A", attached hereto and made a part hereof, and the oil and gas leasehold estates created thereunder, insofar and only insofar as it covers the lands described in Exhibit "A", (ii) all real, personal and intangible property rights appurtenant to such lands and leases listed on Exhibit "A", including, without limitation, the following (all of Assignor's right, title and interest described below being hereinafter collectively referred to as the "Interests"):

- a. Leasehold interests in oil, gas or other minerals, including, without limitation, working interests, carried working interests, rights of assignment and reassignment and other interests under or in the oil and gas leases, and interests in rights to explore for and produce oil, gas and other minerals;
- b. Rights and interests in or derived from unit agreements, orders and decisions of state and federal regulatory authorities establishing units, joint operating agreements, enhanced recovery and injection agreements, gas sales contracts, farmout agreements and farmin agreements, options, drilling agreements, exploration agreements, assignments of operating rights, working interests and subleases;
- c. Rights-of-way, easements, servitudes and franchises acquired or used in connection with operations for the exploration and production of oil, gas or other minerals;
- d. Permits and licenses of any nature owned, held or operated in connection with operations for the exploration and production of oil, gas or other minerals, to the extent such permits and licenses are transferable;

e. Rights and interests in and to the wells, machinery, equipment, fixtures, related inventory and personal property located on and used in connection with the operation of the property described in Exhibit "A" (the "Equipment").

This Assignment is made subject to the following terms, conditions or exceptions:

1. The Interests herein assigned and conveyed shall be subject to all instruments and agreements through which Assignor derived its title or to which the same are subject.
2. To the extent transferable, Assignee shall have the right of full substitution and subrogation in and to any and all rights and actions of warranty which Assignor has or may have with respect to the Interest conveyed hereunder of which Assignor has or may have against any and all preceding owners, vendors or warrantors.
3. **ASSIGNOR AND ASSIGNEE ACKNOWLEDGE AND AGREE THE INTERESTS ARE CONVEYED HEREUNDER WITHOUT WARRANTY OF TITLE OF ANY KIND, EXPRESSED, IMPLIED OR OTHERWISE. IN ADDITION, THE INTERESTS ARE CONVEYED HEREUNDER BY ASSIGNOR "AS IS, WHERE IS" AND IN THEIR PRESENT CONDITION WITH ALL FAULTS AND DEFECTS. ASSIGNOR HAS NOT MADE, DOES NOT HEREBY MAKE AND SPECIFICALLY DISCLAIMS, ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESSED, IMPLIED OR OTHERWISE, AT COMMON LAW, BY STATUTE, OR OTHERWISE, ORAL OR WRITTEN, PAST, PRESENT, OR FUTURE AS TO, CONCERNING OR WITH RESPECT TO THE INTERESTS, INCLUDING, BUT NOT LIMITED TO (AND WITHOUT LIMITING THE GENERALITY OF THE FOREGOING), THE FOLLOWING: (A) ANY GEOLOGICAL, SEISMIC AND OTHER GEOPHYSICAL DATA; THE EXISTENCE OR EXTENT OF OIL, GAS OR MINERAL RESERVES, IF ANY; THE RECOVERABILITY OF OR COST OF RECOVERING ANY SUCH RESERVES; THE VALUE OF SUCH RESERVES; ANY PRODUCT PRICING ASSUMPTIONS; AND THE ABILITY TO SELL OIL OR GAS PRODUCTION AFTER CLOSING; THE EXISTENCE OF ANY PROSPECT, RECOMPLETION, INFILL, OR STEP-OUT DRILLING OPPORTUNITIES;; (B) THE NATURES, QUALITY OR CONDITION OF THE INTERESTS INCLUDING, WITHOUT LIMITATION, THE WATER, SOIL OR GEOLOGY OF THE PROPERTY SUBJECT TO THE LEASES; (C) THE EXISTING SOIL CONDITIONS OR OTHER CONDITIONS OF ANY PROPERTY SUBJECT TO THE LEASES; (D) THE INCOME TO BE DERIVED FROM ANY OF THE INTERESTS; (E) THE SUITABILITY FOR ANY AND ALL ACTIVITIES AND USES WHICH ASSIGNEE MAY CONDUCT THEREON OR THEREWITH; (F) THE COMPLIANCE OF THE INTERESTS, OR THEIR OPERATION, WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OR ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY; (G) THE HABITABILITY, SUITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE INTERESTS; (H) THE GOOD AND WORKMANLIKE CONSTRUCTION OF THE EQUIPMENT; (I) THE MAINTENANCE, REPAIR, CONDITION, QUALITY, SUITABILITY, DESIGN OR MARKETABILITY OF THE EQUIPMENT; (J) THE NATURE OR QUALITY OF THE CONSTRUCTION, STRUCTURAL DESIGN AND/OR ENGINEERING OF THE EQUIPMENT; (K) THE QUALITY OF THE LABOR AND MATERIALS INCLUDED IN THE EQUIPMENT; (L) THE COMPOSITION OF THE MATERIALS INCLUDED IN THE EQUIPMENT; OR (M) ANY OTHER MATTER WITH RESPECT TO THE EQUIPMENT. WITHOUT LIMITING ANY OF THE FOREGOING,**

ASSIGNOR HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY DISCLAIMS ANY REPRESENTATIONS OR WARRANTIES REGARDING (i) THE PRESENCE OR ABSENCE FROM THE LANDS COVERED BY THE INTERESTS OF HAZARDOUS SUBSTANCES AND/OR SOLID WASTE, AS DEFINED BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY REGULATIONS PROMULGATED PURSUANT TO THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT, AS AMENDED ("CERCLA"); OR (ii) THE COMPLIANCE OR NONCOMPLIANCE OF THE INTERESTS WITH CERCLA, THE RESOURCE CONSERVATION AND RECOVERY ACT, THE FEDERAL WATER POLLUTION CONTROL ACT, THE FEDERAL CLEAN AIR ACT (AS ANY OF THE SAME MAY HAVE BEEN AMENDED FROM TIME TO TIME), OR ANY OTHER STATUTE, LAW, ORDINANCE, REGULATION, ORDER OR DECREE RELATING TO ANY ENVIRONMENTAL MATTERS. ASSIGNEE HAS MADE OR CAUSED TO BE MADE SUCH INSPECTIONS AS ASSIGNEE DEEMS APPROPRIATE TO EXECUTE THIS ASSIGNMENT. ASSIGNOR AND ASSIGNEE AGREE THAT, TO THE EXTENT REQUIRED BY APPLICABLE LAW TO BE EFFECTIVE, THE DISCLAIMERS OF REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS SECTION ARE "CONSPICUOUS" DISCLAIMERS FOR PURPOSES OF ANY APPLICABLE LAW, RULE OR ORDER.

4. NOTWITHSTANDING ANYTHING CONTAINED IN THIS ASSIGNMENT, ABSENT ANY FRAUDULENT CONDUCT BY ASSIGNOR, ASSIGNEE HEREBY WAIVES ANY CLAIMS ARISING OUT OF ANY MATERIALS, DOCUMENTS, OR OTHER INFORMATION PROVIDED OR MADE AVAILABLE TO ASSIGNEE PRIOR TO THE EXECUTION OF THIS ASSIGNMENT (WHETHER OR NOT BY ASSIGNOR), WHETHER UNDER THIS ASSIGNMENT, AT COMMON LAW, BY STATUTE, OR OTHERWISE.
5. As used in this Paragraph 5, and in the subparagraphs hereunder, "claims" shall include claims, demands, losses, causes of action, liabilities, damages, penalties and judgments of any kind or character arising out of or in any way connected with the Interests and all costs and fees in connection therewith.
 - a. Assignee shall (i) be responsible for any and all claims arising from the production and sale of hydrocarbons from the Interests assigned hereunder, including the accounting or payment to third parties of monies attributable to their interests in such production, insofar as such claims relate to hydrocarbons produced from the Interests and sold after the Effective Time, (ii) at the Effective Time assume and be responsible for and comply with all duties and obligations, express or implied, associated with or related to the Interests under or by virtue of any lease, contract, agreement, document, permit, applicable statute or rule, regulation or order of any governmental authority or at common law (specifically including, without limitation, any governmental request or requirement to plug, re-plug and/or abandon any well of whatsoever type, status or classification, or take any clean up or other action with respect to the Interests) and (iii) defend, release, indemnify and hold Assignor harmless from any and all claims, including, but not limited to, any and all claims in favor of any person or governmental authority for personal injury, death or damage to property or to the environment, or for any other relief, arising directly or indirectly from, or incident to, the use, occupation, operation, maintenance or abandonment of any of the Interests, or conditions of the Interests, whether latent or patent, and whether arising from or contributed to by the negligence in any form of Assignor, its parent and their affiliates, direct and remote, and their members, agents, employees and contractors, and asserted against Assignee and/or Assignor after the Effective Time, whether or not any such claims result from conditions, existing, or actions or inactions

occurring, at or before the Effective Time.

- b. Assignor shall (i) be responsible for any and all claims arising from the production and sale of hydrocarbons from the Interests assigned hereunder, including the accounting or payment to third parties of monies attributable to their interests in such production, insofar as such claims relate to hydrocarbons produced and sold prior to the Effective Time and (ii) defend, indemnify and hold Assignee harmless from any and all claims asserted against Assignor prior to the Effective Time solely insofar as they relate to claims associated with hydrocarbons produced and sold prior to the Effective Time.

6. Assignee is experienced and knowledgeable in the oil and gas business and aware of the risks of that business. Assignee acknowledges and affirms that (a) it has completed such independent investigation, verification, analysis, and evaluation of the Interests and has made all such reviews and inspections of the Interests as it has deemed necessary or appropriate to enter into this Assignment, and (b) it has completed its independent investigation, verification, analysis, and evaluation of the Interests and made all such reviews and inspections of the Interests as it deems necessary or appropriate to execute this Assignment. In making its decision to enter into this Assignment and to consummate the transactions contemplated hereunder, Assignee has relied solely upon its own independent investigation, verification, analysis, and evaluation. Assignee understands and acknowledges that neither the United States Securities and Exchange Commission nor any federal, state, or foreign agency has passed upon the Interests or made any finding or determination as to the fairness of an investment in the Interests or the accuracy or adequacy of the disclosures made to Assignee, and Assignee is not entitled to cancel, terminate, or revoke this Assignment.

Assignee shall further defend and hold Assignor harmless with respect to the payment of sales taxes or other taxes in connection with this Assignment, if any, including interest or penalty assessed thereon.

All taxes (other than ad valorem and income taxes) which are imposed on or with respect to the production of oil, natural gas or other hydrocarbons or minerals or the receipt of proceeds therefrom (including but not limited to severance, production and excise taxes) shall be apportioned between the parties as follows: (i) payment or withholding of all such taxes applicable or relating to production sold prior to the Effective Time and filing of all statements, returns and documents pertinent thereto shall be the responsibility of Assignor; and (ii) payment or withholding of all such taxes applicable or relating to production sold from and after the Effective Time and the filing of all statements, returns, and documents incident thereto shall be the responsibility of Assignee.

Each of the parties hereto shall execute, acknowledge and deliver to the other such further instruments, conveyances, deeds, acquittances, division orders and transfer orders, and take such other actions as may be reasonably necessary to carry out the provisions of this Assignment. Notwithstanding anything contained to the contrary herein, Assignee shall assume all responsibility for notifying the purchaser of oil and gas production from the Interests, and such other designated persons who may be responsible for disbursing payments for the purchase of such production, of the change of ownership of the Interests. Assignee shall take all actions necessary to effectuate the transfer of such payments to Assignee as of the Effective Time. Assignor shall have no responsibility or liability for the proper distribution of proceeds from and after the Effective Time.

The terms and conditions contained herein shall constitute covenants running with the land and shall be binding upon the parties hereto, their legal representatives, successors, assigns and heirs.

Assignee joins in the execution of this Assignment for the purpose of being bound by all of the terms,

provisions, conditions, obligations and covenants of this Assignment.

This Assignment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same agreement.

TO HAVE AND TO HOLD unto Assignee, its legal representatives, successors, assigns and heirs, in accordance with the terms and provisions hereof.

IN WITNESS WHEREOF, this Assignment is executed as of the dates of acknowledgment below, but shall be effective for all purposes as of the Effective Time.

ASSIGNOR:

ATLANTIC RESOURCES HOLDING CO., LLC

By: 
Printed Name: Eric Medley
Title: CO-President and CFO

NORTH REEVES DEVELOPMENT LLC
By: Midtown Acquisitions GP LLC, its Manager

NOT USED

By: _____
Printed Name: _____
Title: _____

ASSIGNEE:



NOT USED

By: _____
Printed Name: _____
Title: _____

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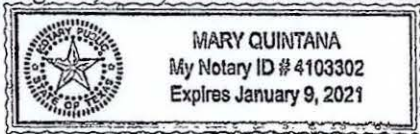
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STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

This instrument was acknowledged before me on this 12th day of December, 2018 by Eric Madry, as President and CFO of Atlantic Resources Holding Co., LLC, a Delaware limited liability company, on behalf of said company.



Mary Quintana
Notary Public in and for the State of Texas

STATE OF NEW YORK §
 §
COUNTY OF NEW YORK §

This instrument was acknowledged before me on this _____ day of _____, 2018 by _____, as _____ of Midtown Acquisition GP LLC, Manager of North Reeves Development LLC, a Delaware limited liability company, on behalf of said company.

NOT USED

Notary Public in and for the State of New York

STATE OF _____ §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of _____, 2018 by _____, as _____ of _____, a _____, on behalf of said company.

NOT USED

Notary Public in and for the State of Texas

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provisions, conditions, obligations and covenants of this Assignment.

This Assignment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same agreement.

TO HAVE AND TO HOLD unto Assignee, its legal representatives, successors, assigns and heirs, in accordance with the terms and provisions hereof.

IN WITNESS WHEREOF, this Assignment is executed as of the dates of acknowledgement below, but shall be effective for all purposes as of the Effective Time.

ASSIGNOR:

ATLANTIC RESOURCES HOLDING CO., LLC

By: NOT USED
Printed Name: _____
Title: _____

NORTH REEVES DEVELOPMENT LLC

By: Midtown Acquisitions GP LLC, its Manager

By: Morgan Blackwell
Printed Name: Morgan Blackwell
Title: Manager

ASSIGNEE:

RECOVERY OPERATING LP

By: Sidney V. Robertson
Printed Name: Sidney V. Robertson
Title: OWNER

STATE OF TEXAS §
COUNTY OF MIDLAND §

This instrument was acknowledged before me on this _____ day of _____, 2018 by _____, as _____ of Atlantic Resources Holding Co., LLC, a Delaware limited liability company, on behalf of said company.

NOT USED

Notary Public in and for the State of Texas

STATE OF NEW YORK §
COUNTY OF NEW YORK §

This instrument was acknowledged before me on this 11th day of December, 2018 by Morgan Blackwell, as Manager of Midtown Acquisitions GP LLC, Manager of North Reeves Development LLC, a Delaware limited liability company, on behalf of said company.

TRAVIS M. TROYER
Notary Public, State of New York
No. 02TR6356925
Qualified in New York County
Commission Expires April 10, 2021

Notary Public in and for the State of New York

STATE OF TEXAS §
COUNTY OF TOM GREEN §

This instrument was acknowledged before me on this 19th day of January, 2019 by SIDNEY V. ROBERTSON JR., as OWNER of Reeves Development LLC, on behalf of said company.

Notary Public in and for the State of Texas

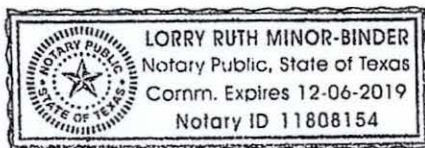


EXHIBIT "A"

ATTACHED TO AND MADE A PART OF THAT CERTAIN ASSIGNMENT, CONVEYANCE
AND BILL OF SALE BY AND BETWEEN ATLANTIC RESOURCES HOLDING CO., LLC AND
NORTH REEVES DEVELOPMENT LLC, AS ASSIGNOR, AND
RECOVERY OPERATING LP,
AS ASSIGNEE, DATED EFFECTIVE JANUARY 1, 2019.

LANDS SUBJECT TO THIS ASSIGNMENT:

- i. All of Section 3, Block 59, Public School Land Survey, Reeves County, Texas, containing 640.00 acres, more or less;
- ii. E/2 Section 44, Block 57, Public School Land Survey, Reeves County, Texas, containing 320.00 acres, more or less;

LEASES SUBJECT TO THIS ASSIGNMENT:

Lessor	Lessee	Lease Date	Volume	Page	Legal Description	Depths
The State of Texas, acting by and through its agent, Barbara White	Pure Resources, L.P.	12/15/2003	675	641	The W/2 Section 3, Block 59, PSL Survey, Reeves County, Texas	Surface down to 14,875'
The State of Texas, acting by and through its agent, Weldon Scott Armstrong, Jr., aka Scott Armstrong, Jr., and wife Regina Anne Armstrong	George G. Staley	3/6/2009	818	50	The E/2 Section 3, Block 59, PSL Survey, Reeves County, Texas	Surface down to 14,875'
The State of Texas, acting by and through its agent, Bruce E. Bowe	Pure Resources, L.P.	3/16/2009	675	621	The W/2 Section 3, Block 59, PSL Survey, Reeves County, Texas	Surface down to 14,875'
The State of Texas, acting by and through its agent, Barbara L. White, Trustee of the Barbara L. White Revocable Living Trust	George G. Staley	3/16/2009	818	629	The E/2 Section 3, Block 59, PSL Survey, Reeves County, Texas	Surface down to 14,875'
The State of Texas, acting by and through its agent, Bruce E. Bowe et al.	George G. Staley	3/16/2009	818	60	The E/2 Section 3, Block 59, PSL Survey, Reeves County, Texas	Surface down to 14,875'
The State of Texas, acting by and through its agent, Weldon Scott Armstrong	Pure Resources, L.P.	3/11/2013	680	198	The W/2 Section 3, Block 59, PSL Survey, Reeves County, Texas	Surface down to 14,875'
The State of Texas, acting by and through its agent, the George W. Brackenridge Foundation	Hallwood Energy II, LP	11/7/2005	717	130	E/2 of Section 44, Block 57, PSL Survey, Reeves County, Texas	Surface down to 18,800'

WELLS SUBJECT TO THIS ASSIGNMENT:

- i. Armstrong State #1 – API: 42-389-32421
 - a. Location: 827' FNL and 1,779' FWL of Section 3, Block 59, PSL Survey, Reeves County, Texas
- ii. Brackenridge State 57-44 #1 – API: 42-389-32520
 - a. Location: 1,100' FNL and 2,000' FEL of Section 44, Block 57, PSL Survey, Reeves County, Texas

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END OF EXHIBIT "A"

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AFTER RECORDING, RETURN TO:

ENERGYNET SERVICES, INC.
7201 I-40 West, Suite 319
Amarillo, TX 79106

Inst No. 19-01638
DIANNE O. FLOREZ
COUNTY CLERK
2019 Jan 31 at 09:17 AM
REEVES COUNTY, TEXAS
By: TG J. Garcia DEPUTY

File No. ME105848
Assignment #11045 County
Atlantic to Recovery
Date Filed: 2/25/21
George P. Bush, Commissioner
By SSP

RECOVERY OPERATING LP
12329 SPRING CREEK LN
SAN ANGELO, TX 76904

FIRST FINANCIAL BANK
855-660-6862

2807

88-112/1113

63
CHECK ARMOR
TRADE PROTECTION

21704334

1/8/2021

PAY TO THE ORDER OF Texas General Land Office

\$ **50.00

Fifty Only*****

DOLLARS

Texas General Land Office
P.O. Box 12873
Austin, Texas 78711

MEMO

MF 105848 Assignment Fee


AUTHORIZED SIGNATURE

⑈002807⑈

RECOVERY OPERATING LP

2807

Texas General Land Office
Regulatory Fee

1/8/2021

50.00

21704334

Checking

MF 105848 Assignment Fee

X 129
50.00

Mail to: Texas General Land Office
Attn: Energy Resources
P.O. 12873
Austin, Texas 78711-2873

Texas General Land Office
ASSIGNMENT SUMMARY

For General Land Office Use Only

DOCUMENT TYPE: (mark one):
Assignment Deed of Trust Merger/Name Change

DOCUMENT RECORDING INFORMATION: (Include all the counties covered by the properties listed below)

County	Volume	Page	Execution Date/Effective Date
Reeves	1723	0035	01-31-2019

ASSIGNMENT FEE: \$25 per State Lease (additional \$25 after 90 days)
INTEREST BEING CONVEYED: (mark one)

Working Interest: xxxx Overriding Royalty Interest: Other (explain):

Remarks:

FROM List all companies or individuals listed in this instrument who are transferring ownership interests, in whole or in part, in the leases shown below	TO List all companies or individuals listed in this instrument who are receiving ownership interests in the leases listed below	% GROSS WI OWNED BY ASSIGNOR	% GROSS WI TRANSFERRED BY ASSIGNOR	% GROSS WI RETAINED BY ASSIGNOR
1. Atlantic Resources Holding Co. LLC	Recovery Operating LP	50 %	50 %	0
2. North Reeves Development LLC	Recovery Operating LP	50 %	50 %	0
3.				
4.				

Attach additional pages as needed.

LEASES COVERED BY THIS TRANSFER:

State Lease #	COUNTY	BLOCK	SECTION	PART OF SECTION	DEPTH RESTRICTION
1. • MF 105848	Reeves	57	44	East Half	18800 ft below surface
2. •					
3. •					
4.					

Sidney "Doc" Robertson

Preparer's Signature

SIDNEY "DOC" ROBERTSON

Name (please print)

doc.robertson@verizon.net

Mail Address

325-450-3682

Telephone Number

Partner

Title

1-8-21

Date

I am an authorized representative of the lessee(s) under the State of Texas leases identified herein and represent and certify to the Commissioner of the General Land Office that the information provided on this form is true and correct.

Recovery Operating LP

Company Name

12329 Spring Creek Lane San Angelo, Texas 76904

Mailing Address

City/State/Zip

Visit our Web Site at www.glo.texas.gov

31.

File No. MF105848
Payment for _____ County
assignment
Date Filed: 2/25/21
George P. Bush, Commissioner
By SSD

1.13.57

Susan Draughn

From: Doc Robertson <doc.robertson@verizon.net>
Sent: Thursday, December 17, 2020 1:30 PM
To: Susan Draughn
Subject: [EXTERNAL] Brackenridge 57-44-1 Recompletion Prospect Info
Attachments: Arm Energy Details.pdf; Brackenridge-Salt Creek Ltr.docx; DR Reeves County Part 1.pdf; DR Reeves County Part 2 (1).pdf; Brackenridge Modified Perforations por log.pdf; Brackenridge Perfs.pdf

Susan,

Please find attached several files that indicates our efforts to establish a Gas Market and a Geological Evaluation for a recompletion to bring the well into a productive status.

We have identified recompletion zones that offset producers have been successful with. The information enclosed is proprietary and is to be used only for the purpose to establish Recovery Operating LP has been working for a solution for bringing this well on line and not just letting the well be shut in.

Our plan is to secure a gas market with Salt Creek, Recomplete the well in the Wolfcamp A & B and Bone Springs Zones. Upon a successful recompletion of this well it would be our goal to develop the remaining acreage on the Lease.

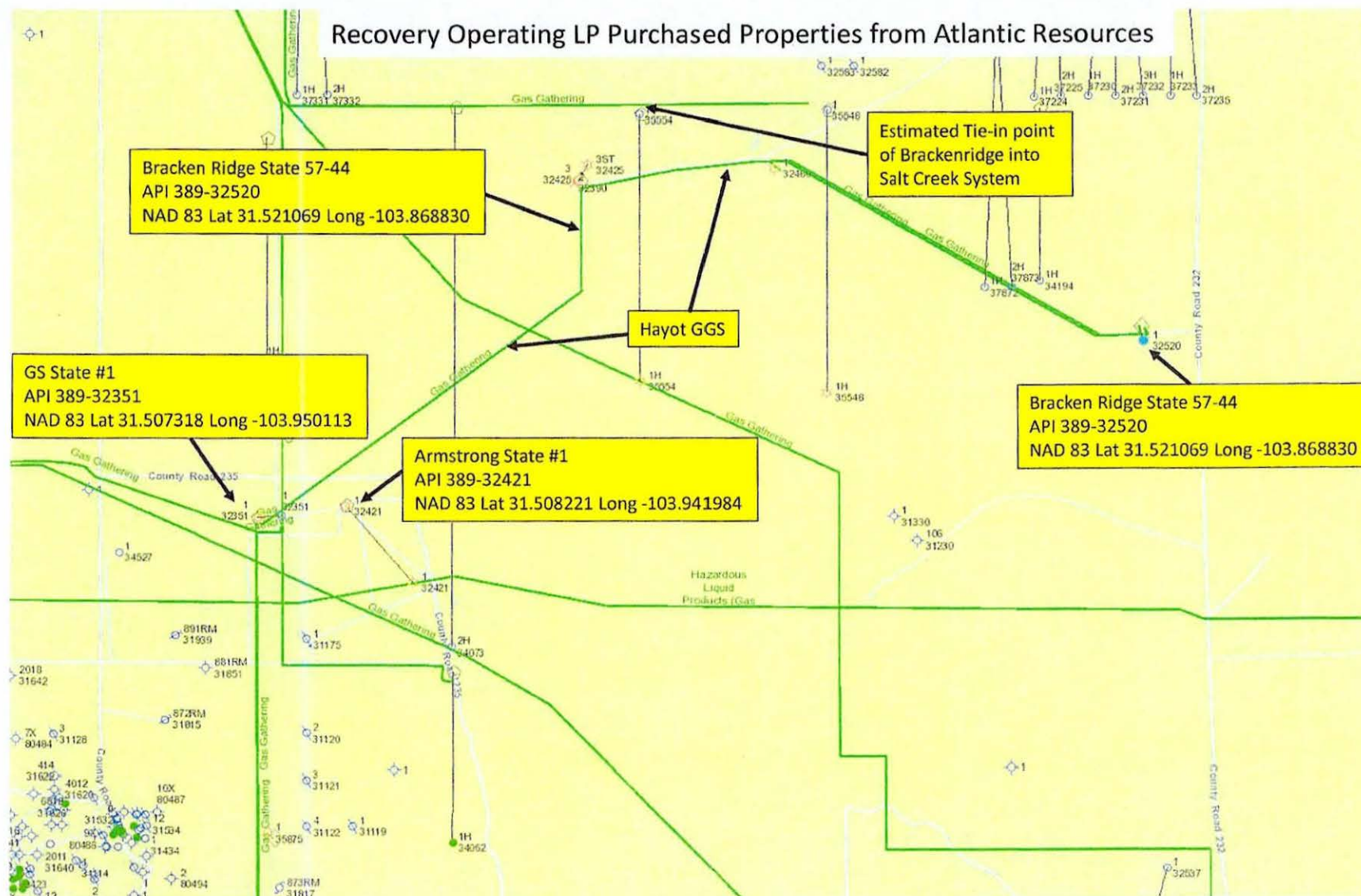
Please let me know if you need further information.

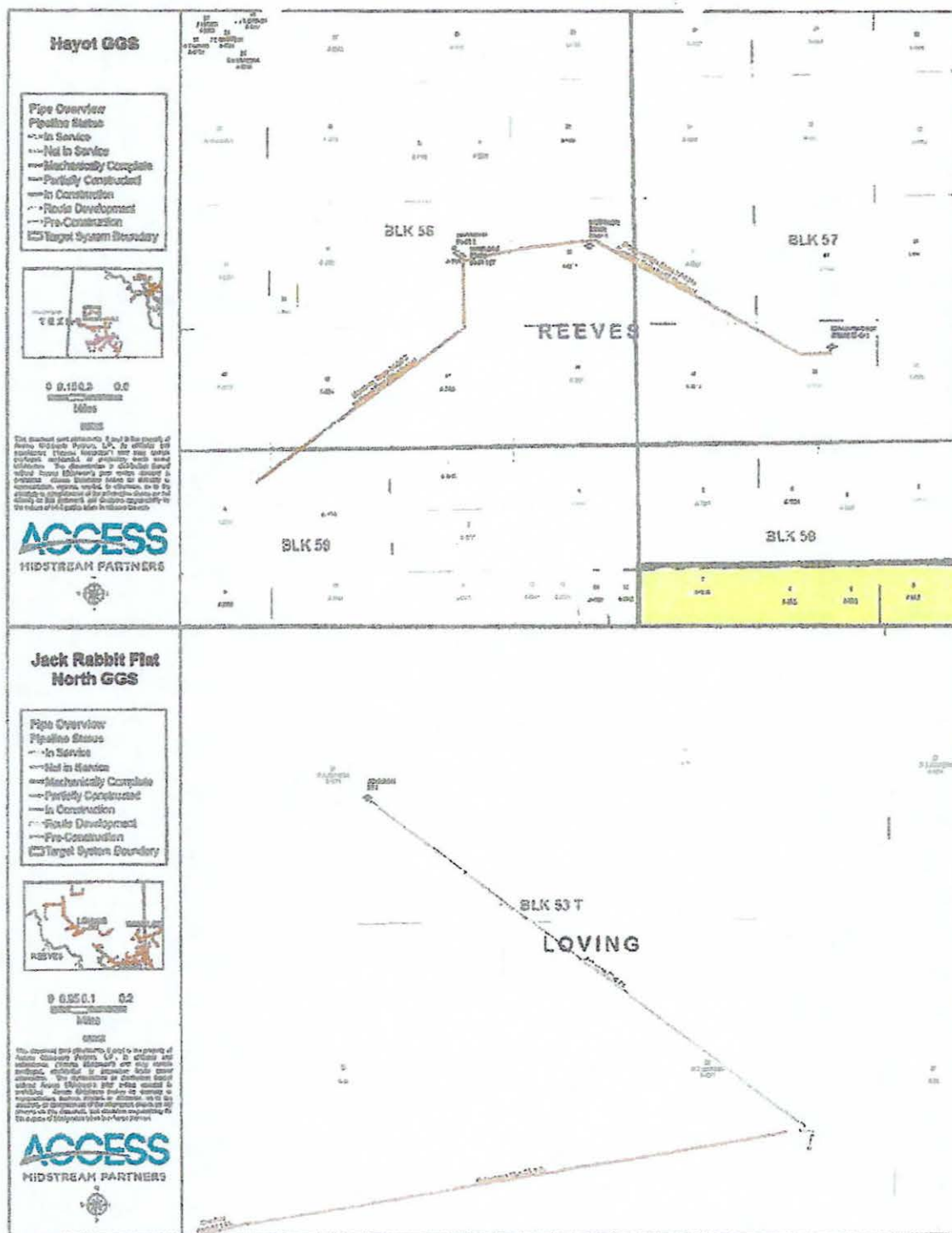
Thanks

Doc Robertson
Recovery Operating LP
325-450-3682

CAUTION: This email originated from OUTSIDE of the Texas General Land Office. Links or attachments may be dangerous. Please be careful clicking on any links or opening any attachments.

Recovery Operating LP Purchased Properties from Atlantic Resources





RECOVERY OPERATING LP

12329 Spring Creek Lane

San Angelo, Texas 76904

Arm / Salt Creek

Andrew Lee

10-19-2020

RE: Pecos County Prospects

Dear Andrew,

Thanks for your interest in our Gas Project in Pecos County as we discussed earlier today. As I had mentioned Recovery Operating LP purchased three leases in Reeves County from Atlantic Resources in 2019. One of these Leases has been shut in due to a lack of gas market caused by a Brazos line failure. Recovery has Identified in the Brackenridge State 57-44 Well # 1 to have two Wolfcamp Zones for recompletion and a Bone Spring Zone. EOG has been completing offset wells in these zones with success. Currently the Brackenridge State 57-44 #1 is capable of producing an estimated 200 mcfpd from perforations at 18,000 ft. from the Toyah NW Shale.

It is our goal to establish a Gas Market for this well and then recomplete the well in the above-mentioned zones. We anticipate gas production to be approximately 1000 mcfpd after recompletion and the flush production levels out. This Lease does have an additional 320 acres for development of future wells. With a new horizontal well in this acreage production could be as high as 5000 mcfpd. The development project does hinge on securing a gas market for this property.

I have attached a map identifying Recovery's three properties in this area as well as a potential tie in location to Salt Creeks line. As we discussed Recovery would lay any necessary line to your connection point. In addition to the Brackenridge Recovery has two other leases nearby that are currently producing into a Eagleclaw Midstream Line on a month to month Basis. These wells are producing approximately 1000 mcfpd from the current intervals. The Armstrong State # 1 and GS State # 1 both have the same up hole potential for recompletion as the Brackenridge. Combined the Armstrong and GS State has 960 acres available for development.

Please review and let me know what you think. We are eager to get this project going as soon as possible.

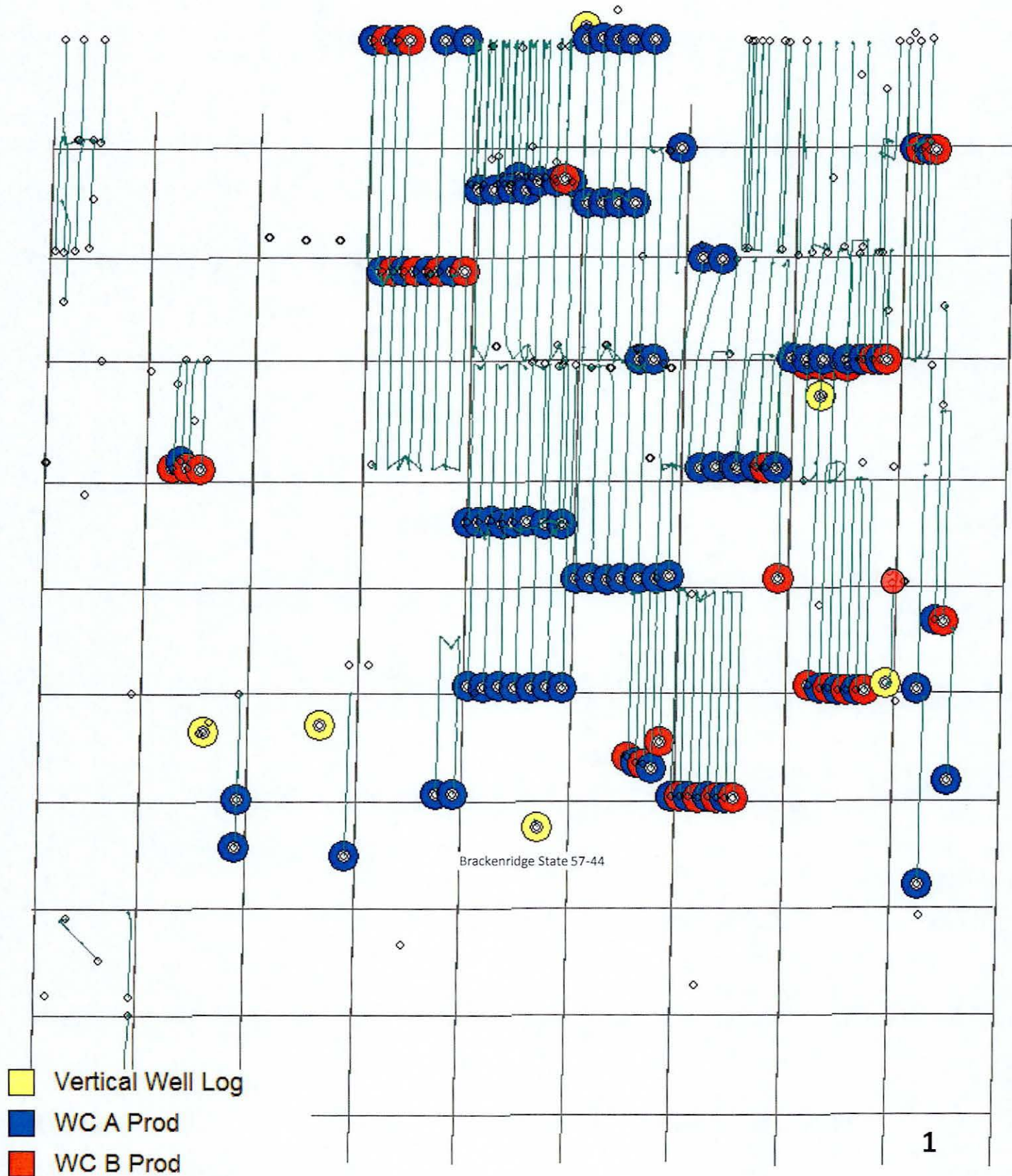
Sincerely,

Doc Robertson

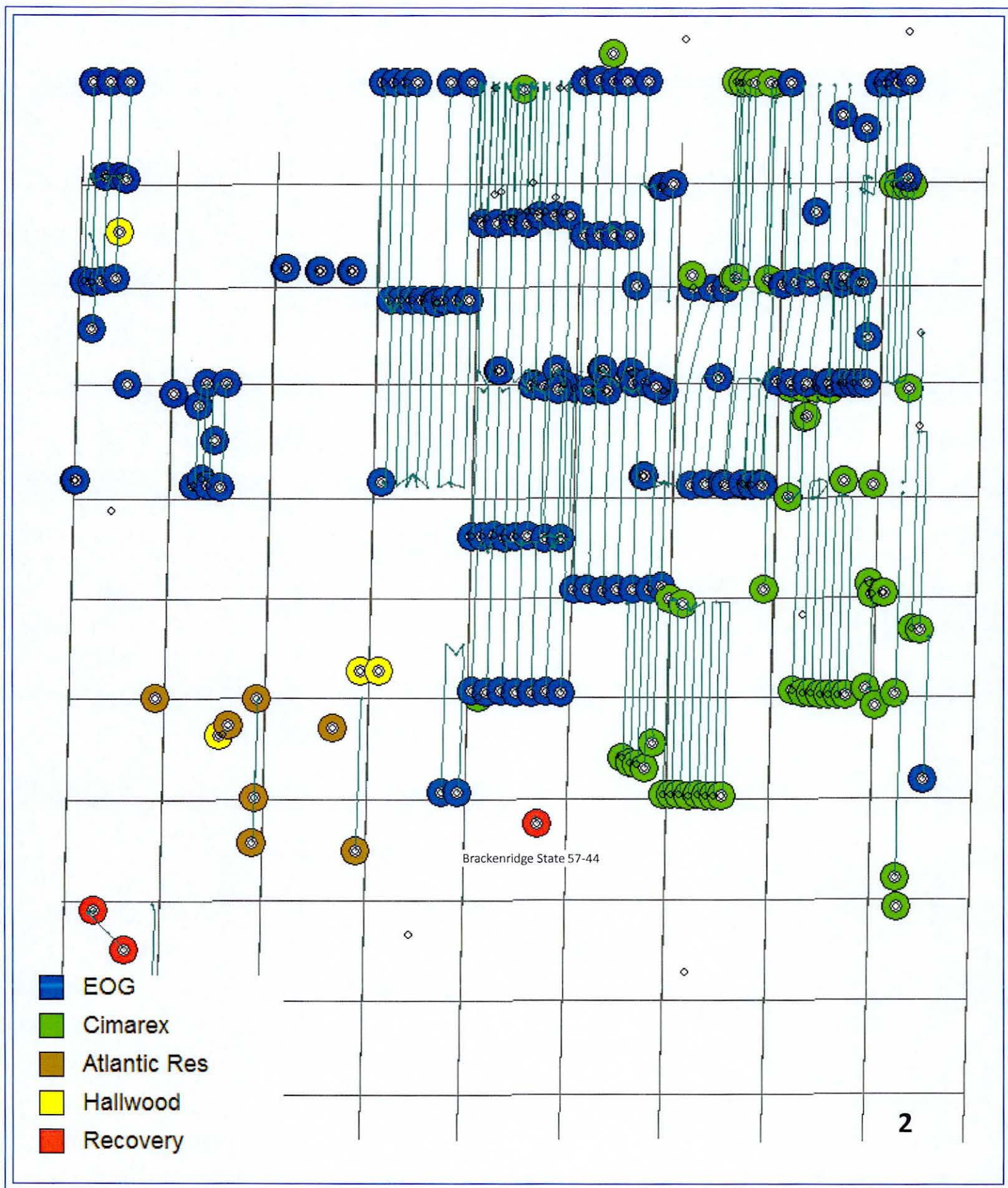
325-450-3682

doc.robertson@verizon.net

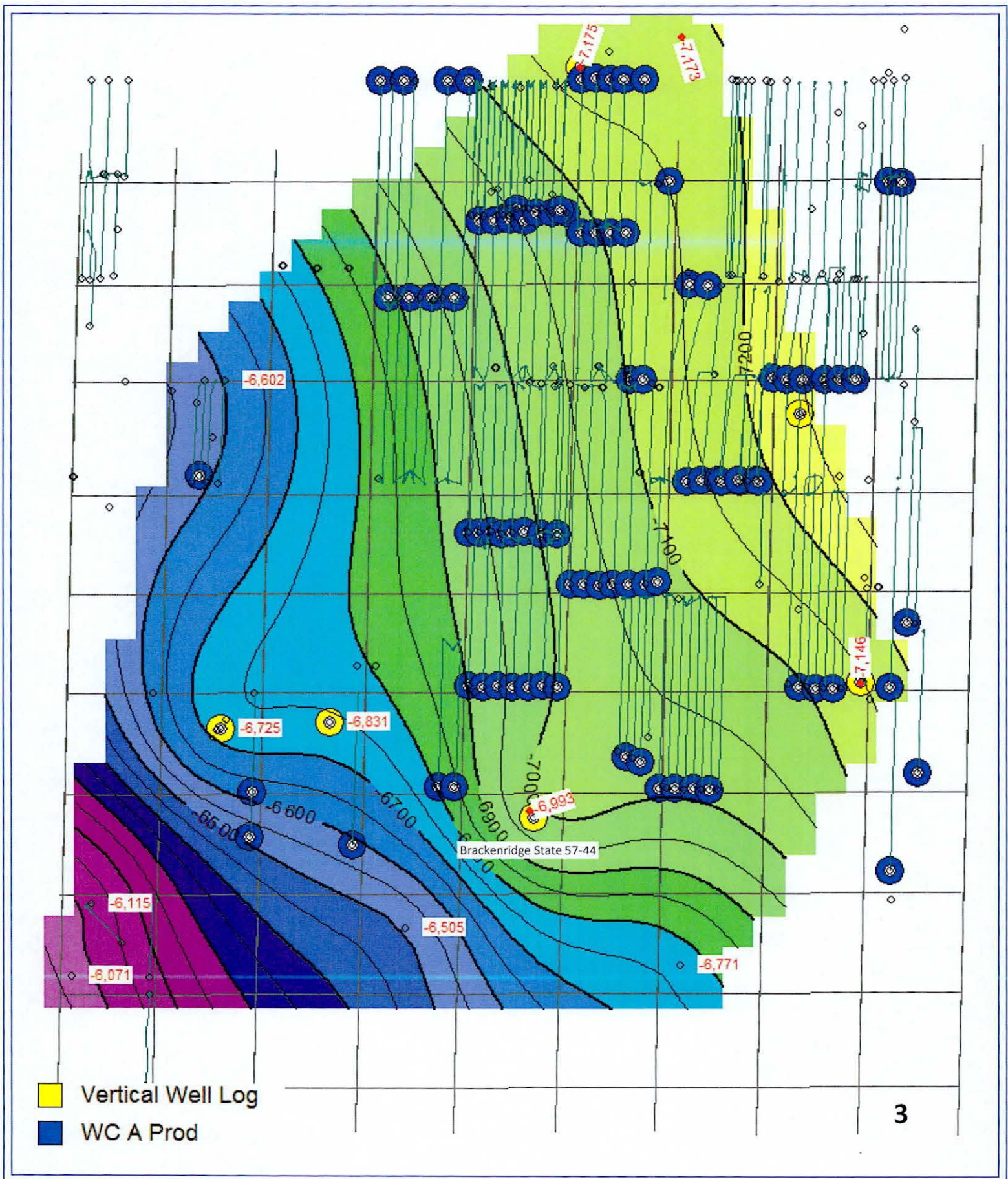
Horizontal well producing zones posted at BHL and vertical well log data used in the evaluation



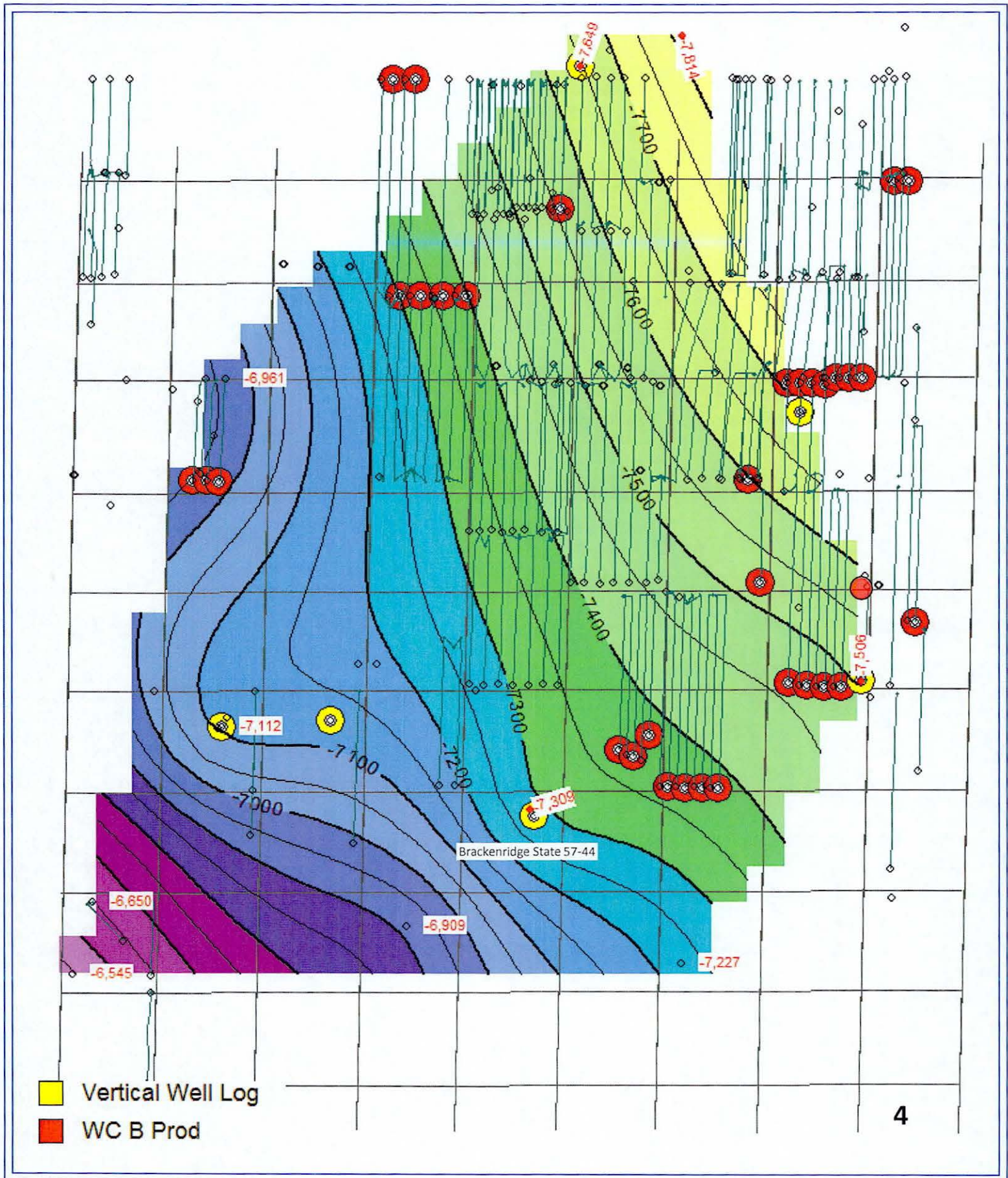
Current operators



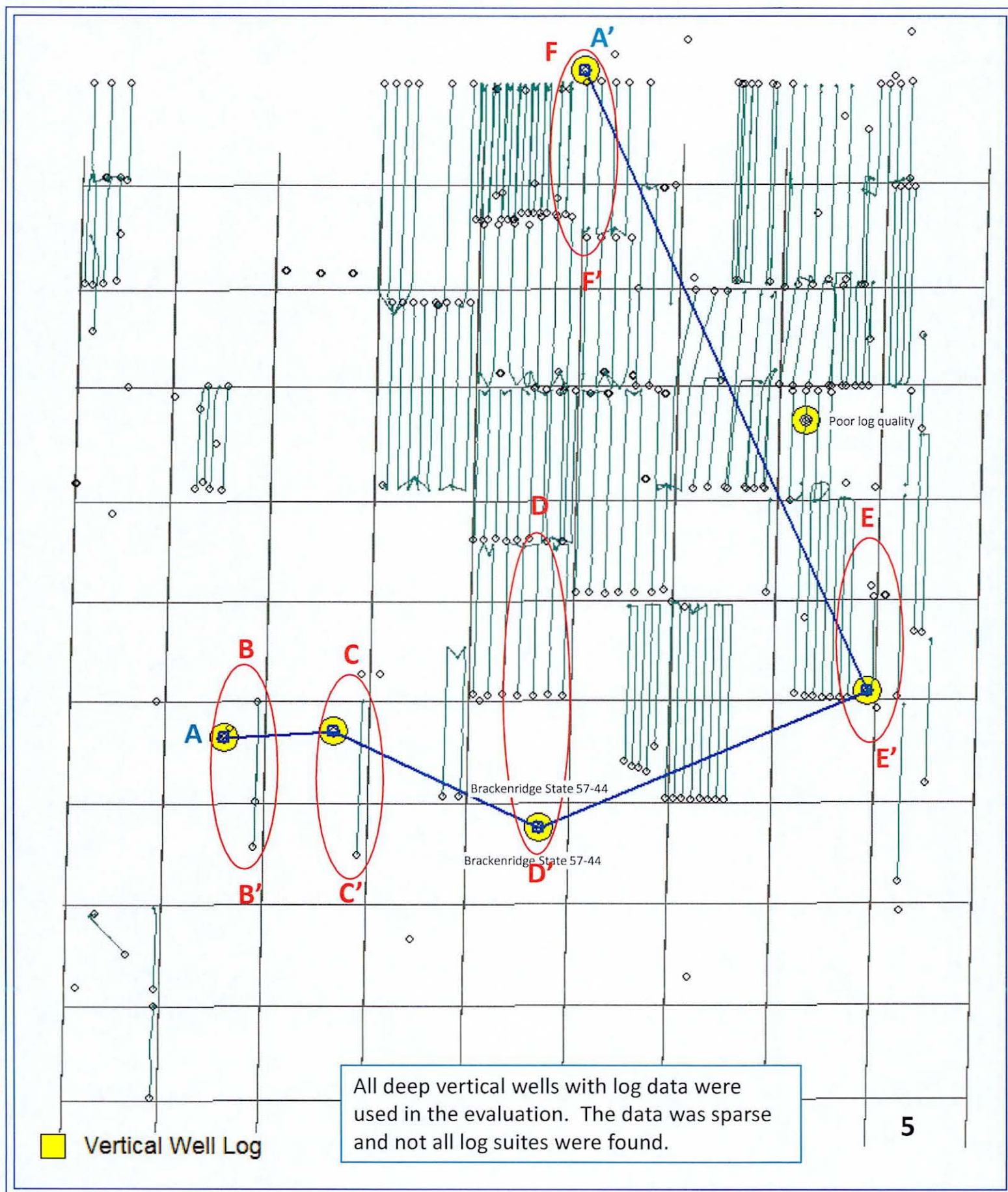
Structure map on top of the Wolfcamp A Formation and horizontal wells producing from the Wolfcamp A



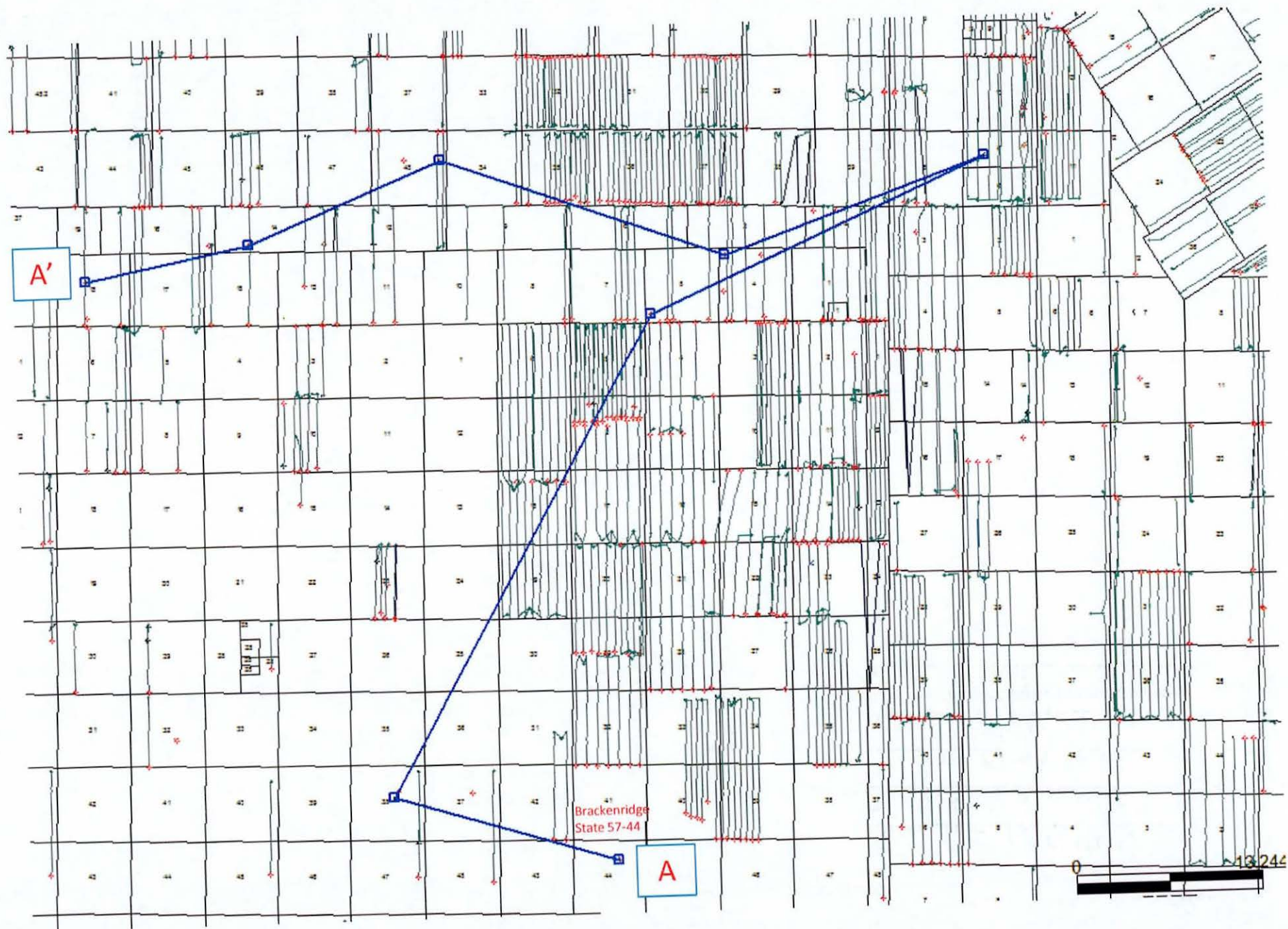
Structure map on top of the Wolfcamp B Formation and horizontal wells producing from the Wolfcamp B



Locator map with cross sections labeled. Cross sections are in the second presentation.



Map view with new IHS data and line of section



File No. ME105848
Support documents County
for shut in
Date Filed: 2/25/21
George P. Bush, Commissioner
By SSD

Susan Draughn

From: Doc Robertson <doc.robertson@verizon.net>
Sent: Monday, January 4, 2021 7:17 AM
To: Susan Draughn
Cc: Larry Hargrave
Subject: Re: [EXTERNAL] Brackenridge 57-44-1 Recompletion Prospect Info
Attachments: Brackenridge Exhibit A.pdf; Brackenridge Exhibit B.pdf; Brackenridge Exhibit C.pdf

Susan,

Please find attached additional documents for your review. Exhibit A is a copy of a letter from Salt Creek verifying Recovery's efforts to obtain a gas sales point for the lease. Exhibit B is a copy of the Transfer from Williams to Brazos for the gas line in question. Exhibit C is a map showing the section of line that is bad that led to Brazos not repairing the line due to the overall condition of the line. If any further information is needed please let me know.

Thanks,

Doc Robertson
Recovery Operating LP
325-450-3682

-----Original Message-----

From: Susan Draughn <Susan.Draughn@GLO.TEXAS.GOV>
To: Doc Robertson <doc.robertson@verizon.net>
Cc: Larry Hargrave <Larry.Hargrave@glo.texas.gov>
Sent: Mon, Dec 21, 2020 11:00 am
Subject: RE: [EXTERNAL] Brackenridge 57-44-1 Recompletion Prospect Info

Thank you Doc,

Susan Draughn, Landman
Energy Resources | Texas General Land Office
Cell: 512-468-9995 | Direct: 512-463-6521
Email: susan.draughn@glo.texas.gov

From: Doc Robertson <doc.robertson@verizon.net>
Sent: Monday, December 21, 2020 9:21 AM
To: Susan Draughn <Susan.Draughn@GLO.TEXAS.GOV>
Cc: Larry Hargrave <Larry.Hargrave@glo.texas.gov>
Subject: Re: [EXTERNAL] Brackenridge 57-44-1 Recompletion Prospect Info

Susan,

Please find attached a copy of the Assignment from Atlantic to Recovery for the Brackenridge State and the Armstrong State as per your request. Our records indicate this information was sent to the GLO however we do not have an issue with paying the \$ 25.00 filling fee again. As for the communication with Williams we never had any type contact with them as Brazos Midstream acquired the Williams assets at the same time we were acquiring these leases from Atlantic. We have had multiple communications with Brazos on the matter and will provide you with them. Please be patient for the supporting documents as we are working remotely away from our Office and will have to send someone in to retrieve the files.

Thanks

Doc Robertson
Recovery Operating LP
325-450-3682

-----Original Message-----

From: Susan Draughn <Susan.Draughn@GLO.TEXAS.GOV>
To: Doc Robertson <doc.robertson@verizon.net>
Cc: Larry Hargrave <Larry.Hargrave@glo.texas.gov>
Sent: Fri, Dec 18, 2020 2:32 pm
Subject: RE: [EXTERNAL] Brackenridge 57-44-1 Recompletion Prospect Info

Doc,

Thank you for the information you sent. The GLO will need additional information regarding the shut in request.

The subject well was first shut in November 3, 2017, according to the affidavit submitted by Atlantic Resources. Conversations with Atlantic regarding the shut in described the lack of market due to a leak in the Williams gas line and the expected plans for repair. Year two the GLO allowed a continuation of the shut-in for Atlantic because repair was expected within a short period. Then year three when Recovery requested to continue the shut-in, the GLO was told that as the new operator, Recovery Operating needed a little time to get the problem with the gas line resolved to resume production, and a third year shut-in was allowed. The Shut-in were approved to allow opportunity for solutions due to difficult circumstances. The subject well has not resumed production since the initial shut-in.

In order to consider a continuation of shut in, the GLO is requesting the following:

1. Please provide any correspondence or other documentation regarding attempts to resolve the production line problem. Provide any communications or other documentations with Williams pipeline, the company first identified by Atlantic as finding a leak in their line. Documentations should describe the pipeline company's identification of the leak and the terms for repair, and any notifications of continued problems and/or resolutions to return the well to sales. What has been done to repair the line or find an alternate line? Please provide documentation.
2. Please provide a copy of all assignments, including amendments or corrections to assignments, showing how Recovery obtained a controlling interest in state lease MF105848. Note: The last assignment in the GLO file record is when Atlantic resources assigned a portion of the lease to North Reeves Development LLC, filed in Reeves Co. in Document 17-13282 and in Culberson Co. in Document 4216. You may attach a copy of any assignments in an email to me.
3. Please provide certified copies of any assignments and amended or corrected assignments, as required per the lease agreement, that show the lease title record into Recovery Resources. The GLO needs certified copies of any assignment of the lease after the one noted above. There is a required \$25 filing fee payable to the GLO per state lease assigned. Please provide certified copies of any assignments of the subject lease after the one noted in #1 above.

Susan Draughn, Landman
Energy Resources | Texas General Land Office
Cell: 512-468-9995 | Direct: 512-463-6521
Email: susan.draughn@glo.texas.gov

From: Doc Robertson <doc.robertson@verizon.net>
Sent: Thursday, December 17, 2020 1:30 PM
To: Susan Draughn <Susan.Draughn@GLO.TEXAS.GOV>
Subject: [EXTERNAL] Brackenridge 57-44-1 Recompletion Prospect Info

Susan,

Please find attached several files that indicates our efforts to establish a Gas Market and a Geological Evaluation for a recompletion to bring the well into a productive status. We have identified recompletion zones that offset producers have been successful with. The information enclosed is proprietary and is to be used only for the purpose to establish Recovery Operating LP has been working for a solution for bringing this well on line and not just letting the well be shut in.

Our plan is to secure a gas market with Salt Creek, Recomplete the well in the Wolfcamp A & B and Bone Springs Zones. Upon a successful recompletion of this well it would be our goal to develop the remaining acreage on the Lease.

Please let me know if you need further information.

Thanks

Doc Robertson
Recovery Operating LP
325-450-3682

CAUTION: This email originated from OUTSIDE of the Texas General Land Office. Links or attachments may be dangerous. Please be careful clicking on any links or opening any attachments.

12/28/2020

Recovery Operating LP - SCM

From: Andrew.Lee@scmid.com,
To: doc.robertson@verizon.net,
Subject: Recovery Operating LP - SCM
Date: Wed, Dec 23, 2020 10:21 am

Attachments:

Doc –

This email serves as confirmation that Recovery Operating LP and Salt Creek Midstream are currently discussing terms to potentially gather gas from the Brackenridge State 57-44 #1 well into our midstream gathering system. Any delay in the deal is our SCM's side as we transition from one management team to a new one, coupled with the holidays being here. Good faith negotiations are progressing and hopefully we can come to a deal.

Merry Christmas and we'll talk after the holidays.

Andrew



Andrew Lee | Commercial Lead

5825 N. Sam Houston Pkwy. W #150

Houston, Texas 77086

713.446.9643 (mobile)

andrew.lee@scmid.com

CHRISTI CRADDICK, CHAIRMAN
RYAN SITTON, COMMISSIONER
WAYNE CHRISTIAN, COMMISSIONER



KARI FRENCH,
DIVISION DIRECTOR

RAILROAD COMMISSION OF TEXAS

OVERSIGHT AND SAFETY DIVISION - PIPELINE SAFETY

PIPELINE PERMITTING AND MAPPING SECTION

NOTICE OF FULL PIPELINE PERMIT TRANSFER

01/09/2019

Re: T-4 Permit Number: 07480

Dear Operator,

The Pipeline Permit Section has been notified that *all* pipeline facilities identified in T-4 Permit 07480 assigned to divesting operator, WILLIAMS MLP OPERATING LLC, are transferring to acquiring operator, BRAZOS MIDSTREAM OPERATING, LLC.

The pipeline permit transfer process can be started but can not be finalized until both the divesting operator and the acquiring operator have properly completed Form T-4B. A fully executed Form T-4B must indicate the **effective date of the transfer**, be signed by both parties, and be attached to the online permit filing submitted by each operator.

DIVESTING OPERATOR: Within 30 days following the effective date of transfer, the divesting operator must amend T-4 Permit 07480 to accurately indicate pipeline removed after the completed transfer.

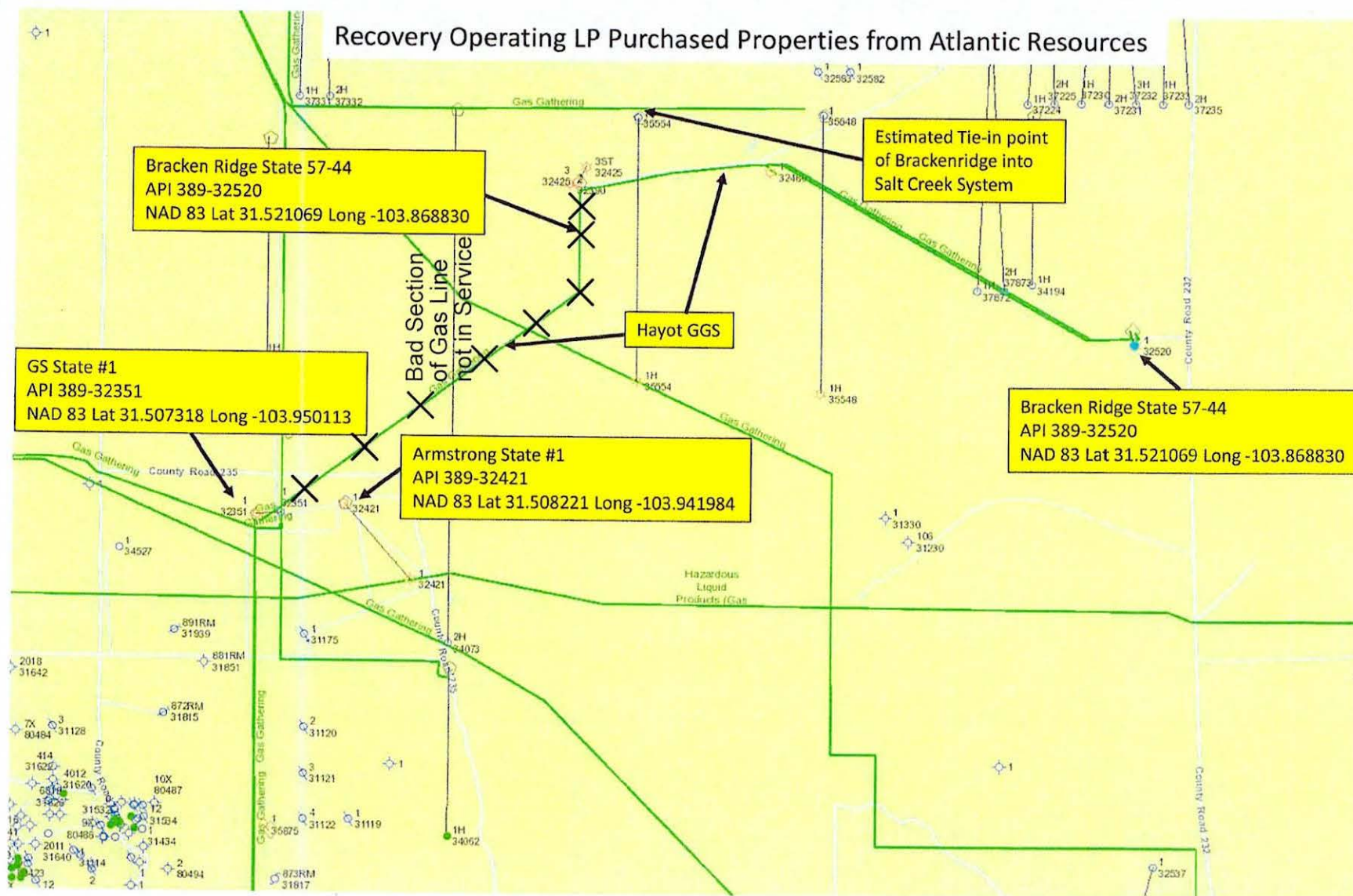
ACQUIRING OPERATOR: Within 30 days following the effective date of transfer, the acquiring operator must add the acquired pipeline to the existing or new permit.

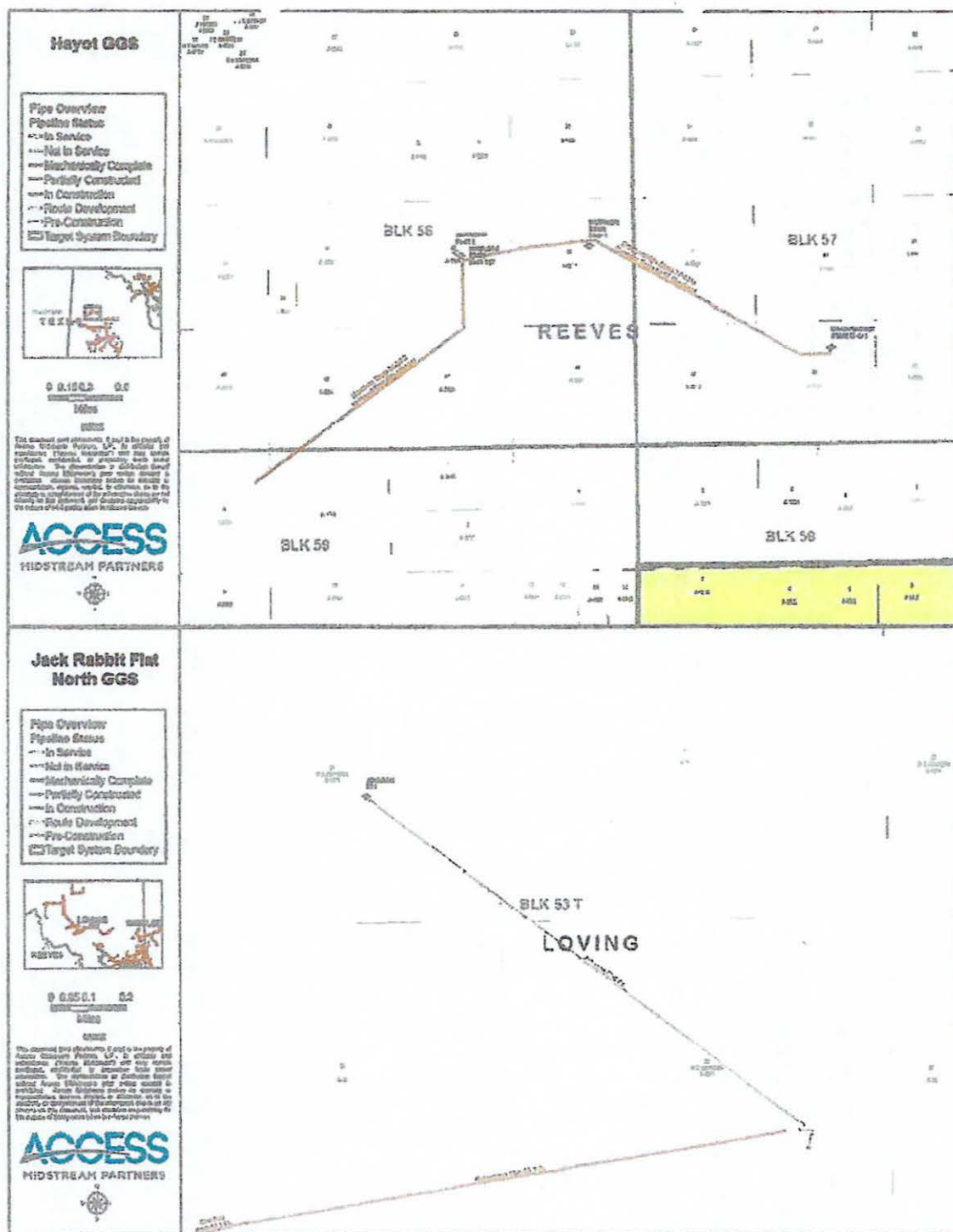
An operator who fails to comply with the pipeline permit transfer requirements may be subject to a penalty pursuant to the Texas Administrative Code, Title 16, Chapter 3, Rule 3.670(n).

Pipeline permit transfers and applicable fee payments are required to be processed through the Commission's online pipeline filing system. (<http://www.rrc.texas.gov/pipeline-safety/permitting/instructions-for-completing-the-form-t-4-online/>)

If additional information is needed, please contact the Pipeline Permitting Section by phone at 512-463-7058, or by email at pops@rrc.texas.gov

Recovery Operating LP Purchased Properties from Atlantic Resources





File No. MF 105848
Shut in documentation copy

Date Filed: 2/25/21
George P. Bush, Commissioner
By SED

Susan Draughn

From: Doc Robertson <doc.robertson@verizon.net>
Sent: Wednesday, February 24, 2021 4:58 PM
To: Susan Draughn
Cc: Larry Hargrave
Subject: Re: [EXTERNAL] Brackenridge 57-44-1 Recompletion Prospect Info

Thank you for getting back with me on this and your help.

Thanks

Doc Robertson
Recovery Operating LP
325-450-3682

-----Original Message-----

From: Susan Draughn <Susan.Draughn@GLO.TEXAS.GOV>
To: Doc Robertson <doc.robertson@verizon.net>
Cc: Larry Hargrave <Larry.Hargrave@glo.texas.gov>
Sent: Wed, Feb 24, 2021 2:41 pm
Subject: RE: [EXTERNAL] Brackenridge 57-44-1 Recompletion Prospect Info

Doc,

Please see the attached letter regarding the shut in request for the Brackenridge 57-44-1. The shut in has been accepted for this year. This will be the last shut in accepted. I will mail you the original of this letter.

Sincerely,

Susan Draughn, Landman
Energy Resources | Texas General Land Office
Cell: 512-468-9995 | Direct: 512-463-6521
Email: susan.draughn@glo.texas.gov

From: Doc Robertson <doc.robertson@verizon.net>
Sent: Friday, February 12, 2021 9:27 AM
To: Susan Draughn <Susan.Draughn@GLO.TEXAS.GOV>
Cc: Larry Hargrave <Larry.Hargrave@glo.texas.gov>
Subject: Re: [EXTERNAL] Brackenridge 57-44-1 Recompletion Prospect Info

Susan,

It has been some time since we last communicated concerning the Brackenridge 57-44 # 1 Lease. We have put off signing a gas contract after the GLO notified us of the Termination of the Lease. We have sent sufficient evidence to you regarding this claim to support our good faith efforts to return this well to active status. I have been contacted by a Representative of the Brackenridge Foundation and he seemed to have no issues with Recovery being allowed to return the well to an active status. All we are waiting on is for the GLO to withdraw their intent to Terminate the lease. We are requesting that we resolve this matter as soon as possible. We do feel that if this matter had not occurred that we would be be currently producing the the well.

Sincerely,

Doc Robertson
Recovery Operating LP
325-450-3682

-----Original Message-----

From: Susan Draughn <Susan.Draughn@GLO.TEXAS.GOV>
To: Doc Robertson <doc.robertson@verizon.net>
Cc: Larry Hargrave <Larry.Hargrave@glo.texas.gov>
Sent: Mon, Dec 21, 2020 11:00 am
Subject: RE: [EXTERNAL] Brackenridge 57-44-1 Recompletion Prospect Info

Thank you Doc,

Susan Draughn, Landman
Energy Resources | Texas General Land Office
Cell: 512-468-9995 | Direct: 512-463-6521
Email: susan.draughn@glo.texas.gov

From: Doc Robertson <doc.robertson@verizon.net>
Sent: Monday, December 21, 2020 9:21 AM
To: Susan Draughn <Susan.Draughn@GLO.TEXAS.GOV>
Cc: Larry Hargrave <Larry.Hargrave@glo.texas.gov>
Subject: Re: [EXTERNAL] Brackenridge 57-44-1 Recompletion Prospect Info

Susan,

Please find attached a copy of the Assignment from Atlantic to Recovery for the Brackenridge State and the Armstrong State as per your request. Our records indicate this information was sent to the GLO however we do not have an issue with paying the \$ 25.00 filling fee again. As for the communication with Williams we never had any type contact with them as Brazos Midstream acquired the Williams assets at the same time we were acquiring these leases from Atlantic. We have had multiple communications with Brazos on the matter and will provide you with them. Please be patient for the supporting documents as we are working remotely away from our Office and will have to send someone in to retrieve the files.

Thanks

Doc Robertson
Recovery Operating LP
325-450-3682

-----Original Message-----

From: Susan Draughn <Susan.Draughn@GLO.TEXAS.GOV>
To: Doc Robertson <doc.robertson@verizon.net>
Cc: Larry Hargrave <Larry.Hargrave@glo.texas.gov>
Sent: Fri, Dec 18, 2020 2:32 pm
Subject: RE: [EXTERNAL] Brackenridge 57-44-1 Recompletion Prospect Info

Doc,

Thank you for the information you sent. The GLO will need additional information regarding the shut in request.

The subject well was first shut in November 3, 2017, according to the affidavit submitted by Atlantic Resources. Conversations with Atlantic regarding the shut in described the lack of market due to a leak in the Williams gas line and the expected plans for repair. Year two the GLO allowed a continuation of the shut-in for Atlantic because repair was expected within a short period. Then year three when Recovery requested to continue the shut-in, the GLO was told that as the new operator, Recovery Operating needed a little time to get the problem with the gas line resolved to resume production, and a third year shut-in was allowed. The Shut-in were approved to allow opportunity for solutions due to difficult circumstances. The subject well has not resumed production since the initial shut-in.

In order to consider a continuation of shut in, the GLO is requesting the following:

1. Please provide any correspondence or other documentation regarding attempts to resolve the production line problem. Provide any communications or other documentations with Williams pipeline, the company first identified by Atlantic as finding a leak in their line. Documentations should describe the pipeline company's identification of the leak and the terms for repair, and any notifications of continued problems and/or resolutions to return the well to sales. What has been done to repair the line or find an alternate line? Please provide documentation.
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3. Please provide certified copies of any assignments and amended or corrected assignments, as required per the lease agreement, that show the lease title record into Recovery Resources. The GLO needs certified copies of any assignment of the lease after the one noted above. There is a required \$25 filing fee payable to the GLO per state lease assigned. Please provide certified copies of any assignments of the subject lease after the one noted in #1 above.

Susan Draughn, Landman
Energy Resources | Texas General Land Office
Cell: 512-468-9995 | Direct: 512-463-6521
Email: susan.draughn@glo.texas.gov

From: Doc Robertson <doc.robertson@verizon.net>
Sent: Thursday, December 17, 2020 1:30 PM
To: Susan Draughn <Susan.Draughn@GLO.TEXAS.GOV>
Subject: [EXTERNAL] Brackenridge 57-44-1 Recompletion Prospect Info

Susan,

Please find attached several files that indicates our efforts to establish a Gas Market and a Geological Evaluation for a recompletion to bring the well into a productive status.

We have identified recompletion zones that offset producers have been successful with. The information enclosed is proprietary and is to be used only for the purpose to establish Recovery Operating LP has been working for a solution for bringing this well on line and not just letting the well be shut in.

Our plan is to secure a gas market with Salt Creek, Recomplete the well in the Wolfcamp A & B and Bone Springs Zones. Upon a successful recompletion of this well it would be our goal to develop the remaining acreage on the Lease.

Please let me know if you need further information.

Thanks

Doc Robertson
Recovery Operating LP
325-450-3682

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34.

File No. MF105848
Emails Re: Shut in County

Date Filed: 2/25/21
George P. Bush, Commissioner
By SSD



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

February 24, 2021

Mr. S. V. "Doc" Robertson
Recovery Operating LP
12329 Spring Creek Lane
San Angelo, TX 76904

Re: **State Lease MF105848** – Relinquishment Act Land (RAL)
320 acres, E/2 in Section 44, Block 57, PSL Survey, Reeves County, Texas
Well: Brackenridge State 57-44 1, API 42-389-32520, RRC 08-246223
Shut-in accepted

Dear Mr. Robertson:

The General Land Office received payment of \$600.00 on November 9, 2020, for a continued shut-in of the referenced well. According to our records this well has been shut-in since November 3, 2017 (date provided on first affidavit), with explanation for shut-in being a leak in the production line. Each subsequent shut-in affidavit has explained the same problem with the line and that a repair or alternate solution was forthcoming. At the time of the shut-in Atlantic Resources sent an affidavit stating that monthly production prior to shut-in was 1mcf/day and 1bbl/day.

The Shut-In Royalty Committee has reviewed the supporting documentation provided by you to explain the need for a continuation of shut-in, in order to service the well, and install equipment. The GLO is accepting the shut-in payment received on November 9, 2020 for a one-year term ending December 1, 2021 by which time the well is required to have returned to production. This will be the last shut-in approved. Lack of production will result in the lease being terminated.

Yours truly,

Susan Draughn, Landman
Energy Resources/ Mineral Leasing
Direct: 512.463.6521 / Email: susan.draughn@glo.texas.gov
Website: www.glo.texas.gov

35.

File No. MF105848
Letter accepting County
shut in
Date Filed: 2/25/21
George P. Bush, Commissioner
By SSD

Susan Draughn

From: Randy Boatright <rjboat@gmail.com>
Sent: Monday, February 8, 2021 12:24 PM
To: Robert Hatter; Susan Draughn
Cc: David Roth
Subject: [EXTERNAL] Letter to Recovery Operating
Attachments: Letter to Recovery 2-8-2021.pdf

Robert & Susan,

Here is a letter that I am about to send to Doc Robertson. The idea here being that he has made a lot of statements about operations he wants to do and intends to do. This letter gives him the green light to go do all of that but it also makes it perfectly clear that this is the end of holding the lease by shut in royalties. So he has 10 months to get with it.

Let me know if this gives you any particular problems.

I will wait to hear from you before I send it.

Randy Boatright

Randy J. Boatright, Trustee
George W. Brackenridge Foundation
1 Riverwalk Place
700 North St. Mary's Street
Suite 875
San Antonio, Texas 78205

Direct Number : 210-860-0557
Main Office No: 210-693-0819

CAUTION: This email originated from OUTSIDE of the Texas General Land Office. Links or attachments may be dangerous. Please be careful clicking on any links or opening any attachments.



GEORGE W. BRACKENRIDGE
— FOUNDATION —

February 8, 2021

Mr. S.V. "Doc" Robertson
Recovery Operating LP
12329 Spring Creek Lane
San Angelo, Texas 76904

RE: Brackenridge State 57-44 Well #1, Reeves County, Texas

Mr. Robertson,

Thank you for the conversation a few weeks ago about the above well. Since that time, I have had several different discussions with the General Land Office management team as well as my fellow Co-Trustees at the George W. Brackenridge Foundation.

We are glad to know that you are working to restore production in the Brackenridge State 57-44 well. We do appreciate your efforts and we appreciate your acknowledging that this is the final year that the lease can be extended by shut-in royalties alone. We also are glad that you understand that the revenue from this well goes to support the school children of Texas through both the General Land Office as well as the Brackenridge Foundation.

We are willing to give you until December 1, 2021 to restore the above named well to production in paying quantities or conduct continuous operations to extend the lease as defined in the lease.

If you have any questions or comments, please feel free to call or contact me via email.

Randy J. Boatright, Trustee
George W. Brackenridge Foundation
210-732-4900 Direct Office
210-733-1273 Fax
rboat@boatrightogm.com

- (1) Robert Hatter GLO
- (2) Susan Skinner Draughn GLO
- (3) David H.O.Roth, Elder Bray & Bankler

File No. MF105848
Letter from Brackenridge
to Recovery Op.
Date Filed: 2/25/21
George P. Bush, Commissioner
By SSD



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

April 6, 2021

Doc Robertson
Recovery Operating LP
12329 Spring Creek Lane
San Angelo, TX 76904

Re: GLO Assign ID # 11045 – MF105848
Reeves County

Dear Mr. Robertson:

The General Land Office received the following instrument and filed it in the appropriate files.

Assignment, Conveyance and Bill of Sale and Conveyance, effective January 1, 2019, Atlantic Resources Holding Co., LLC and North Reeves Development LLC, Assignor's to Recovery Operating LP, Assignee. Filed of record under instrument # 19-01638.

Filing fees in the amount of \$50.00 were received on the referenced assignment.

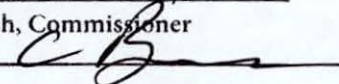
Please feel free to contact me at (512) 590-9600 or email carl.bonn@glo.texas.gov if you have further questions.

Best Regards,

Carl Bonn, CPL
Mineral Leasing-Energy Resources

File No. MF 105 848Assign # 11045 CountyAtlantic Res to No. ReevesDate Filed: 4-8-21

George P. Bush, Commissioner

By 



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

January 13, 2020

Certified Mail# 7011-1150-0001-2420-7145

Chesapeake Operating, LLC.
6100 N. Western Avenue
Oklahoma City, OK 73118
Attention: Lacy McCornack, Accounting Manager

RE: Final Audit Billing Notice for State Leases MF104792, MF084110, MF106201, MF109267 and other Toyah State Leases (in Exhibit A)

Dear Ms. McCornack:

The Texas General Land Office (GLO) has completed the audit of above referenced state leases (and other Toyah State leases on Exhibit A) that were operated and/or held by Chesapeake Operating, LLC. (Chesapeake). The audit covered the reporting period of January 2008 through March 2013. This letter constitutes an Audit Billing notice as defined in Section 52.135(c) of Texas Natural Resources Code. The audit resulted in the determination of additional amounts due as follows:

Royalty	\$1,556,486.81
Penalty	\$177,610.41
Interest	<u>\$1,481,854.03</u>
Total	<u>\$3,215,951.25</u>

Interest has been computed through August 31, 2019 in accordance with Section 52.131 of the Texas Natural Resources Code and will continue to accrue until the royalty has been paid.

The following documents are attached in support of our findings:

- Attachment I - Summary of the audit exceptions by lease;
- Attachment II – Final Audit Report which includes a brief discussion of the audit exceptions and recommendations;
- Attachment III - The procedures used for assessment of penalties and interest; and
- Attachment IV - Various schedules and documents that support royalty calculations

To ensure your company remains in good standing with the GLO, please respond within 30 days from the receipt of this Final Audit Billing Notice with your payment, or to request a hearing before the

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

P.O. Box 12873 • Austin, Texas 78711-2873

512.463.5001 • 800.998.4GLO

glo.texas.gov

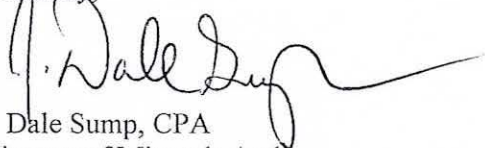
Chesapeake Operating, LLC.
January 13, 2020
Page 2

Commissioner, or his representative, for redetermination of such assessment. In order to ensure proper credit, your payment should be mailed with your audit billing notice, to the following address:

Texas General Land Office
Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701-1495

For any questions or additional information on this audit, please contact Brian B. Raygon at 512-463-0154 or send an email to brian.raygon@glo.texas.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Dale Sump", with a long, sweeping horizontal line extending to the right.

J. Dale Sump, CPA
Director of Minerals Audit
Texas General Land Office
(512) 463-2921 / dale.sump@glo.texas.gov

Attachments
Ltr. Log #0294

Attachment I

Summary of Audit Exceptions (Attachment I)

Lease/Unit Well Name		State Lease Number	Workpaper Reference#	Additional Gas Royalty Due	Penalty through 08/31/19	Interest through 08/31/19	Total Gas Revenue Amount	Production Months Covered
Pelican Ranch & Robertson State Units	1	MF104792	D.1.23	\$117,401.74	\$11,805.98	\$131,473.45	\$260,681.17	1/2008 through 3/2013
Harrison State	2	MF104871	D.1.26	\$170,812.60	\$17,298.97	\$165,370.03	\$353,481.60	1/2008 through 3/2013
Darden State 71-26-1H	3	MF104585	D.1.27	\$35,211.58	\$3,534.30	\$11,867.90	\$50,613.78	1/2008 through 3/2013
Darden State 71-26-1H	4	MF108655	D.1.29	\$25,760.53	\$2,595.43	\$8,971.51	\$37,327.47	1/2008 through 3/2013
Wright State Non-unit & Jobe State Unit	5	MF104186	D.1.30	\$60,571.32	\$6,147.71	\$69,337.04	\$136,056.07	1/2008 through 3/2013
Wright State Non-unit & Jobe State Unit	6	MF107630	D.1.31	\$5,222.47	\$1,054.14	\$5,918.45	\$12,195.06	1/2008 through 3/2013
Yada State	7	MF105495	D.1.32	\$73,034.10	\$7,521.51	\$83,109.78	\$163,665.39	1/2008 through 3/2013
Torrez State 61-1H	8	MF104587	D.1.33	\$41,714.56	\$4,417.20	\$37,026.77	\$83,158.53	1/2008 through 3/2013
Torrez State 61-1H	9	MF104601	D.1.35	\$19,691.33	\$2,219.26	\$15,552.98	\$37,463.57	1/2008 through 3/2013
Brackenridge State 57-44-1	10	MF105848	D.1.36	\$66,386.95	\$6,744.39	\$56,641.82	\$129,773.16	1/2008 through 3/2013
Block 59 State 27-11-1	11	MF104524	D.1.37	\$805.25	\$258.94	\$2,364.30	\$3,428.49	1/2008 through 3/2013
Block 59 State 27-11-1	12	MF104530	D.1.38	\$70,077.39	\$7,038.63	\$50,798.63	\$127,914.65	1/2008 through 3/2013
Block 59 State 27-11-1	13	MF104539	D.1.39	\$28,645.53	\$3,056.07	\$26,506.76	\$58,208.36	1/2008 through 3/2013
Jobe State 70-58-1H	14	MF104187	D.1.40	\$66,527.36	\$6,863.77	\$71,785.76	\$145,176.89	1/2008 through 3/2013
Block 59 State 35-1H	15	MF103430	D.1.42	\$36,150.35	\$3,655.27	\$23,154.50	\$62,960.12	1/2008 through 3/2013
Jobe State 70-1/C-17-18	16	MF104185	D.1.43	\$57,375.33	\$6,201.43	\$64,324.74	\$127,901.50	1/2008 through 3/2013
Caldwell State 71-5-1H	17	MF104190	D.1.44	\$15,353.63	\$1,751.66	\$14,945.44	\$32,050.73	1/2008 through 3/2013
Caldwell State 71-5-1H	18	MF104191	D.1.45	\$46,086.16	\$4,634.81	\$44,867.68	\$95,588.65	1/2008 through 3/2013
Johnson State 56-10-1	19	MF102645	D.1.46	\$27,859.69	\$2,884.52	\$34,437.38	\$65,181.59	1/2008 through 3/2013
Block 58 State Unit Wells	20	MF105285	D.1.47	\$38,573.99	\$4,010.42	\$29,846.71	\$72,431.12	1/2008 through 3/2013
McClure State 72-23 1H	21	MF105243	D.1.48	\$8,112.84	\$1,141.38	\$8,616.40	\$17,870.62	1/2008 through 3/2013
McClure State 72-23 1H	22	MF105497	D.1.49	\$25,404.10	\$2,684.14	\$26,661.03	\$54,749.27	1/2008 through 3/2013
Hodge ST 70-24, Jobe ST 72-7, Lowe ST 72-8	23	MF104184	D.1.50	\$56,178.45	\$5,926.06	\$64,335.89	\$126,440.40	1/2008 through 3/2013
Methodist ST 72-38	24	MF108406	D.1.51	\$31,229.60	\$3,296.19	\$19,580.27	\$54,106.06	1/2008 through 3/2013
Grove ST 72-21	25	MF105245	D.1.54	\$39,744.96	\$4,205.40	\$39,339.80	\$83,290.16	1/2008 through 3/2013
Grove ST 72-21	26	MF105320	D.1.55	\$6,599.95	\$1,185.80	\$6,304.99	\$14,090.74	1/2008 through 3/2013
Grove ST 72-21	27	MF106675	D.1.56	\$1,644.48	\$725.89	\$1,570.35	\$3,940.72	1/2008 through 3/2013
Grove ST 72-21	28	MF107499	D.1.57	\$1,314.60	\$700.00	\$1,255.86	\$3,270.46	1/2008 through 3/2013
Grove ST 72-21	29	MF109204	D.1.58	\$10,868.50	\$1,618.07	\$8,999.83	\$21,486.40	1/2008 through 3/2013

Lease/Unit Well Name		State Lease Number	Workpaper Reference#	Additional Gas Royalty Due	Penalty through 08/31/19	Interest through 08/31/19	Total Gas Revenue Amount	Production Months Covered
Grove ST 72-21	30	MF109189	D.1.60	\$1,067.37	\$575.00	\$1,020.28	\$2,662.65	1/2008 through 3/2013
Block 58 ST 40-14 & ST 42-1H	31	MF104778	D.1.61	\$33,431.77	\$3,529.30	\$18,889.76	\$55,850.83	1/2008 through 3/2013
Block 58 ST 40-14	32	MF104548	D.1.62	\$19,180.95	\$2,440.13	\$18,307.74	\$39,928.82	1/2008 through 3/2013
Block 58 ST 40-14	33	MF105287	D.1.63	\$5,972.00	\$820.53	\$5,971.22	\$12,763.75	1/2008 through 3/2013
Block 58 ST 40-14	34	MF107619	D.1.64	\$4,849.38	\$1,210.11	\$3,607.67	\$9,667.16	1/2008 through 3/2013
Block 58 ST 40-14 & ST 42-1H	35	MF107733	D.1.66	\$3,777.16	\$717.75	\$3,783.08	\$8,277.99	1/2008 through 3/2013
Block 58 ST 40-14	36	MF107769	D.1.67	\$8,743.67	\$1,435.89	\$4,821.60	\$15,001.16	1/2008 through 3/2013
Block 58 ST 42-1H	37	MF104580	D.1.68	\$14,231.69	\$1,762.90	\$7,575.78	\$23,570.37	1/2008 through 3/2013
Block 58 ST 42-1H	38	MF107612	D.1.70	\$764.51	\$202.79	\$1,383.69	\$2,350.99	1/2008 through 3/2013
Lowe ST 72-8	39	MF105534	D.1.73	\$19,303.67	\$2,295.64	\$24,211.92	\$45,811.23	1/2008 through 3/2013
Block 59 ST 37-1H	40	MF104526	D.1.74	\$15,100.95	\$1,844.85	\$12,624.43	\$29,570.23	1/2008 through 3/2013
Block 59 ST 37-1H	41	MF105485	D.1.75	\$2,951.39	\$430.31	\$4,354.67	\$7,736.37	1/2008 through 3/2013
Block 59 ST 37-1H	42	MF107610	D.1.76	\$1,639.72	\$313.46	\$2,419.30	\$4,372.48	1/2008 through 3/2013
Shuffield 72-14	43	MF108598	D.1.77	\$11,559.34	\$2,034.42	\$13,015.83	\$26,609.59	1/2008 through 3/2013
Shuffield 72-14	44	MF108599	D.1.78	\$11,505.14	\$2,030.36	\$12,954.85	\$26,490.35	1/2008 through 3/2013
Hill State 71-4	45	MF105230	D.1.79	\$8,803.83	\$1,594.23	\$9,351.52	\$19,749.58	1/2008 through 3/2013
Hill State 71-4	46	MF105236	D.1.80	\$3,956.07	\$1,082.59	\$4,201.69	\$9,240.35	1/2008 through 3/2013
Hill State 71-4	47	MF105494	D.1.81	\$3,205.23	\$927.68	\$3,404.19	\$7,537.10	1/2008 through 3/2013
Hodge ST 70-24	48	MF104981	D.1.82	\$5,080.79	\$574.60	\$5,999.92	\$11,655.31	1/2008 through 3/2013
Lowe ST 72-8	49	MF105532	D.1.83	\$4,825.67	\$1,154.06	\$6,052.98	\$12,032.71	1/2008 through 3/2013
Lowe ST 72-8	50	MF105433	D.1.84	\$3,602.79	\$980.71	\$4,519.11	\$9,102.61	1/2008 through 3/2013
Lowe ST 72-8, Jobe ST 72-7	51	MF105499	D.1.85	\$4,391.12	\$1,090.11	\$4,847.66	\$10,328.89	1/2008 through 3/2013
Block 58 ST 31-3	52	MF104780	D.1.86	\$2,481.59	\$770.91	\$2,691.22	\$5,943.72	1/2008 through 3/2013
Block 58 ST 31-3	53	MF104781	D.1.88	\$2,928.11	\$841.89	\$3,163.59	\$6,933.59	1/2008 through 3/2013
Block 58 ST 31-3	54	MF104782	D.1.87	\$4,804.73	\$953.22	\$5,191.20	\$10,949.15	1/2008 through 3/2013
Block 58 ST 31-3	55	MF105291	D.1.89	\$1,601.56	\$719.75	\$1,730.33	\$4,051.64	1/2008 through 3/2013
Block 58 ST 31-3	56	MF105490	D.1.90	\$4,504.73	\$913.96	\$4,866.99	\$10,285.68	1/2008 through 3/2013
Block 58 ST 31-3	57	MF106627	D.1.91	\$2,323.42	\$795.92	\$2,500.20	\$5,619.54	1/2008 through 3/2013
Block 58 ST 31-3, Block 55 T5 ST 31-1H	58	MF106641	D.1.92	\$807.14	\$550.00	\$874.02	\$2,231.16	1/2008 through 3/2013
Block 58 ST 31-3	59	MF108251	D.1.93	\$749.55	\$550.00	\$810.68	\$2,110.23	1/2008 through 3/2013
Hodge ST 70-24	60	MF104982	D.1.94	\$3,010.65	\$545.24	\$4,667.57	\$8,223.46	1/2008 through 3/2013
Hodge ST 70-24	61	MF105825	D.1.95	\$3,763.53	\$463.29	\$4,444.32	\$8,671.14	1/2008 through 3/2013
Jobe ST 72-7	62	MF106243	D.1.96	\$1,168.28	\$300.00	\$387.93	\$1,856.21	1/2008 through 3/2013
Vaquillas Ranch	63	MF084110	D.1.99	\$49,771.57	\$5,007.93	\$58,300.44	\$113,079.94	1/2008 through 12/2010
Indus-State & Ford Unit	64	MF106201	D.1.100	\$108,208.35	\$10,860.79	\$93,651.59	\$212,720.73	1/2008 through 12/2012
Ford Unit	65	MF106600	D.1.104	\$876.91	\$112.75	\$289.01	\$1,278.67	1/2008 through 12/2012
				\$1,559,303.67	\$177,610.41	\$1,481,854.03	\$3,218,768.11	Sub-total Amount
MBF Non-unit	66	MF104874	D.1.41	(\$2,816.86)	\$0.00	\$0.00	(\$2,816.86)	1/2008 through 3/2013
				\$1,556,486.81	\$177,610.41	\$1,481,854.03	\$3,215,951.25	Total Amount

Attachment II

ATTACHMENT II

Final Audit Report Chesapeake Operating, LLC. Discussion of Audit Exceptions

The Texas General Land Office (GLO) has reviewed the payment of royalties made by Chesapeake Operating, LLC. (Chesapeake) on selected State Leases for the period January 2008 through March 2013. Our review consisted of examining the components that comprise the royalty payments: volume, price, and royalty interest.

Our examination of volumes consisted of comparing amounts reported to the State with documents both produced by Chesapeake and third-party documents provided to Chesapeake. Prices reported by the royalty payor(s) were compared to governing provisions of the leases, statutes, rules, agreements and contracts. The appropriate royalty interest was verified by comparison to the governing contractual agreements. Other procedures were used, as we considered necessary to enable us to determine if royalties were reported and computed properly.

As a result of our audit, we have concluded the State is due additional royalty. The exceptions and related details for the audit exceptions are summarized below. Discrepancies noted in the audit period are calculated from January 2008 through March 2013.

<u>COUNTY NAME</u>	<u>LEASE#</u>	<u>LEASE TYPE</u>	<u>AUDIT PERIOD</u>
Reeves	MF104792	Relinquishment Act Lands	1/2008 thru 3/2013
Webb	MF084110	Relinquishment Act Lands	1/2008 thru 12/2010
Tarrant	MF106201	Department of Corrections	1/2008 thru 12/2012
Tarrant	MF109267	Mental Health & Retardation	1/2008 thru 12/2012

For complete listing of audited State leases, see Exhibit A.

Under-reporting of Non-Processed Gas Volumes (Audit Exception# 1):

Audit Exception Overview

The review of non-processed Gas volumes comprised on and off-lease fuel, unaccounted Gas and Gas sales. Our testing indicated material volume differences among Chesapeake's Wellhead Meter Statements, Allocation Statements, and GLO Reports. Specifically, the auditor noted material difference between "Theo MMBtu" gas from the Allocation Statements and MMBtu Gas from GLO-2 Reports. Note that "Theo MMBtu" gas from the Allocation Statements can be traced to Wellhead Meter Statements when Gas Lift is deducted. The Gas volumes in these meter statements were produced at the lease; they were measured after oil, gas and water were separated and before being commingled with other Gas volumes in the area. For production months in which meter statements were not available (January 2008 through December 2009), the auditor reviewed and compared Gas volumes on Daily Reports (provided by Chesapeake) to those in the Allocation Statements and noted that Gas volumes from both records were comparable. Finally, due to material differences in a comparison of prices conducted between MMBtu Gas prices and prices from GLO-2 Reports, the auditor notified Chesapeake that the Weighted Average Selling Price (WASP) would be used to recalculate the GLO's Gas royalties.

MF104792 Lease Agreement Relevant Royalty Provision

According to Section 4, Paragraph (B) entitled 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 1/5 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 greater..."

MF084110 Lease Agreement Relevant Royalty Provision

According to Section 3, Paragraph (b) entitled Non-Processed Gas: "As a royalty on any gas (including flared gas), which is defined as all hydrocarbons and gaseous substances not defined as oil in subparagraph (a) above, produced from any well on said land (except as provided herein with respect to gas processed in a plant for the extraction of gasoline, liquid hydrocarbons or other products) One-fourth (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 for the field where produced and when run, or the gross price paid or offered to the producer, whichever is greater..."

MF106201 and MF109267 Lease Agreement Relevant Royalty Provision

According to Section 4, Paragraph (B) entitled Non-Processed Gas: "As a royalty on any gas (including flared gas), which is defined as all hydrocarbons and gaseous substances not defined as oil in subparagraph (A) above, produced from any well on said land (except as provided herein with respect to gas processed in a plant for the extraction of gasoline, liquid hydrocarbons or other products) 1/4 part of the gross production or the market value thereof, at the option of the Lessor, such value to be based on the highest market price paid or offered for gas comparable quality in the general area where produced and when run or the gross price paid or offered to the producer, whichever is greater..."

MF106600 Lease Agreement Relevant Royalty Provision

According to Section 3, Paragraph (b) entitled Non-Processed Gas: "To pay Lessor on gas and casinghead gas produced from said land (1) when sold by lessee 1/4 of the amount realized by Lessee, computed at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, of 1/4 of such gas and casinghead gas..."

ADDITIONAL ROYALTY DUE:

\$1,506,715.24

Under-reporting of Processed Gas and NGLs (Audit Exception# 2)

A review of the field schematics indicated that State gas volumes were commingled with other gas volumes in the area; then production was sent to gas plants (i.e. Houston Central Plant CP) for processing of NGL and Residue Gas volumes. After processing, NGLs and Residue Gas were sold. To review and determine Processed Gas and NGL volumes and values, the auditor used the GLO's Processed Gas Model (PGM). The PGM simulates the Natural Gas Fractionation process that allows us to compute volume and value of products available in the gas stream.

The GLO used the following source documents as inputs into the PGM to determine the gross value and volume of NGL and Residue: The Gas Plant Settlement statements (Net Deliveries, Meter Totals Theoretical and Allocated Gallons, Plant Fuel Usage Percentage, Gas Mol% and prices for NGLs & Residue). Note that Inlet Gas volumes from the allocation statements were used as inlet gas inputs when gas meter statements were not available. The results from the PGM and GLO-2 Reports indicated material differences on Residue Gas, NGL volumes and values. Consequently, the PGM was used to determine the additional royalties due to the GLO.

MF084110 Lease Agreement Relevant Royalty Provision

According to Section 3, Paragraph (c) entitled Processed Gas: "As a royalty on any gas processed in a gasoline plant or other plant for the recovery of gasoline or other liquid hydrocarbons, One-fourth (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 greater, of the total plant production of liquid hydrocarbons attributable to the gas produced from this lease..."

ADDITIONAL ROYALTY DUE:

\$49,771.57

Gas Royalty Overpayment (Audit Exception# 3)

Detail Testing results indicated that Chesapeake continued to report and pay royalties after the unit and associated State leases in the unit had expired, which resulted in royalty overpayments. Incorrect Btu Factors

were used on GLO-2 Production Reports (GLO-2) that resulted in overpayment. Noted MMBtu Gas Differences between Allocation Statements and GLO-2, misallocated MMBtu Gas among unitized leases and Chesapeake used incorrect Net Royalty Interest (NRI) that resulted in gas royalty overpayments. For MF104874, Chesapeake used Btu Factor of 1 instead of the actual Btu Factors from Wellhead Meter Statements of 0.7772213 and 0.859148 in reporting gas volumes. As a result, the auditor applied these overpayments as credits to audited State leases with outstanding balances and calculated the remaining balance.

TOTAL APPLIED GAS ROYALTY CREDIT:

- \$163,942.31

For an overview of this credit, see Exhibit B

Audit Exception #1 & #2 Resolution

After several months of discussion between the GLO and Chesapeake personnel via telephone, it was agreed upon that the MMBtu Gas from the Wellhead Meter Statements are reliable and can be used to recalculate the GLO's royalty on non-processed gas. Also, that Wellhead MMBtu Gas from the Allocation Statements are not just "Theoretical Gas" as previously indicated by Chesapeake personnel in response to the Draft Audit Billing Notice. The auditor demonstrated (using field schematics) that the Wellhead Meter Statements included Gas measured when the gas was first separated from water and condensate. Furthermore, the Detail Testing results indicated that Wellhead MMBtu Gas from the Allocation Statements are comparable to those in the Wellhead Meter Statements (and Daily Reports for 2008 and 2009 production months when Meter Statements were not provided) when Gas Lift is deducted. Therefore, the Wellhead MMBtu Gas from the Allocation Statements are royalty bearing.

To determine Non-Processed Gas royalty valuation, the auditor multiplied the MMBtu Gas from the Wellhead Meter Statements (or Allocation Statements and Daily Reports) by the Lease Royalty Rate or by the State Lease Net Royalty Interest (NRI) to determine State's Production in MMBtu's. The State's production MMBtu Gas were then multiplied by the MMBtu WASP (as agreed upon by GLO and Chesapeake) from the purchase statements to arrive with Gas Royalty Due. Lastly, the recalculated Gas Royalty Due was then subtracted by the Gas royalty payments reported to the GLO to attain the Additional Gas Royalty Due.

To determine the Processed Gas royalty, the auditor multiplied Processed Gas Values by the Lease Royalty Rate or by the State Lease Net Royalty Interest (NRI) to determine Royalty Due. Gas Royalty Due was subtracted from the Gas royalty payments reported to the GLO to determine Additional Gas Royalty Due. The key factors contributing to these differences were attributed to the allocation of Residue Gas and NGLs' molecular balance and values; the reporting of Residue Gas volumes and NGLs to the GLO in compliance with the lease agreements.

For more information on royalty provisions used in the audit for other State leases, see lease agreement(s) of applicable audited leases.

Total Additional Royalty Due:

\$1,556,486.81

ATTACHMENT II

GLO Recommendations Chesapeake Operating, LLC.

1. AE# 1 – Under-reporting of Non-Sales Gas Volumes:

Recommendations: Measure on-and off-lease fuel and report and pay royalties on these volumes to the GLO, including unaccounted gas volumes. Compare Wellhead Meter Statements to Allocated Gas from the Allocation Statements and review material differences. Pay the GLO on its royalties based on Gas Gross Production. Use the price based on the highest market price paid or offered for gas of comparable quality in the general area.

2. AE# 2 – Under-reporting of Processed Gas and NGL Sales Volumes:

Recommendations: Review the volumes returned for Residue Gas and NGLs from the Plant Settlement Statements to determine and allocate each product by molecular balance, including State leases. Pay the GLO's royalties on Residue Gas Volumes at 100% per the State Lease Agreement. Communicate and request "Permission to Commingle" with the GLO and solicit guidance from the GLO's Engineers in reporting Non-processed Gas, Residue Gas and NGL Components to the GLO.

Exhibit A

<u>County Name</u>	<u>Lease#</u>	<u>Lease Type</u>	<u>Audit Period</u>
Reeves	MF104792	Relinquishment Act Lease	1/2008 through 3/2013
Reeves	MF104871	Relinquishment Act Lease	1/2008 through 3/2013
Reeves	MF104585	Upland Fee	1/2008 through 3/2013
Reeves	MF108655	Relinquishment Act Lease	1/2008 through 3/2013
Reeves	MF104186	Relinquishment Act Lease	1/2008 through 3/2013
Reeves	MF107630	Relinquishment Act Lease	1/2008 through 3/2013
Reeves	MF105495	Relinquishment Act Lease	1/2008 through 3/2013
Reeves	MF104587	Upland Fee	1/2008 through 3/2013
Reeves	MF104601	Upland Fee	1/2008 through 3/2013
Reeves	MF105848	Relinquishment Act Lease	1/2008 through 3/2013
Reeves	MF104524	Relinquishment Act Lease	1/2008 through 3/2013
Reeves	MF104530	Relinquishment Act Lease	1/2008 through 3/2013
Reeves	MF104539	Relinquishment Act Lease	1/2008 through 3/2013
Reeves	MF104187	Relinquishment Act Lease	1/2008 through 3/2013
Reeves	MF104874	Free Royalty Lease	1/2008 through 3/2013
Reeves	MF103430	Relinquishment Act Lease	1/2008 through 3/2013
Reeves	MF104185	Relinquishment Act Lease	1/2008 through 3/2013
Reeves	MF104190	Relinquishment Act Lease	1/2008 through 3/2013
Reeves	MF104191	Relinquishment Act Lease	1/2008 through 3/2013
Reeves	MF102645	Relinquishment Act Lease	1/2008 through 3/2013
Reeves	MF105285	Relinquishment Act Lease	1/2008 through 3/2013
Reeves	MF105243	Relinquishment Act Lease	1/2008 through 3/2013
Reeves	MF105497	Relinquishment Act Lease	1/2008 through 3/2013
Reeves	MF104184	Relinquishment Act Lease	1/2008 through 3/2013
Reeves	MF108406	Surface Sold - All Minerals Reserved	1/2008 through 3/2013
Reeves	MF105229	Relinquishment Act Lease	1/2008 through 3/2013
Reeves	MF105245	Relinquishment Act Lease	1/2008 through 3/2013
Reeves	MF105320	Upland Fee	1/2008 through 3/2013
Reeves	MF106675	Relinquishment Act Lease	1/2008 through 3/2013
Reeves	MF107499	Relinquishment Act Lease	1/2008 through 3/2013
Reeves	MF109204	Relinquishment Act Lease	1/2008 through 3/2013
Reeves	MF109205	Relinquishment Act Lease	1/2008 through 3/2013
Reeves	MF109189	Relinquishment Act Lease	1/2008 through 3/2013
Reeves	MF104778	Relinquishment Act Lease	1/2008 through 3/2013
Reeves	MF104548	Relinquishment Act Lease	1/2008 through 3/2013
Reeves	MF105287	Relinquishment Act Lease	1/2008 through 3/2013
Reeves	MF107619	Relinquishment Act Lease	1/2008 through 3/2013

Reeves	MF107733	Relinquishment Act Lease	1/2008 through 3/2013
Reeves	MF107769	Relinquishment Act Lease	1/2008 through 3/2013
Reeves	MF104580	Upland Fee	1/2008 through 3/2013
Reeves	MF105289	Relinquishment Act Lease	1/2008 through 3/2013
Reeves	MF107612	Relinquishment Act Lease	1/2008 through 3/2013
Reeves	MF108664	Relinquishment Act Lease	1/2008 through 3/2013
Reeves	MF105534	Relinquishment Act Lease	1/2008 through 3/2013
Reeves	MF104526	Relinquishment Act Lease	1/2008 through 3/2013
Reeves	MF105485	Relinquishment Act Lease	1/2008 through 3/2013
Reeves	MF107610	Relinquishment Act Lease	1/2008 through 3/2013
Reeves	MF108598	Free Royalty Lease	1/2008 through 3/2013
Reeves	MF108599	Free Royalty Lease	1/2008 through 3/2013
Reeves	MF105230	Relinquishment Act Lease	1/2008 through 3/2013
Reeves	MF105236	Relinquishment Act Lease	1/2008 through 3/2013
Reeves	MF105494	Relinquishment Act Lease	1/2008 through 3/2013
Reeves	MF104981	Relinquishment Act Lease	1/2008 through 3/2013
Reeves	MF105532	Relinquishment Act Lease	1/2008 through 3/2013
Reeves	MF105433	Relinquishment Act Lease	1/2008 through 3/2013
Reeves	MF105499	Relinquishment Act Lease	1/2008 through 3/2013
Reeves	MF104780	Relinquishment Act Lease	1/2008 through 3/2013
Reeves	MF104781	Relinquishment Act Lease	1/2008 through 3/2013
Reeves	MF104782	Relinquishment Act Lease	1/2008 through 3/2013
Reeves	MF105291	Relinquishment Act Lease	1/2008 through 3/2013
Reeves	MF105490	Relinquishment Act Lease	1/2008 through 3/2013
Reeves	MF106627	Relinquishment Act Lease	1/2008 through 3/2013
Reeves	MF106641	Relinquishment Act Lease	1/2008 through 3/2013
Reeves	MF108251	Free Royalty Lease	1/2008 through 3/2013
Reeves	MF104982	Relinquishment Act Lease	1/2008 through 3/2013
Reeves	MF105825	Relinquishment Act Lease	1/2008 through 3/2013
Reeves	MF106243	Relinquishment Act Lease	1/2008 through 3/2013
Webb	MF084110	Relinquishment Act Lease	1/2008 through 12/2010
Tarrant	MF106201	Department of Corrections	1/2008 through 12/2012
Tarrant	MF109267	Mental Health & Retardation	1/2008 through 12/2012
Tarrant	MF106600	County Roads	1/2008 through 12/2012

Chesapeake Audit - Exhibit B (Royalty Overpayment to Chesapeake)

Lease#	WP#	Amount (Credit)
MF104585	D.1.27	(\$13,763.42)
MF104586	D.1.28	(\$28,449.06)
MF109479	D.1.28	(\$5,901.21)
MF109480	D.1.28	(\$1,003.08)
MF109559	D.1.28	(\$372.39)
MF108655	D.1.29	(\$11,150.59)
MF104186	D.1.30	(\$2,239.95)
MF107630	D.1.31	(\$11,232.67)
MF105495	D.1.32	(\$318.34)
MF104601	D.1.35	(\$2,567.74)
MF104530	D.1.38	(\$1,686.20)
MF104539	D.1.39	(\$1,555.21)
MF104874	D.1.41	(\$2,816.86)
MF103430	D.1.42	(\$2,221.14)
MF104190	D.1.44	(\$3,888.57)
MF104191	D.1.45	(\$11,665.76)
MF102645	D.1.46	(\$24,064.65)
MF105285	D.1.47	(\$1,670.99)
MF104184	D.1.50	(\$1,671.03)
MF108406	D.1.51	(\$922.32)
MF105229	D.1.52	(\$2,186.83)
MF104981	D.1.82	(\$1,437.63)
MF105825	D.1.95	(\$1,064.91)
MF106243	D.1.96	(\$2,401.75)
MF084110	D.1.99	(\$2,748.21)
MF106201	D.1.100	(\$4,877.68)
MF109267	D.1.101	(\$14,354.59)
MF106600	D.1.104	(\$5,709.53)
Total		(\$163,942.31)

Attachment III

ATTACHMENT III

SUMMARY OF PENALTY/ INTEREST ASSESSMENT RULES FOR DELINQUENT ROYALTIES AND DELINQUENT REQUIRED REPORTS OR DOCUMENTS

	Due Before 10/1/75 (Production prior to 8/1/75)	Due After 10/1/75 and Before 9/1/85 (Production 8/1/75 through 6/30/85)	Due After 9/1/85 (Production 7/1/85 through 12/31/09)	Due After 2/26/10 (Production 1/1/10 through present)
PENALTY (1) For delinquent royalty	None	The greater of 1% of the delinquent amount or \$5.00 for each 30-day delinquency	(2) For delinquencies of 30 days or less, the greater of 5% of the delinquent amount or \$25.00; for delinquencies of more than 30 days, the greater of 10% of the delinquent amount or \$25.00	(2) For delinquencies of 30 days or less, the greater of 5% of the delinquent amount or \$25.00; for delinquencies of more than 30 days, the greater of 10% of the delinquent amount or \$25.00
For delinquent report, affidavit, or other document	None	\$5.00 per document for each 30-day period of delinquency	\$10.00 per document for each 30-day period of delinquency	\$10.00 per document for each 30-day period of delinquency
INTEREST (2) For delinquent royalty	6% per year, simple; accrual begins 30 days after due date	6% per year, simple; accrual begins 30 days after due date	(3) 12% per year, simple; accrual begins 60 days after due date	(4) Prime plus 1% set on the first business day of each calendar year

(1) 31 TAC §9.51 (b) (3) (A)

(2) Penalties are not assessed in cases of title dispute as to the state's portion of the royalty or to royalty in dispute as to fair market value except when fraud is involved, in which case the fraud penalty is applicable. Penalty provisions are found at Tex Nat. Res. Code Ann §52.131 (e) (f) (h).

(3) Tex Nat. Res. Code Ann §52.131 (g)

(4) Per 31 TAC §9.51 (b) (3) (E), the interest rate on past due royalty is Wall Street Journal Prime plus 1%, to be adjusted annually.

Calendar Year	Prime Rate	Interest Rate
2010 - 2015	3.25%	4.25%
2016	3.50%	4.50%
2017	3.75%	4.75%
2018	4.50%	5.50%
2019	5.50%	6.50%

A royalty payment that is not accompanied by the required royalty affidavit identifying the GLO lease number is delinquent, 31 TAC §9.51 (2) (B).

The state's power to forfeit a lease shall not be affected by the assessment or payment of any delinquency, penalty, or interest provided in 31 TAC §9.51 (b) (3) (D).

38

File No. MA 105848
Leeves County

Letter to Chesapeake 1-13-2020

Date Filed: 5-19-2021

George P. Bush, Commissioner

By Sedberry



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

May 4, 2020

CERTIFIED MAIL NO. 7016-2070-0000-7391-0902

Chesapeake Operating, LLC.
6100 N. Western Avenue
Oklahoma City, OK 73118
Attention: Lacy McCornack, Accounting Manager

RE: Audit Closure Letter for the Period January 2008 through March 2013

Dear Ms. Lacy:

Chesapeake Operating, LLC (Chesapeake) directly or indirectly holds or held interest in state oil and gas leases as listed on Exhibit A. The Texas General Land Office (GLO) conducted an audit of the books, accounts, reports and other records relating to the subject leases for the audit period of January 2008 through March 2013. As a result of the audit, the GLO has received Chesapeake's payment of \$1,556,486.81 on February 18, 2020 and \$400,000 on April 27, 2020 with a total audit payment of \$1,956,486.81 to close out audit exceptions.

In accordance with the Texas Natural Resource Code Section 52.139 (b), the Commissioner may not again audit the books and records covering the same issues, time period, and leases involved in this audit. However, the Texas Natural Resource Code Section 52.139 (c) states that nothing shall preclude the GLO from conducting subsequent audits or examinations covering the same issues, time periods and leases in cases where fraud exists.

For any questions or additional information on this audit, please contact me.

Sincerely,

Brian B. Raygon
Interim Director of Minerals Audit
Texas General Land Office
(512) 463-0154 / brian.raygon@glo.texas.gov

Ltr Log # 0297

Exhibit A (List of Audited State Leases in Chesapeake Audit)

# of Lease	Audit Property Category	County Name	Lease#	Lease Type	Audit Period
1	Toyah State Leases	Reeves	MF104792	Relinquishment Act Lease	1/2008 through 3/2013
2	Toyah State Leases	Reeves	MF104871	Relinquishment Act Lease	1/2008 through 3/2013
3	Toyah State Leases	Reeves	MF104585	Upland Fee	1/2008 through 3/2013
4	Toyah State Leases	Reeves	MF104586	Upland Fee	1/2008 through 3/2013
5	Toyah State Leases	Reeves	MF109479	Relinquishment Act Lease	1/2008 through 3/2013
6	Toyah State Leases	Reeves	MF109480	Relinquishment Act Lease	1/2008 through 3/2013
7	Toyah State Leases	Reeves	MF109559	Relinquishment Act Lease	1/2008 through 3/2013
8	Toyah State Leases	Reeves	MF108655	Relinquishment Act Lease	1/2008 through 3/2013
9	Toyah State Leases	Reeves	MF104186	Relinquishment Act Lease	1/2008 through 3/2013
10	Toyah State Leases	Reeves	MF107630	Relinquishment Act Lease	1/2008 through 3/2013
11	Toyah State Leases	Reeves	MF105495	Relinquishment Act Lease	1/2008 through 3/2013
12	Toyah State Leases	Reeves	MF104587	Upland Fee	1/2008 through 3/2013
13	Toyah State Leases	Reeves	MF104601	Upland Fee	1/2008 through 3/2013
14	Toyah State Leases	Reeves	MF105848	Relinquishment Act Lease	1/2008 through 3/2013
15	Toyah State Leases	Reeves	MF104524	Relinquishment Act Lease	1/2008 through 3/2013
16	Toyah State Leases	Reeves	MF104530	Relinquishment Act Lease	1/2008 through 3/2013
17	Toyah State Leases	Reeves	MF104539	Relinquishment Act Lease	1/2008 through 3/2013
18	Toyah State Leases	Reeves	MF104187	Relinquishment Act Lease	1/2008 through 3/2013
19	Toyah State Leases	Reeves	MF104874	Free Royalty Lease	1/2008 through 3/2013
20	Toyah State Leases	Reeves	MF103430	Relinquishment Act Lease	1/2008 through 3/2013
21	Toyah State Leases	Reeves	MF104185	Relinquishment Act Lease	1/2008 through 3/2013
22	Toyah State Leases	Reeves	MF104190	Relinquishment Act Lease	1/2008 through 3/2013
23	Toyah State Leases	Reeves	MF104191	Relinquishment Act Lease	1/2008 through 3/2013
24	Toyah State Leases	Reeves	MF102645	Relinquishment Act Lease	1/2008 through 3/2013
25	Toyah State Leases	Reeves	MF105285	Relinquishment Act Lease	1/2008 through 3/2013
26	Toyah State Leases	Reeves	MF105243	Relinquishment Act Lease	1/2008 through 3/2013
27	Toyah State Leases	Reeves	MF105497	Relinquishment Act Lease	1/2008 through 3/2013
28	Toyah State Leases	Reeves	MF104184	Relinquishment Act Lease	1/2008 through 3/2013
29	Toyah State Leases	Reeves	MF108406	Surface Sold - All Minerals Reserved	1/2008 through 3/2013
30	Toyah State Leases	Reeves	MF105229	Relinquishment Act Lease	1/2008 through 3/2013
31	Toyah State Leases	Reeves	MF105245	Relinquishment Act Lease	1/2008 through 3/2013
32	Toyah State Leases	Reeves	MF105320	Upland Fee	1/2008 through 3/2013
33	Toyah State Leases	Reeves	MF106675	Relinquishment Act Lease	1/2008 through 3/2013
34	Toyah State Leases	Reeves	MF107499	Relinquishment Act Lease	1/2008 through 3/2013
35	Toyah State Leases	Reeves	MF109204	Highway-Right-of-Way	1/2008 through 3/2013
36	Toyah State Leases	Reeves	MF109205	Relinquishment Act Lease	1/2008 through 3/2013

37	Toyah State Leases	Reeves	MF109189	Relinquishment Act Lease	1/2008 through 3/2013
38	Toyah State Leases	Reeves	MF104778	Relinquishment Act Lease	1/2008 through 3/2013
39	Toyah State Leases	Reeves	MF104548	Relinquishment Act Lease	1/2008 through 3/2013
40	Toyah State Leases	Reeves	MF105287	Relinquishment Act Lease	1/2008 through 3/2013
41	Toyah State Leases	Reeves	MF107619	Relinquishment Act Lease	1/2008 through 3/2013
42	Toyah State Leases	Reeves	MF107733	Relinquishment Act Lease	1/2008 through 3/2013
43	Toyah State Leases	Reeves	MF107769	Relinquishment Act Lease	1/2008 through 3/2013
44	Toyah State Leases	Reeves	MF104580	Upland Fee	1/2008 through 3/2013
45	Toyah State Leases	Reeves	MF105289	Relinquishment Act Lease	1/2008 through 3/2013
46	Toyah State Leases	Reeves	MF107612	Relinquishment Act Lease	1/2008 through 3/2013
47	Toyah State Leases	Reeves	MF108664	Relinquishment Act Lease	1/2008 through 3/2013
48	Toyah State Leases	Reeves	MF105534	Relinquishment Act Lease	1/2008 through 3/2013
49	Toyah State Leases	Reeves	MF104526	Relinquishment Act Lease	1/2008 through 3/2013
50	Toyah State Leases	Reeves	MF105485	Relinquishment Act Lease	1/2008 through 3/2013
51	Toyah State Leases	Reeves	MF107610	Relinquishment Act Lease	1/2008 through 3/2013
52	Toyah State Leases	Reeves	MF108598	Free Royalty Lease	1/2008 through 3/2013
53	Toyah State Leases	Reeves	MF108599	Free Royalty Lease	1/2008 through 3/2013
54	Toyah State Leases	Reeves	MF105230	Relinquishment Act Lease	1/2008 through 3/2013
55	Toyah State Leases	Reeves	MF105236	Relinquishment Act Lease	1/2008 through 3/2013
56	Toyah State Leases	Reeves	MF105494	Relinquishment Act Lease	1/2008 through 3/2013
57	Toyah State Leases	Reeves	MF104981	Relinquishment Act Lease	1/2008 through 3/2013
58	Toyah State Leases	Reeves	MF105532	Relinquishment Act Lease	1/2008 through 3/2013
59	Toyah State Leases	Reeves	MF105433	Relinquishment Act Lease	1/2008 through 3/2013
60	Toyah State Leases	Reeves	MF105499	Relinquishment Act Lease	1/2008 through 3/2013
61	Toyah State Leases	Reeves	MF104780	Relinquishment Act Lease	1/2008 through 3/2013
62	Toyah State Leases	Reeves	MF104781	Relinquishment Act Lease	1/2008 through 3/2013
63	Toyah State Leases	Reeves	MF104782	Relinquishment Act Lease	1/2008 through 3/2013
64	Toyah State Leases	Reeves	MF105291	Relinquishment Act Lease	1/2008 through 3/2013
65	Toyah State Leases	Reeves	MF105490	Relinquishment Act Lease	1/2008 through 3/2013
66	Toyah State Leases	Reeves	MF106627	Relinquishment Act Lease	1/2008 through 3/2013
67	Toyah State Leases	Reeves	MF106641	Relinquishment Act Lease	1/2008 through 3/2013
68	Toyah State Leases	Reeves	MF108251	Free Royalty Lease	1/2008 through 3/2013
69	Toyah State Leases	Reeves	MF104982	Relinquishment Act Lease	1/2008 through 3/2013
70	Toyah State Leases	Reeves	MF105825	Relinquishment Act Lease	1/2008 through 3/2013
71	Toyah State Leases	Reeves	MF106243	Relinquishment Act Lease	1/2008 through 3/2013
72	Toyah State Leases	Reeves	MF107483	Relinquishment Act Lease	1/2008 through 3/2013
73	Toyah State Leases	Reeves	MF106676	Relinquishment Act Lease	1/2008 through 3/2013
74	Non-Toyah State Leases	Webb	MF084110	Relinquishment Act Lease	1/2008 through 12/2010
75	Non-Toyah State Leases	Tarrant	MF106201	Mental Health & Retardation	1/2008 through 12/2012

76	Non-Toyah State Leases	Tarrant	MF109267	Mental Health & Retardation	1/2008 through 12/2012
77	Non-Toyah State Leases	Tarrant	MF106600	County Roads	1/2008 through 12/2012

29

File No.

177-105848

County

Ree Vea

Letter to Chesapeake 04-2020

Date Filed:

04-2021

George P. Bush, Commissioner

By

[Signature]

RECOVERY OPERATING LP
12329 SPRING CREEK LN
SAN ANGELO, TX 76904

FIRST FINANCIAL BANK
866-860-6862

3421

88-112/1113

CHECK 63
63

22702442

11/16/2021

PAY TO THE ORDER OF Texas General Land Office

\$ **600.00

Six Hundred Only*****

DOLLARS

Texas General Land Office
P.O. Box 12873
Austin, Texas 78711


AUTHORIZED SIGNATURE

MEMO

Shut In Royalty 2021-2022 MF105848

⑈003421⑈

RECOVERY OPERATING LP

3421

Texas General Land Office
Shut in Royalty

11/16/2021

600.00

22702442

121

Checking

Shut In Royalty 2021-2022 MF105848

600.00

RECOVERY OPERATING LP
12329 SPRING CREEK LANE
SAN ANGELO, TEXAS 76904

11-15-2021

TEXAS GENERAL LAND OFFICE
1700 NORTH CONGRESS AVENUE
AUSTIN, TEXAS 78701-1495

RE: Brackenridge State 57-44 # 1 Shut in Royalty

Please find enclosed Recovery Operating LP check Number 3421 for
\$ 600.00 for the Shut in Royalty payment for the Brackenridge State
57-44 Well # 1 MF 105848 API # 42-389-32520 for the Shut-in term of
12-1-2021 to 12-1-2022.

If you any questions, please contact me.

S.V. " Doc" Robertson

Recovery Operating LP

325-450-3682 doc.robertson@verizon.net

*** Please see attached letter of Explanation ***

RECOVERY OPERATING LP

12329 Spring Creek Lane San Angelo, Texas 76904

11-15-2021

Texas General Land Office
P.O. Box 12873
Austin, Texas 78711

George W. Brackenridge Foundation
700 N. St. Mary's St.
Suite 875
San Antonio, Texas 78205

RE: Brackenridge 57-44 Well # 1 MF 105848 Shut In Royalty

Please find enclosed the Shut in Royalty payment for the period of December 1st, 2021, to December 1st, 2022.

Recovery Operating LP is once again asking for an Extension of the Shut In Period for the Brackenridge 58-44 Well #1 (MF 105848). We did not anticipate needing another extension however for reason beyond our control it has become necessary to do so. Please allow me to expand on our situation.

At this time last year, we had begun negotiations with Salt Creek Midstream to Gather and Purchase the Gas from this well. Our plan was to establish a Market for the Gas and start producing the well from the current completed zone. Once the Sales were established, we would then Re-Complete the well in the three zones we have identified from our Geological and Engineering Study that exist up hole. The prospect Zones are proven to be commercial in the Offset Operators Wells. While the prospective zones are classified as Oil Zones, they are Gas Heavy in production. We are not in favor of Flaring the Gas for economic and environmental reasons.

In June of 2021 Salt Creek Midstream presented to Recovery Operating LP a Gas Purchase Agreement. That same Month Recovery excepted the Agreement. Salt Creek Never executed the Contract and in October 2021 advised Recovery that they did not have Capacity in their Gathering to enable them to Gather the Gas from the Brackenridge Lease at this time due to over production from EOG. Salt Creek did say that when capacity become available, they would consider letting us in the line.

We realize that you are reluctant to grant another extension however we do want you to be aware that we are trying to resolve this problem in a diligent manner.

We truly feel that preserving this wells producibility will greatly benefit all parties involved and will allow for the extraction of the Reserves in place and not have them be forever lost.

Thank for your time and consideration in this matter.

Sincerely,

A handwritten signature in dark ink, appearing to read "S.V. 'Doc' Robertson". The signature is fluid and cursive, with a large loop at the end.

S.V. "Doc" Robertson

Recovery Operating LP

doc.robertson@verizon.net

325-450-3682



Shut-In Affidavit

Texas General Land Office
George P. Bush, Commissioner
1700 North Congress Avenue
Austin, Texas 78701-1495

Please respond fully to all applicable questions on this affidavit. Shut-in status may be denied for failure to provide information establishing the validity of this request for shut-in status. For a shut-in lease contained within a unit; separate affidavits must be submitted for each state lease within the unit.

State Lease No. MF 105848		Operator Recovery Operating LP	
Lease Name Brackenridge State 57-44		Field Name Toyah, NW (Shale)	
Area	Tract	Part E/2	Acres 320
Section 44	Block 57	Survey PSL Survey	County Reeves
State's NRI in Lease: 0.10			
Unit Name (if applicable)		State's Unit NRI (if applicable)	
Total Shut-In Due: \$600.00		Explain how payment was calculated: GLO Requirement of \$1200 per Shut In Well. (GLO \$600.00 Surface Owner \$600.00)	
SHUT-IN PAYMENTS		Wells must be capable of producing in paying quantities. TAC, Title 31, Part 1, Chapter 9, Subchapter C, Rule 9.36, (e). Affidavit required.	

Reason for Shut-In – Be Specific—(Add page as needed)

The Gas Sales/Transmission Line was taken out of Service by the Gas Purchaser due to poor Integrity that caused the Shut in. An alternative Sales Point was Located that was owned by Salt Creek Midstream. We have been attempting to gain access to that Delivery Point. Salt Creek Midstream has submitted an Gas Purchase Agreement which we have agreed upon. However a few weeks ago they advised us that they did not have any available capacity in their line at this time. So we now will be in need of finding another delivery point or wait for available line capacity.

Explain when and how shut-in is expected to be resolved (Add page as needed)

This well is Capable of producing 200 MCFPD of Gas as it is completed now. We have performed a Geological and Engineering Study on this Well and have identified three Zones up hole that appear to be productive. The offset Operator has completed wells in these zones with success. The prospective zones are Oil producing however they are Gas Heavy. We would prefer being able to sell the gas rather than flare it, thus the need to obtain a Gas Sales Point. We feel this well has substantial Oil & Gas Reserves that can be extracted and have plans to develop these Reserves.

Add Pages as need for additional wells.

WELL INFORMATION			
☐ OIL ☒ GAS	Well Name: Brackenridge State 57-44 # 1	API: 42-389-32520	RRC: Dist#-Lease# 08-246223
Produced in Past: ☒ Yes ☐ No	Completion Date: 05-31-2008	Shut-In Date: 11-30-2017	
Provide average daily production rate. Define basis for production report (prior or current) from monthly production report or well test data.			
Basis for production report of average: ☒ Well Test ☒ Monthly Average ☐ RRC Well Test			
GAS 200 mcf/d	OIL 200 bbls/d	WATER 200 bbls/d	

☐ OIL ☐ GAS	Well Name:	API:	RRC: Dist#-Lease#
Produced in Past: ☐ Yes ☐ No	Completion Date:	Shut-In Date:	
Provide average daily production rate. Define basis for production report (prior or current) from monthly production report or well test data.			
Basis for production report of average: ☐ Well Test ☐ Monthly Average ☐ RRC Well Test			
GAS mcf/d	OIL bbls/d	WATER bbls/d	

☐ OIL ☐ GAS	Well Name:	API:	RRC: Dist#-Lease#
Produced in Past: ☐ Yes ☐ No	Completion Date:	Shut-In Date:	
Provide average daily production rate. Define basis for production report (prior or current) from monthly production report or well test data.			
Basis for production report of average: ☐ Well Test ☐ Monthly Average ☐ RRC Well Test			
GAS mcf/d	OIL bbls/d	WATER bbls/d	

☐ OIL ☐ GAS	Well Name:	API:	RRC: Dist#-Lease#
Produced in Past: ☐ Yes ☐ No	Completion Date:	Shut-In Date:	
Provide average daily production rate. Define basis for production report (prior or current) from monthly production report or well test data.			
Basis for production report of average: ☐ Well Test ☐ Monthly Average ☐ RRC Well Test			
GAS mcf/d	OIL bbls/d	WATER bbls/d	

List all producing wells in the same Railroad Commission designated field and Reservoir within 1,000 feet of this lease. If there are wells more than 1,000 feet from the lease, draining the lease, list these also.

Operator N/A	Lease Name & Well #	API	RRC: Dist#-Lease#
RRC Field & Reservoir Name:		RRC Field Code:	
Distance	Completion Interval	Status	

Operator	Lease Name & Well #	API	RRC: Dist#-Lease#
RRC Field & Reservoir Name:		RRC Field Code:	
Distance	Completion Interval	Status	

Operator	Lease Name & Well #	API	RRC: Dist#-Lease#
RRC Field & Reservoir Name:		RRC Field Code:	
Distance	Completion Interval	Status	

Contact for Shut-in: S.V. "Doc" Robertson

Operator's Representative

Phone: 325-450-3682

Email: doc.robertson@verizon.net

Mailing Address: 12329 Spring Creek Lane San Angelo, Texas 76904

I certify that this statement is true and correct.

Signature: _____ Print Name: S.V. "Doc" Robertson

Title: Partner

Sworn and subscribed to before me, the undersigned authority this 15th day of November, 2021.

Notary Public in and for

_____ County, State of _____

Revised 4/12/2017

**CERTIFICATION OF
SURFACE EQUIPMENT REMOVAL
FOR AN INACTIVE WELL**

Form W-3C
(Rev. 08/2019)

READ INSTRUCTIONS ON BACK

1. OPERATOR NAME exactly as shown on P-5, Organization Report Recovery Operating LP	2. OPERATOR ADDRESS including city, state and zip code 12329 Spring Creek Lane San Angelo, Texas 76904
3. OPERATOR P-5 NO.	

- If you are filing for a single well:

4. LEASE NAME as shown on Proration Schedule Brackenridge 57-44		5. FIELD NAME as shown on Proration Schedule Toyah, NW (Shale)		
6. API NUMBER 42- 389-32520	7. RRC DISTRICT NO. 08	8. OIL LEASE / GAS ID NO. 246223	9. WELL NO. 1	10. COUNTY Reeves

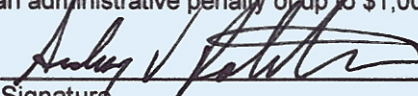
OR

- If you are filing for an attached listing of wells:

11. The _____ wells listed on the attached _____ pages. (See Instructions for listing requirements.) Number of Wells Number of Pages
NOTE: BY ATTACHING A LISTING OF WELLS, YOU CERTIFY THAT ALL WELLS ON THE ATTACHED LISTING HAVE BEEN PLACED IN COMPLIANCE WITH THE SURFACE EQUIPMENT REMOVAL REQUIREMENTS AS SPECIFIED BELOW.

I, the undersigned, certify that: (check all that apply)		Required for:
☒ A	electric service to the production sites for the well(s) identified above has been physically terminated, or the sites do not have electrical service. (See instructions.)	a well or wells which have been inactive for 12 months or longer.
☐ B1	all piping, tanks, vessels, and equipment associated with and exclusive to the well identified above have been emptied or purged of production fluids; OR	a well or wells that have been inactive for at least five (5) years but less than ten (10) years.
☐ B2	the operator owns the surface of the land where the well(s) is located.	
☐ C1	all surface equipment and related piping, tanks, tank batteries, pump jacks, headers, fences, and firewalls associated with and exclusive to the well(s) identified above have been removed, all open pits associated with and exclusive to the well(s) identified above have been closed and all junk and trash, as defined by Commission rule, have been removed*; OR	a well or wells that have been inactive for at least ten (10) years.
☐ C2	the operator owns the surface of the land where the well is located; OR	* for additional information regarding wells identified as inactive more than 10 years as of 9/1/10, please see instructions and/or SWR 15(i)(5)
☐ C3	the well is part of a Commission recognized EOR project and the equipment remaining on the lease is solely associated with current and future operations of the project.	
☐ D	I am unable to comply with the surface equipment cleanup/removal requirements due to safety concerns or required maintenance of the well site. I have attached a written affirmation of the facts regarding the safety concerns or maintenance and request a temporary exception. (Fee set under Rule 78, Tex. Nat. Res. Code §81.0521 & Tex. Nat. Res. Code §81.070) (\$375.00 fee per well)	See instructions and/or SWR 15(i)(3).

CERTIFICATION: I declare that the above certification(s) are based on my personal knowledge of the physical condition of the inactive well identified in this application, that this report was prepared by me or under my supervision or direction, and that I am authorized to make this report. I further acknowledge that this certification is made pursuant to the provisions of Texas Natural Resources Code Section 91.143, which relates to false filings of Commission reports, and provides for the Commission to levy an administrative penalty of up to \$1,000.00 for each false filing.



Signature
Partner

Title

Sidney V. Robertson

Name (print or type)
09-30-2021 **325-450-3682**

Date Phone No.

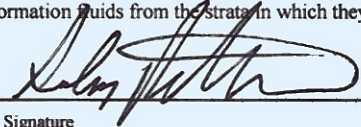
Cody!

TEST ON AN INACTIVE
WELL MORE THAN
25 YEARS OLD

H-15

Rev. 8/93

READ INSTRUCTIONS ON BACK

1. OPERATOR NAME exactly as on P-5, Organization Report Recovery Operating LP		2. OPERATOR P-5 NO. 696542	3. RRC DISTRICT NO. 08
4. OPERATOR ADDRESS including city, state, and zip code 12329 Spring Creek Lane San Angelo, Texas 76904		5. FIELD NAME exactly as on Proration Schedule Toyah, NW (Shale)	
		6. LEASE NAME exactly as on Proration Schedule Brackenridge State 57-44	
7. HISTORICAL WELLBORE DATE Month / Day / Year ☐ Drilling (spud) date of wellbore ☒ Earliest completion date in wellbore (if drilling date unknown) 07/21/2008		8. OIL LEASE OR GAS ID NO. 246223	9. WELL NO. 1
10. DATE TEST PERFORMED 09/21/2021	11. BASE OF DEEPEST USABLE-QUALITY WATER (subsurface) 1560'	12. COUNTY Reeves	13. API NO. 42- 38932520
14. TYPE OF TEST. Complete either A or B. ☐ A. Annual Fluid Level Test Top of fluid in wellbore: 18442' (give total depth of wellbore if no fluid is encountered) Determined by: ☒ sonic survey ☐ wireline ☐ visual (to be used only when the top of fluid is visible from surface) ☐ other: specify _____ Performed by: (name of individual and company) Doc Robertson - Recovery Operating LP			
☐ B. Mechanical Integrity Test. Type of mechanical integrity test performed (check one): ☐ Hydraulic Pressure - cast iron bridge plug/packer depth: _____ ☐ other: specify _____ Reason for mechanical integrity test (check one): ☐ Substitute for annual fluid level test ☐ Required for well 25 or more years old AND inactive 10 years or more (effective January 1, 1997)			
15. OPERATOR REMARKS		16. LOCATION See Instruction No. 3 section: 44 block: 57 abstract: PSL/Harris, W.M. survey: well - perpendicular surface location from two nearest survey lines: 1100 feet from North line and 2000 feet from East line.	
CERTIFICATION. I declare under felony conviction penalties prescribed in Texas Natural Resources Code §91.143, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that the data and facts stated herein are true, correct, and complete to the best of my knowledge; further, I declare to the best of my knowledge, that this well is not 1) polluting or likely to pollute any ground or surface water nor 2) allowing escape of formation fluids from the strata in which they were originally located.  Signature Partner Title Sidney V. Robertson Name (print or type) 09/29/2021 Date 325, 450-3682 Phone			
Austin ☐ Pending: Data forwarded to District for review.		RRC Use Only District ☐ Approved ☐ Not Approved ☐ Number of years mechanical integrity test approved for, if other than 5 years (from date performed) review by _____ review date _____	

copy!

APPLICATION FOR AN
EXTENSION OF DEADLINE FOR
PLUGGING AN INACTIVE WELL

Form W-3X

(Rev. 08/2019)

READ INSTRUCTIONS ON BACK

1. OPERATOR NAME exactly as shown on Form P-5, Organization Report Recovery Operating LP	2. OPERATOR ADDRESS including city, state and zip code 12329 Spring Creek Lane San Angelo, Texas 76904
3. OPERATOR P-5 NO. 696542	

- If you are applying for a blanket plugging extension for all inactive land wells operated by this entity:

Blanket Extension Options (See Instructions)	
☐ A	The filing operator has plugged or restored to active status 10% of the number of inactive land wells operated at the time of the last annual renewal of the operator's organization report;
☐ B	The filing operator is a publicly traded entity and has filed with the Commission documentation naming the operator as "debtor" and the Railroad Commission of Texas as the "secured creditor" and specifies the funds covered by the documents in the amount of the cost calculation for plugging all inactive wells.
☐ C	The filing operator has submitted additional financial security covering the amount of the cost calculation for plugging all inactive wells or \$2 million, whichever is less.

OR

- If you are applying for a plugging extension for a single well:

4. LEASE NAME as shown on Proration Schedule Brackenridge State 57-44		5. FIELD NAME as shown on Proration Schedule TOYAH,NW (SHALE)		
6. API NUMBER 42- 389-32520	7. RRC DISTRICT NO. 8	8. OIL LEASE / GAS ID NO. 246223	9. WELL NO. 1	10. COUNTY Reeves

Individual Well Extension Options (See Instructions)	
☐ D	The well identified above is covered by an abeyance of plugging report and the operator has paid the required filing fee and surcharge of \$250.00 under Rule 78 and Tex. Nat. Res. Code §81.070 (Please attach the abeyance of plugging report.)
☐ E	The well identified above is part of a Commission-approved EOR Project.
☒ F	The well identified above is not otherwise required by Commission rule or order to conduct a fluid level or hydraulic pressure test of the well, and the operator has conducted a successful fluid level or hydraulic pressure test of the well and has paid the required filing fee and surcharge of \$125.00 under Rule 78 and Tex. Nat. Res. Code §81.070 (The test results must be filed with the Railroad Commission on Form H-15.)
☐ G	The operator has filed additional financial security in the amount of the cost calculation for plugging the well identified above.
☐ H	The operator has filed an escrow fund deposit in an amount at least equal to 10% of the cost calculation for plugging the well identified above. (In the form of a certified cashier check or currency)

CERTIFICATION: I certify under penalties prescribed by the Texas Natural Resources Code 91.143 and the Texas Penal Code that, to the best of my knowledge, the information given in this application is true, complete, and correct.

 Signature	Sidney V. Robertson Name (print or type)	
Partner Title	09/30/2021 Date	325-450-3682 Phone No.
Contact Person and Phone Number if different from above: _____		

copy!

40.

File No. MF105848
Shut in request County

Date Filed: 11/19/21
George P. Bush, Commissioner
By SSD

77-57-57

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

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Extra Services & Fees (check box, add fee as appropriate)

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☐ Return Receipt (electronic) \$ _____
☐ Certified Mail Restricted Delivery \$ _____
☐ Adult Signature Required \$ _____
☐ Adult Signature Restricted Delivery \$ _____

Postmark
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To Mailroom
12/16/21

Postage

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Total Po

\$

Sent To

Street a

City, Sta

Mr. S.V. "Doc" Robertson
Recovery Operating LP
12329 Spring Creek Lane
San Angelo, TX 76904

- A receipt (this portion of the Certified Mail label).
- A unique identifier for your mailpiece.
- Electronic verification of delivery or attempted delivery.
- A record of delivery (including the recipient's signature) that is retained by the Postal Service™ for a specified period.

Important Reminders:

- You may purchase Certified Mail service with First-Class Mail®, First-Class Package Service®, or Priority Mail® service.
- Certified Mail service is *not* available for international mail.
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- For an additional fee, and with a proper endorsement on the mailpiece, you may request the following services:
 - Return receipt service, which provides a record of delivery (including the recipient's signature). You can request a hardcopy return receipt or an electronic version. For a hardcopy return receipt, complete PS Form 3811, *Domestic Return Receipt*; attach PS Form 3811 to your mailpiece;

for an electronic return receipt, see a retail associate for assistance. To receive a duplicate return receipt for no additional fee, present this USPS®-postmarked Certified Mail receipt to the retail associate.

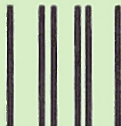
- Restricted delivery service, which provides delivery to the addressee specified by name, or to the addressee's authorized agent.
- Adult signature service, which requires the signee to be at least 21 years of age (not available at retail).
- Adult signature restricted delivery service, which requires the signee to be at least 21 years of age and provides delivery to the addressee specified by name, or to the addressee's authorized agent (not available at retail).
- To ensure that your Certified Mail receipt is accepted as legal proof of mailing, it should bear a USPS postmark. If you would like a postmark on this Certified Mail receipt, please present your Certified Mail item at a Post Office™ for postmarking. If you don't need a postmark on this Certified Mail receipt, detach the barcoded portion of this label, affix it to the mailpiece, apply appropriate postage, and deposit the mailpiece.

IMPORTANT: Save this receipt for your records.

USPS TRACKING #



9590 9402 1749 6074 7704 33



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

**United States
Postal Service**

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

Texas General Land Office

Susan Draughn/Energy Resources

PO Box 12873

Austin, TX 78711-2873

MF105848

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse 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.

1. Article Addressed to:

Mr. S.V. "Doc" Robertson
Recovery Operating LP
12329 Spring Creek Lane
San Angelo, TX 76904



9590 9402 1749 6074 7704 33

2. Article Number (Transfer from service label)

0070 0000 7391 7277

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent☐ Addressee

B. Received by (Printed Name)

COV-19

C. Date of Delivery

12-23

D. Is delivery address different from item 1?

☐ Yes

If YES, enter delivery address below:

☐ No

3. Service Type

☒ Adult Signature☐ Adult Signature Restricted Delivery☒ Certified Mail®☐ Certified Mail Restricted Delivery☐ Collect on Delivery☐ Collect on Delivery Restricted Delivery☐ Insured Mail☐ Insured Mail Restricted Delivery
(over \$500)☐ Priority Mail Express®☐ Registered Mail™☐ Registered Mail Restricted
Delivery☐ Return Receipt for
Merchandise☐ Signature Confirmation™☐ Signature Confirmation
Restricted Delivery



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

December 16, 2021

CERTIFIED MAIL: 7016 2070 0000 7391 7277

Mr. S. V. "Doc" Robertson
Recovery Operating LP
12329 Spring Creek Lane
San Angelo, TX 76904

Re: **State Lease MF105848** – Relinquishment Act Land (RAL)
320 acres, E/2 in Section 44, Block 57, PSL Survey, Reeves County, Texas
Well: Brackenridge State 57-44 1, API 42-389-32520, RRC 08-246223
Shut-in denied

Dear Mr. Robertson:

The General Land Office received payment of \$600.00 on November 19, 2021, for a continued shut-in of the referenced well. According to our records this well has been shut-in since November 3, 2017 (date provided on first affidavit), with explanation for shut-in being a leak in the production line. In December 2020 to February 2021, you provided additional information regarding an alternative production line and intention to reestablish production prior to December 1, 2021. The GLO accepted the shut-in payment for one year from November 9, 2020 until December 1, 2021 and stated in a letter dated February 24, 2021 (copy included) that shut-in ending December 1, 2021 would be the last shut in accepted, and that the well would need to return to productive status by December 1, 2021 or the lease would terminate.

The current request for shut in is denied due to the well not returning to production by the required date. This lease is terminated effective December 1, 2021. Recovery Operating LP may request a refund of the \$600.00 payment by sending a written request by mail or email (to my email address). Please provide the Tax Identification number for Recovery Operating LP for the GLO to complete the refund request.

Additionally, Title 31, §9.92, of the Texas Administrative Code requires that a recorded original or certified copy of a Release of each State Lease, along with a filing fee of twenty-five dollars (\$25.00) per lease, be filed with our office.

Lastly, when the well has been plugged, copies of Railroad Commission Form W-3 are required to be filed with our office.

Yours truly,

A handwritten signature in blue ink that reads "Susan Draughn". The signature is fluid and cursive, with the first name "Susan" and last name "Draughn" clearly legible.

Susan Draughn, Landman

Energy Resources/ Mineral Leasing

Direct: 512.463.6521 / Email: susan.draughn@glo.texas.gov

Website: www.glo.texas.gov



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

February 24, 2021

Mr. S. V. "Doc" Robertson
Recovery Operating LP
12329 Spring Creek Lane
San Angelo, TX 76904

Re: State Lease MF105848 – Relinquishment Act Land (RAL)
320 acres, E/2 in Section 44, Block 57, PSL Survey, Reeves County, Texas
Well: Brackenridge State 57-44 1, API 42-389-32520, RRC 08-246223
Shut-in accepted

Dear Mr. Robertson:

The General Land Office received payment of \$600.00 on November 9, 2020, for a continued shut-in of the referenced well. According to our records this well has been shut-in since November 3, 2017 (date provided on first affidavit), with explanation for shut-in being a leak in the production line. Each subsequent shut-in affidavit has explained the same problem with the line and that a repair or alternate solution was forthcoming. At the time of the shut-in Atlantic Resources sent an affidavit stating that monthly production prior to shut-in was 1mcf/day and 1bbl/day.

The Shut-In Royalty Committee has reviewed the supporting documentation provided by you to explain the need for a continuation of shut-in, in order to service the well, and install equipment. The GLO is accepting the shut-in payment received on November 9, 2020 for a one-year term ending December 1, 2021 by which time the well is required to have returned to production. This will be the last shut-in approved. Lack of production will result in the lease being terminated.

Yours truly,

Susan Draughn, Landman
Energy Resources/ Mineral Leasing
Direct: 512.463.6521 / Email: susan.draughn@glo.texas.gov
Website: www.glo.texas.gov

File No. MF 105848
letter: denied shut-in County

Date Filed: 12/16/21
George P. Bush, Commissioner
By SSP

RECOVERY OPERATING LP

12329 Spring Creek Lane San Angelo, Texas 76904

January 03, 2022

Texas General Land Office
P.O. Box 12873
Austin, Texas 78711-2873

Attention: Susan Draughn

RE: Brackenridge 57-44 Well # 1 MF 105848 API # 42-389-32520 RRC # 08-246223

Dear Susan Draughn,

Recovery Operating LP has received your Letter dated December 16th, 2021, advising that the GLO was denying the requested Shut-In Extension Period for said Lease. As well, you acknowledged that the GLO received payment for the Shut-In Royalty for the period requested and accepted such payment. In review of our records the GLO did in fact negotiate the check Recovery submitted for payment and did except payment for the Requested Shut-In Royalty period. By accepting the Payment for the Shut-In Royalty and failing to include a Refund with the letter denying the Shut-In Extension a "de facto" agreement exist and "en force."

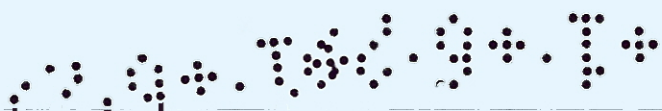
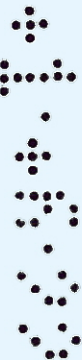
Recovery Operating LP will grant the GLO until January 31st, 2022, to Refund the Shut In Royalty Payment in Full or Provide in writing the acceptance of the Shut -In Extension. If Recovery Operating LP has not received a full refund of payment or a Letter of acceptance of the Shut-In Extension, then Recovery Operating will deem the Lease Agreement still in effect until December 1st, 2022.

When the GLO refunds the Shut In Royalty payment in full by the required date and or submits a letter of Acceptance of the Requested Shut In Period, Recovery Operating LP will submit a Release of the Lease as required.

Sincerely,



S.V. "Doc" Robertson – Managing Partner
325-450-3682 - doc.robertson@verizon.net



000001

42.

File No. MF 105848
Letter Re: Shut in
payment
Date Filed: 1/6/22
George P. Bush, Commissioner
By 88P

copy of email sent 1/6/2022
Susan Draughn

From: Susan Draughn
To: doc.robertson@verizon.net
Subject: Re: Refund of shut in payment
Date: Thursday, January 6, 2022 12:03:00 PM

Dear Doc,

I received your letter ^{today} ~~day~~ regarding denial of the shut in payment for the Brackenridge 57-44 well #1, MF105848. My letter dated December 16, 2021 in paragraph two stated how to receive a refund. The letter I received today requested a refund. All I need is the Tax ID number for the Recovery Operating LP account. Refunds are requested at the GLO office and paid by the Texas Comptrollers Office and will be mailed to you at the address shown on the check.

In your letter you mentioned that cashing the check indicated acceptance of payment, however, that is not true. All moneys received at the GLO are immediately deposited and I only receive copies of those payments. Refunds are available upon request as noted in my letter dated December 16, 2021.

Please provide the Tax ID number for the Recovery Operating LP.

Regards,

Susan Draughn, Landman
Energy Resources | Texas General Land Office
Cell: 512-468-9995 | Email: susan.draughn@glo.texas.gov

File No. MF 105848
Email Re: Shut in County
Payment
Date Filed: 1/6/22
George P. Bush, Commissioner
By SSD



REFUND REQUEST FORM

TEXAS GENERAL LAND OFFICE
TEXAS VETERANS LAND BOARD

P.O. BOX 12873

Austin, Texas 78711-2873

Requester Info:

Date: January 14, 2022

Requested By: S.V. "Doc" Robertson

Phone Number: 325-450-3682

Refund to:

Comptroller Payee #: [REDACTED]

Name: Recovery Operating LP

Address: 12329 Spring Creek Lane
San Angelo, TX 76904

REGISTER NUMBER	DATE RECEIVED	FILE NUMBER	REFUND AMOUNT	REASON FOR REFUND	WARRANT NUMBER
22702442	11/23/2021	MF105848	\$600.00	Shut in payment denied	
TOTAL REFUND			\$600.00		

Program Area Energy Resources/Mineral Leasing

Date refund completed _____

Requested by Susan Draughn

Date warrant mailed _____

Supervisor approval

DocuSigned by:
[Signature]
02805F8738804DF

Printed Name Dustin Oslick

Deputy Director approval*

DocuSigned by:
[Signature]
8C1630C0F2E4D3

Printed Name Robert Hatter

*Refunds requested for \$1,000.00 or more must have Deputy Director approval.

Chief Clerk approval**

**Refunds requested for \$100,000.00 or more must have Chief Clerk approval.

CC Chief Clerk on refund requests between \$10,000.00 - \$99,999.99

Record copy: GLO Receiver

Revised: 09/28/2015

RECOVERY OPERATING LP
12329 SPRING CREEK LN
SAN ANGELO, TX 76904

FIRST FINANCIAL BANK
855-860-6802

3421

88-112/1113

CHECK NUMBER
123456789

22702442

11/16/2021

PAY TO THE ORDER OF Texas General Land Office

\$ **600.00

Six Hundred Only*****

DOLLARS

Texas General Land Office
P.O. Box 12873
Austin, Texas 78711

MEMO

Shut In Royalty 2021-2022 MF105848


AUTHORIZED SIGNATURE

⑈003421⑈

RECOVERY OPERATING LP

3421

Texas General Land Office
Shut in Royalty

11/16/2021

600.00

22702442

121

Checking

Shut In Royalty 2021-2022 MF105848

600.00

From: Doc Robertson
To: Susan Draughn
Subject: [EXTERNAL] Re: Refund of shut in payment
Date: Friday, January 14, 2022 9:42:04 AM

Dear Susan,

Good Morning, I hope all is well with you today.

Concerning the Brackenridge 57-44 # 1 MF 105848 it is our position that the GLO has excepted payment by cashing the check for the Shut In Royalty and by excepting payment has in fact agreed to the Shut In Period for term of 2022.

We are offering the GLO a window of opportunity to return the funds or not depending on if the GLO wants the Shut In Period to extend for 2022. If the GLO plans to return the funds they need to do so by the date outlined in our letter.

Recovery Operating LP Tax ID Number is 81-3816398.

Thank You for time and consideration in this matter.

Regards,

Doc Robertson
Recovery Operating LP
325-450-3682

-----Original Message-----

From: Susan Draughn <Susan.Draughn@GLO.TEXAS.GOV>
To: doc.robertson@verizon.net <doc.robertson@verizon.net>
Sent: Thu, Jan 6, 2022 12:03 pm
Subject: Re: Refund of shut in payment

Dear Doc,

I received your letter day regarding denial of the shut in payment for the Brackenridge 57-44 well #1, MF105848. My letter dated December 16, 2021 in paragraph two stated how to receive a refund. The letter I received today requested a refund. All I need is the Tax ID number for the Recovery Operating LP account. Refunds are requested at the GLO office and paid by the Texas Comptrollers Office and will be mailed to you at the address shown on the check.

I your letter you mentioned that cashing the check indicated acceptance of payment, however, that is not true. All moneys received at the GLO are immediately deposited and I only receive copies of those payments. Refunds are available upon request as noted in my letter dated December 16, 2021.

Please provide the Tax ID number for the Recovery Operating LP.

Regards,

Susan Draughn, Landman
Energy Resources | Texas General Land Office
Cell: 512-468-9995 | Email: susan.draughn@glo.texas.gov

CAUTION: This email originated from OUTSIDE of the Texas General Land Office. Links or attachments may be dangerous. Please be careful clicking on any links or opening any attachments.

Certificate Of Completion

Envelope Id: 01EF9894BCFD40629553E1AECF208B5A

Status: Completed

Subject: Please DocuSign: Energy Resources - Refund Request - Recovery Operating (Texas General Land Office)

Source Envelope:

Document Pages: 4

Signatures: 2

Certificate Pages: 2

Initials: 0

AutoNav: Enabled

Envelope Stamping: Enabled

Time Zone: (UTC-06:00) Central Time (US & Canada)

Envelope Originator:

David Villafranca

1700 Congress Ave

Austin, TX 78701

david.villafranca@glo.texas.gov

IP Address: 136.49.149.46

Record Tracking

Status: Original

1/19/2022 6:17:14 AM

Holder: David Villafranca

david.villafranca@glo.texas.gov

Location: DocuSign

Signer Events

Dustin Oslick

dustin.oslick@glo.texas.gov

Texas General Land Office

Security Level: Email, Account Authentication
(None)**Signature**DocuSigned by:

02865FB7388D4DF...

Signature Adoption: Drawn on Device

Using IP Address: 104.28.50.146

Signed using mobile

Timestamp

Sent: 1/19/2022 6:20:11 AM

Viewed: 1/19/2022 10:25:16 AM

Signed: 1/19/2022 10:25:35 AM

Electronic Record and Signature Disclosure:

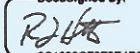
Not Offered via DocuSign

Robert Hatter

robert.hatter@glo.texas.gov

Deputy Director

Texas General Land Office

Security Level: Email, Account Authentication
(None)DocuSigned by:

8C1630CF0F2E4D3...

Signature Adoption: Uploaded Signature Image

Using IP Address: 165.225.34.50

Sent: 1/19/2022 10:25:35 AM

Viewed: 1/19/2022 10:26:18 AM

Signed: 1/19/2022 10:27:10 AM

Electronic Record and Signature Disclosure:

Not Offered via DocuSign

In Person Signer Events**Signature****Timestamp****Editor Delivery Events****Status****Timestamp****Agent Delivery Events****Status****Timestamp****Intermediary Delivery Events****Status****Timestamp****Certified Delivery Events****Status****Timestamp****Carbon Copy Events****Status****Timestamp**

Susan Draughn

susan.draughn@glo.texas.gov

Texas General Land Office

Security Level: Email, Account Authentication
(None)**COPIED**

Sent: 1/19/2022 6:20:11 AM

Viewed: 1/19/2022 10:11:44 AM

Electronic Record and Signature Disclosure:

Not Offered via DocuSign

Witness Events**Signature****Timestamp**

Notary Events	Signature	Timestamp
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Envelope Summary Events	Status	Timestamps
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Envelope Sent	Hashed/Encrypted	1/19/2022 6:20:11 AM
Certified Delivered	Security Checked	1/19/2022 10:26:18 AM
Signing Complete	Security Checked	1/19/2022 10:27:10 AM
Completed	Security Checked	1/19/2022 10:27:10 AM

Payment Events	Status	Timestamps
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MEMORANDUM

TEXAS GENERAL LAND OFFICE • GEORGE P. BUSH • COMMISSIONER

Date: January 14, 2022

To: Robert Hatter and Dustin Oslick

From: Susan S. Draughn

Subject: Refund Request for signature

Please find attached for your signature a Refund Request Form:

Payment for shut in was denied. The operator Doc Robertson, Recovery Operating LP, has been notified and requested a refund of the payment.

RECOVERY OPERATING LP

12329 Spring Creek Lane San Angelo, Texas 76904

January 03, 2022

Texas General Land Office
P.O. Box 12873
Austin, Texas 78711-2873

Attention: Susan Draughn

RE: Brackenridge 57-44 Well # 1 MF 105848 API # 42-389-32520 RRC # 08-246223

Dear Susan Draughn,

Recovery Operating LP has received your Letter dated December 16th, 2021, advising that the GLO was denying the requested Shut-In Extension Period for said Lease. As well, you acknowledged that the GLO received payment for the Shut-In Royalty for the period requested and accepted such payment. In review of our records the GLO did in fact negotiate the check Recovery submitted for payment and did except payment for the Requested Shut-In Royalty period. By accepting the Payment for the Shut-In Royalty and failing to include a Refund with the letter denying the Shut-In Extension a "de facto" agreement exist and "en force." Recovery Operating LP will grant the GLO until January 31st, 2022, to Refund the Shut In Royalty Payment in Full or Provide in writing the acceptance of the Shut -In Extension. If Recovery Operating LP has not received a full refund of payment or a Letter of acceptance of the Shut-In Extension, then Recovery Operating will deem the Lease Agreement still in effect until December 1st, 2022.

When the GLO refunds the Shut In Royalty payment in full by the required date and or submits a letter of Acceptance of the Requested Shut In Period, Recovery Operating LP will submit a Release of the Lease as required.

Sincerely,



S.V. "Doc" Robertson – Managing Partner
325-450-3682 - doc.robertson@verizon.net



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

December 16, 2021

CERTIFIED MAIL: 7016 2070 0000 7391 7277

Mr. S. V. "Doc" Robertson
Recovery Operating LP
12329 Spring Creek Lane
San Angelo, TX 76904

Re: **State Lease MF105848** – Relinquishment Act Land (RAL)
320 acres, E/2 in Section 44, Block 57, PSL Survey, Reeves County, Texas
Well: Brackenridge State 57-44 1, API 42-389-32520, RRC 08-246223
Shut-in denied

Dear Mr. Robertson:

The General Land Office received payment of \$600.00 on November 19, 2021, for a continued shut-in of the referenced well. According to our records this well has been shut-in since November 3, 2017 (date provided on first affidavit), with explanation for shut-in being a leak in the production line. In December 2020 to February 2021, you provided additional information regarding an alternative production line and intention to reestablish production prior to December 1, 2021. The GLO accepted the shut-in payment for one year from November 9, 2020 until December 1, 2021 and stated in a letter dated February 24, 2021 (copy included) that shut-in ending December 1, 2021 would be the last shut in accepted, and that the well would need to return to productive status by December 1, 2021 or the lease would terminate.

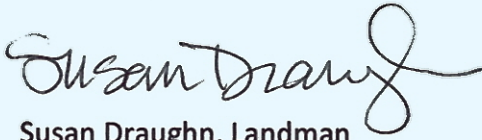
The current request for shut in is denied due to the well not returning to production by the required date. This lease is terminated effective December 1, 2021. Recovery Operating LP may request a refund of the \$600.00 payment by sending a written request by mail or email (to my email address). Please provide the Tax Identification number for Recovery Operating LP for the GLO to complete the refund request.

Additionally, Title 31, §9.92, of the Texas Administrative Code requires that a recorded original or certified copy of a Release of each State Lease, along with a filing fee of twenty-five dollars (\$25.00) per lease, be filed with our office.

Lastly, when the well has been plugged, copies of Railroad Commission Form W-3 are required to be filed with our office.

Lastly, when the well has been plugged, copies of Railroad Commission Form W-3 are required to be filed with our office.

Yours truly,

A handwritten signature in cursive script that reads "Susan Draughn". The signature is written in dark ink and is positioned above the printed name.

Susan Draughn, Landman

Energy Resources/ Mineral Leasing

Direct: 512.463.6521 / Email: susan.draughn@glo.texas.gov

Website: www.glo.texas.gov

File No. MF 105848
Refund request County

Date Filed: 1/14/2022
George P. Bush, Commissioner
By SSD

MF105848

Form W-3A

Rev 1/1/83

(02/00)

WWW-1

Type or print only

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

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

1. Operator's Name and Address (Exactly as shown on Form P-5, Organization Report) RECOVERY OPERATING LP 12329 SPRING CREEK LANE SAN ANGELO, TX 76904-				6. Drilling Permit No. 655312	5. API No. 38932520
2. RRC Operator No 696542	7. Rule 37 Case No.	4. County of Well Site REEVES	3. District No. 08	8. Oil Lease No. or Gas Well ID No. 246223	9. Well No. 1
10. Field Name (Exactly as shown on RRC records) TOYAH, NW [SHALE]			11. Lease Name BRACKENRIDGE STATE 57-44		
12. Location					
• Section No. 44 Block No 57 Survey and Survey No PSL/HARRIS, W M Abstract No. A- 5053					
• Distance (in miles) and direction from a nearby town in this county (name the town). 23 miles NW of Pecos Texas					
13. Type of well Gas			14. Type of completion Single		15. Total depth 18600

16. Usable-quality water strata detail

37]. Water-bearing strata from the land surface to a depth of 700 feet and the Rustler, which is estimated to occur from 1050 to 1550 feet must be protected.

Letter Date 01/28/2022

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

11500

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

18. Casing record (list all casing in well)										Top of cement determined by		
Type	Hole size	Size	Depth	Cement	Top of cement	Tool setting depth	Anticipated casing recovery	Top of liner	Bottom of liner	Temper Survey	Calculated	Cement Bond Log
Casing	17 1/2	13 3/8	1632	1780	SURF							
Casing	12 1/4	9 5/8	9895	2750	5000							
Casing	8 1/2	5 1/2	18597	1755	10950							

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

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

API No:

38932520

Well No:

1

21. Record of perforated intervals or open hole

Perforations or Open Hole	Perforations	Interval (ft)	17256	to	18454	Plugged or Not Plugged
Historic Plug Information		Set at	feet with			feet of cement on top
			feet to			feet with sacks
		Sacks pumped 'on top'				Sacks pumped 'below'

Other Plugging proposal type

Perforations or Open Hole	Open Hole	Interval (ft)		to		Plugged or Not Plugged
Historic Plug Information		Set at	feet with			feet of cement on top
			feet to			feet with sacks
		Sacks pumped 'on top'				Sacks pumped 'below'

Other Plugging proposal type

Perforations or Open Hole	Open Hole	Interval (ft)		to		Plugged or Not Plugged
Historic Plug Information		Set at	feet with			feet of cement on top
			feet to			feet with sacks
		Sacks pumped 'on top'				Sacks pumped 'below'

Other Plugging proposal type

Perforations or Open Hole		Interval (ft)		to		Plugged or Not Plugged
Historic Plug Information		Set at	feet with			feet of cement on top
			feet to			feet with sacks
		Sacks pumped 'on top'				Sacks pumped 'below'

Other Plugging proposal type

Perforations or Open Hole		Interval (ft)		to		Plugged or Not Plugged
Historic Plug Information		Set at	feet with			feet of cement on top
			feet to			feet with sacks
		Sacks pumped 'on top'				Sacks pumped 'below'

Other Plugging proposal type

Perforations or Open Hole		Interval (ft)		to		Plugged or Not Plugged
Historic Plug Information		Set at	feet with			feet of cement on top
			feet to			feet with sacks
		Sacks pumped 'on top'				Sacks pumped 'below'

Other Plugging proposal type

Perforations or Open Hole		Interval (ft)		to		Plugged or Not Plugged
Historic Plug Information		Set at	feet with			feet of cement on top
			feet to			feet with sacks
		Sacks pumped 'on top'				Sacks pumped 'below'

Other Plugging proposal type

Perforations or Open Hole		Interval (ft)		to		Plugged or Not Plugged
Historic Plug Information		Set at	feet with			feet of cement on top
			feet to			feet with sacks
		Sacks pumped 'on top'				Sacks pumped 'below'

Other Plugging proposal type

Perforations or Open Hole		Interval (ft)		to		Plugged or Not Plugged
Historic Plug Information		Set at	feet with			feet of cement on top
			feet to			feet with sacks
		Sacks pumped 'on top'				Sacks pumped 'below'

Other Plugging proposal type

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

38932520

Well No:

•

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

20. Plugging proposal (List all bridge and cement plugs. Load the hole with at least 9.5 lbs. per gallon mud.)									
Plugging Proposal Type	CIBP	Set at or from	17000	feet to feet with	35	feet with feet of cement on top	3	sacks	
Additional requirements			sacks pumped 'below' and			sacks pumped 'on top'			
6 - None									
Plugging Proposal Type	CIBP	Set at or from	11000	feet to feet with	35	feet with feet of cement on top	3	sacks	
Additional requirements			sacks pumped 'below' and			sacks pumped 'on top'			
6 - None									
Plugging Proposal Type	Cement Plug	Set at or from	9800	feet to feet with	9700	feet with feet of cement on top	45	sacks	
Additional requirements			sacks pumped 'below' and			sacks pumped 'on top'			
2 - Perforate and Squeeze									
Plugging Proposal Type	Cement Plug	Set at or from	7800	feet to feet with	7700	feet with feet of cement on top	45	sacks	
Additional requirements			sacks pumped 'below' and			sacks pumped 'on top'			
2 - Perforate and Squeeze									
Plugging Proposal Type	Cement Plug	Set at or from	4300	feet to feet with	4200	feet with feet of cement on top	75	sacks	
Additional requirements			sacks pumped 'below' and			sacks pumped 'on top'			
2 - Perforate and Squeeze									
Plugging Proposal Type	Cement Plug	Set at or from	1680	feet to feet with	1500	feet with feet of cement on top	130	sacks	
Additional requirements			sacks pumped 'below' and			sacks pumped 'on top'			
2 - Perforate and Squeeze, 4 - Wait 4 hours and tag top of plug									
Plugging Proposal Type	Cement Plug	Set at or from	1100	feet to feet with	1000	feet with feet of cement on top	75	sacks	
Additional requirements			sacks pumped 'below' and			sacks pumped 'on top'			
2 - Perforate and Squeeze									
Plugging Proposal Type	Cement Plug	Set at or from	750	feet to feet with	550	feet with feet of cement on top	130	sacks	
Additional requirements			sacks pumped 'below' and			sacks pumped 'on top'			
4 - Wait 4 hours and tag top of plug									
Plugging Proposal Type	Cement Surface Plug	Set at or from	15	feet to feet with	0	feet with feet of cement on top	10	sacks	
Additional requirements			sacks pumped 'below' and			sacks pumped 'on top'			
6 - None									
Plugging Proposal Type		Set at or from		feet to feet with		feet with feet of cement on top		sacks	
Additional requirements			sacks pumped 'below' and			sacks pumped 'on top'			
Plugging Proposal Type		Set at or from		feet to feet with		feet with feet of cement on top		sacks	
Additional requirements			sacks pumped 'below' and			sacks pumped 'on top'			
Plugging Proposal Type		Set at or from		feet to feet with		feet with feet of cement on top		sacks	
Additional requirements			sacks pumped 'below' and			sacks pumped 'on top'			

API No:

38932520

Well No:

1

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

Plugging Proposal Type

Set at or from

feet to

feet with

sacks

feet with

feet of cement on top

Additional requirements

sacks pumped 'below' and

sacks pumped 'on top'

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Set at or from

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feet with

sacks

feet with

feet of cement on top

Additional requirements

sacks pumped 'below' and

sacks pumped 'on top'

WARNING: If the above area for Plugging Proposal is full, verify that there are no more than 16 by reviewing the online version.**22. Name and address of cementing company or contractor**

Contractor has not been determined.

Doc Robertson

Typed or printed name of operator's representative

(325) 450-3682

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

June 01 2022

Partner

Title of person

Doc Robertson

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

September 01 2022

Jeffery Morgan

District Director

Erik Hanson

Must Witness:

No

Approved on behalf of the District Director by:

45.

File No. MF 105848
RRC Form SW-3A County _____
Notice of Intent to PTA
Date Filed: 3/11/22
George P. Bush, Commissioner
By SSD

RECOVERY OPERATING LP

12329 Spring Creek Lane San Angelo, Texas 76904

March 7, 2022

Texas General Land Office
P.O. Box 12873
Austin, Texas 78711-2873

Attention: Susan Draughn

RE: Brackenridge 57-44 Well # 1Dear Susan,

Please know that Recovery Operating LP has received the Refund Check for the Shut In Royalty. However, Recovery will not except the Check as it was received beyond the date granted to the GLO for the return of said funds. Please find the Comptrollers Check # 144552775 enclosed. The Lease will remain enforce as stated in earlier communications.

Please be advised it is the intent of Recovery Operating LP to Plug & Abandon the Brackenridge 57-44 Well # 1. Recovery has filed and received an approved W-3A from the Railroad Commission of Texas. Please find a copy of the approved W-3A enclosed.

Upon the completion of the Plugging Operation of this well the Lessor's will be furnished with a Release and a copy of Form W-3.

Regards,



S.V. "Doc" Robertson

325-450-3682 – doc.robertson@verizon.net

Attachments - 2

THE STATE OF TEXAS PAYMENT INFORMATION

INVOICE NUMBER	INVOICE DATE	INVOICE DESCRIPTION	DOCUMENT	INVOICE AMOUNT
RECOVERY OPERATING LP/REFUND	01/31/2022	MF105848 SHUT IN PAYMENT DENIED	961BR091	600.00

Void

ISSUE DATE: 01/31/2022

WARRANT TOTAL: \$600.00

PAYEE NUMBER: LXXXXX63987 MAIL CODE: 000

WARRANT NUMBER: 144552775

PAYEE NAME: RECOVERY OPERATING LP

— NON-NEGOTIABLE —

For questions about this payment or to sign up for Direct Deposit, please contact your paying agency:

GENERAL LAND OFFICE

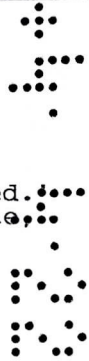
512-463-3883

WOULD YOU LIKE TO VIEW:

- Your state payment history and download it?
- The invoice number and description information for a payment?
- The phone number and contact information of the paying agency?

You can view all of this and more on the Search State Payments Issued website. Go to COMPTROLLER.TEXAS.GOV, and click on 'State Payments Issued.' For short how-to videos on using the Search State Payments Issued website, click on the 'About' tab, then 'Video Library' under 'News and Media.'

Also consider enrolling in direct deposit. It's easy, fast and secure. Contact the paying agency named on this payment stub to sign up today.



Printed by Texas Comptroller of Public Accounts
(512) 936-8138 or www.TexasPayeeResources.org



TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

FEBRUARY 01, 2022

COPY

▼ Detach here before depositing ▼

TREASURY WARRANT NO.

144552775

013122 LXXXXX63987 000 0900 305 961BR091
PAYING AGENCY 512-463-3883 GENERAL LAND OFFICE

Pay SIX HUNDRED DOLLARS AND 00/100

\$ 600.00

To RECOVERY OPERATING LP
12329 SPRING CREEK LN
SAN ANGELO, TX 76904-3948

Void

Glenn Hegar
Comptroller of Public Accounts

VOID AFTER 08/31/2024



Type or print only

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

Form W-3A

Rev 1/1/83

(02/00)

WWW-1

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

1. Operator's Name and Address (Exactly as shown on Form P-5, Organization Report) RECOVERY OPERATING LP 12329 SPRING CREEK LANE SAN ANGELO, TX 76904-					6. Drilling Permit No. 655312	5. API No. 38932520																																																																																																																																																																				
					8. Oil Lease No. or Gas Well ID No. 246223	9. Well No. 1																																																																																																																																																																				
2. RRC Operator No 696542	7. Rule 37 Case No.	4. County of Well Site REEVES	3. District No. 08																																																																																																																																																																							
10. Field Name (Exactly as shown on RRC records) TOYAH, NW [SHALE]			11. Lease Name BRACKENRIDGE STATE 57-44																																																																																																																																																																							
12. Location • Section No. 44 Block No 57 Survey and Survey No PSL/HARRIS, W M Abstract No. A- 5053 • Distance (in miles) and direction from a nearby town in this county (name the town). 23 miles NW of Pecos Texas																																																																																																																																																																										
13. Type of well Gas			14. Type of completion Single		15. Total depth 18600																																																																																																																																																																					
16. Usable-quality water strata detail 37]. Water-bearing strata from the land surface to a depth of 700 feet and the Rustler, which is estimated to occur from 1050 to 1550 feet must be protected.																																																																																																																																																																										
Letter Date 01/28/2022																																																																																																																																																																										
17. • If there are wells in this area which are producing from or have produced from a shallower zones, state depth of zones 11500, _____, _____, _____, _____, and _____. • If there are wells into which salt water is being or has been disposed of into a shallower zones, state depth of zones _____, _____, _____, _____, _____, and _____.																																																																																																																																																																										
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th colspan="6">18. Casing record (list all casing in well)</th> <th colspan="3">Top of cement determined by</th> </tr> <tr> <th>Type</th> <th>Hole size</th> <th>Size</th> <th>Depth</th> <th>Cement</th> <th>Top of cement</th> <th>Tool setting depth</th> <th>Anticipated casing recovery</th> <th>Top of liner</th> <th>Bottom of liner</th> <th>Temper Survey</th> <th>Calculated</th> <th>Cement Bond Log</th> </tr> </thead> <tbody> <tr> <td>Casing</td> <td>17 1/2</td> <td>13 3/8</td> <td>1632</td> <td>1780</td> <td>SURF</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Casing</td> <td>12 1/4</td> <td>9 5/8</td> <td>9895</td> <td>2750</td> <td>5000</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Casing</td> <td>8 1/2</td> <td>5 1/2</td> <td>18597</td> <td>1755</td> <td>10950</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr><td> </td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td> </td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td> </td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td> </td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td> </td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td> </td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td> </td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td> </td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr> </tbody> </table>						18. Casing record (list all casing in well)						Top of cement determined by			Type	Hole size	Size	Depth	Cement	Top of cement	Tool setting depth	Anticipated casing recovery	Top of liner	Bottom of liner	Temper Survey	Calculated	Cement Bond Log	Casing	17 1/2	13 3/8	1632	1780	SURF								Casing	12 1/4	9 5/8	9895	2750	5000								Casing	8 1/2	5 1/2	18597	1755	10950																																																																																																															
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19. Has notice of intent to plug been filed previously for this well? No Date:																																																																																																																																																																										

API No:

38932520

Well No:

1

21. Record of perforated intervals or open hole

Perforations or Open Hole	Perforations	Interval (ft)	17256	to	18454	Plugged or Not Plugged
Historic Plug Information		Set at	feet with			feet of cement on top
			feet to			feet with sacks
		Sacks pumped 'on top'				Sacks pumped 'below'

Other Plugging proposal type

Perforations or Open Hole	Open Hole	Interval (ft)		to		Plugged or Not Plugged
Historic Plug Information		Set at	feet with			feet of cement on top
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Other Plugging proposal type

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Other Plugging proposal type

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

38932520

Well No:

•

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

Plugging Proposal Type	CIBP	Set at or from	17000	feet to	feet with	3	sacks	
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Plugging Proposal Type	Cement Plug	Set at or from	9800	feet to	9700	feet with	45	sacks
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Plugging Proposal Type	Cement Plug	Set at or from	7800	feet to	7700	feet with	45	sacks
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Plugging Proposal Type	Cement Plug	Set at or from	750	feet to	550	feet with	130	sacks
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Plugging Proposal Type	Cement Surface Plug	Set at or from	15	feet to	0	feet with	10	sacks
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API No:

38932520

Well No:

1

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Plugging Proposal Type	Set at or from	feet to	feet with	sacks
		feet with	feet of cement on top	
Additional requirements		sacks pumped 'below' and	sacks pumped 'on top'	

Plugging Proposal Type	Set at or from	feet to	feet with	sacks
		feet with	feet of cement on top	
Additional requirements		sacks pumped 'below' and	sacks pumped 'on top'	

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		feet with	feet of cement on top	
Additional requirements		sacks pumped 'below' and	sacks pumped 'on top'	

WARNING: If the above area for Plugging Proposal is full, verify that there are no more than 16 by reviewing the online version.**22. Name and address of cementing company or contractor**

Contractor has not been determined.

Doc Robertson

Typed or printed name of operator's representative

(325) 450-3682

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

June 01 2022

Partner

Title of person

Doc Robertson

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

September 01 2022

Jeffery Morgan

District Director

Erik Hanson

Must Witness:

No

Approved on behalf of the District Director by:

44 422

RECOVERY OPERATING LP
12329 SPRING CREEK LANE
SAN ANGELO, TEXAS 76904



7021 1970 0001 4517 1350

Texas General Land Office
P.O. Box 12873
Austin, Texas 78711-2873

Attention: Susan Draughn

neopost
03/14/2022
US POSTAGE

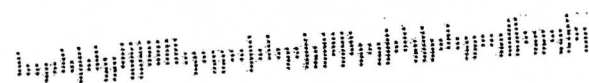
FIRST-CLASS MAIL

\$07.53⁰



ZIP 76901
041L11248890

787112873 B009



46.

File No. MF 105848
Return of refund County

Date Filed: 4/6/2022
George P. Bush, Commissioner
Py SSD

334 44

Susan Draughn

From: Susan Draughn
Sent: Tuesday, March 22, 2022 11:05 AM
To: Doc Robertson
Subject: RE: [EXTERNAL] Re: Refund of shut in payment

Doc,

You sent back (voided) your refund?

The lease on the Brackenridge tract has been terminated.

You mention the Force Majeure clause, but the GLO does not believe a force majeure circumstance has occurred, and a force majeure requires the signature of the General Land Commissioner to be in effect.

Again, thank you for moving forward on plans to plug the well. Would you like to have a refund for the declined shut-in payment put forward again or are you sending the funds to remain at the GLO? As I have explained in earlier transmissions, payments are deposited as received, but do not constitute an agreement for acceptance of the reason the funds were submitted. The GLO must approve the purpose of the funds submission.

Susan Draughn, Landman
Energy Resources | Texas General Land Office
Phone 512-463-6521 | Email: susan.draughn@glo.texas.gov

From: Doc Robertson <doc.robertson@verizon.net>
Sent: Friday, March 11, 2022 11:01 AM
To: Susan Draughn <Susan.Draughn@GLO.TEXAS.GOV>
Subject: Re: [EXTERNAL] Re: Refund of shut in payment

Good Morning Susan,

Concerning the Brackenridge 57-44 #1 we have filed and received an approved W-3A from the RRC. We are currently soliciting bids for the P&A of this well. A release will be provided once the P&A Operation is complete. We consider the Lease still valid for the reasons mentioned in our earlier communication as well the Lease Agreement contains a Force Majeure Clause which protects the Lease under the conditions for which it is not producing. I have attached a copy of the approved W-3A to this email.

Thanks,

Doc Robertson
Recovery Operating LP
325-450-3682

-----Original Message-----
From: Susan Draughn <Susan.Draughn@GLO.TEXAS.GOV>
To: Doc Robertson <doc.robertson@verizon.net>
Sent: Wed, Mar 9, 2022 9:43 am
Subject: FW: [EXTERNAL] Re: Refund of shut in payment

Hello Doc,

The GLO is expecting a release of the lease for Brackenridge. Are you in the process of getting that done and to us?

Best regards,

Susan Draughn, Landman
Energy Resources | Texas General Land Office
Phone 512-463-6521 | Email: susan.draughn@glo.texas.gov

From: Susan Draughn
Sent: Friday, January 14, 2022 2:37 PM
To: Doc Robertson <doc.robertson@verizon.net>
Subject: RE: [EXTERNAL] Re: Refund of shut in payment

Doc,

Please see the attached letter in response to your email. A refund has been requested, but please note it takes some time to route for signatures before a check is issued. I explain in the attached letter.

Susan Draughn, Landman
Energy Resources | Texas General Land Office
Cell: 512-468-9995 | Email: susan.draughn@glo.texas.gov

From: Doc Robertson <doc.robertson@verizon.net>
Sent: Friday, January 14, 2022 9:42 AM
To: Susan Draughn <Susan.Draughn@GLO.TEXAS.GOV>
Subject: [EXTERNAL] Re: Refund of shut in payment

Dear Susan,

Good Morning, I hope all is well with you today.
Concerning the Brackenridge 57-44 # 1 MF 105848 it is our position that the GLO has excepted payment by cashing the check for the Shut In Royalty and by excepting payment has in fact agreed to the Shut In Period for term of 2022. We are offering the GLO a window of opportunity to return the funds or not depending on if the GLO wants the Shut In Period to extend for 2022. If the GLO plans to return the funds they need to do so by the date outlined in our letter. Recovery Operating LP Tax ID Number is 81-3816398.
Thank You for time and consideration in this matter.

Regards,

Doc Robertson
Recovery Operating LP
325-450-3682

-----Original Message-----

From: Susan Draughn <Susan.Draughn@GLO.TEXAS.GOV>
To: doc.robertson@verizon.net <doc.robertson@verizon.net>
Sent: Thu, Jan 6, 2022 12:03 pm
Subject: Re: Refund of shut in payment

Dear Doc,

I received your letter day regarding denial of the shut in payment for the Brackenridge 57-44 well #1, MF105848. My letter dated December 16, 2021 in paragraph two stated how to receive a refund. The letter I received today requested a refund. All I need is the Tax ID number for the Recovery Operating LP account. Refunds are requested at the GLO office and paid by the Texas Comptrollers Office and will be mailed to you at the address shown on the check.

I your letter you mentioned that cashing the check indicated acceptance of payment, however, that is not true. All moneys received at the GLO are immediately deposited and I only receive copies of those payments. Refunds are available upon request as noted in my letter dated December 16, 2021.

Please provide the Tax ID number for the Recovery Operating LP.

Regards,

Susan Draughn, Landman
Energy Resources | Texas General Land Office
Cell: 512-468-9995 | Email: susan.draughn@glo.texas.gov

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47.

File No. MF 105848

Email re: Refund County

Date Filed: 4/6/22

George P. Bush, Commissioner

By SSD

Susan Draughn

From: Doc Robertson <doc.robertson@verizon.net>
Sent: Tuesday, March 29, 2022 12:48 PM
To: Susan Draughn
Subject: Re: [EXTERNAL] Re: Refund of shut in payment

Susan,

3 o'clock will work fine for me.

Doc Robertson
Recovery Operating LP
325-450-3682

-----Original Message-----

From: Susan Draughn <Susan.Draughn@GLO.TEXAS.GOV>
To: Doc Robertson <doc.robertson@verizon.net>
Sent: Tue, Mar 29, 2022 12:04 pm
Subject: RE: [EXTERNAL] Re: Refund of shut in payment

Doc,

Would you be available for a conference call this afternoon including my manager, Dustin Oslick? Would 3:00 PM work today? We can call you then.

Susan Draughn, Landman
Energy Resources | Texas General Land Office
Phone 512-463-6521 | Email: susan.draughn@glo.texas.gov

From: Doc Robertson <doc.robertson@verizon.net>
Sent: Tuesday, March 29, 2022 10:13 AM
To: Susan Draughn <Susan.Draughn@GLO.TEXAS.GOV>
Subject: Re: [EXTERNAL] Re: Refund of shut in payment

Susan,

The check was returned due to it being generated beyond the grace period that Recovery granted to the GLO to make a refund. Going forward Recovery does consider the Lease to be En Force due to the GLO excepting the Shut In Payment. Concerning the Force Majeure Clause, Such an event did in fact occur. We do not see how it could be interpreted in any other way. Our plans are to plug the well as stated previously.

Please forward the Names and Contact information of the Members of the Board of Review and the minutes of the meeting for which the decision to terminate this lease was made as well as all correspondence concerning this Lease as it relates to the Termination of the Lease.

Thank You

Doc Robertson
Recovery Operating LP
325-450-3682

-----Original Message-----

From: Susan Draughn <Susan.Draughn@GLO.TEXAS.GOV>
To: Doc Robertson <doc.robertson@verizon.net>

Sent: Tue, Mar 22, 2022 11:04 am
Subject: RE: [EXTERNAL] Re: Refund of shut in payment

Doc,

You sent back (voided) your refund?

The lease on the Brackenridge tract has been terminated.

You mention the Force Majeure clause, but the GLO does not believe a force majeure circumstance has occurred, and a force majeure requires the signature of the General Land Commissioner to be in effect.

Again, thank you for moving forward on plans to plug the well. Would you like to have a refund for the declined shut-in payment put forward again or are you sending the funds to remain at the GLO? As I have explained in earlier transmissions, payments are deposited as received, but do not constitute an agreement for acceptance of the reason the funds were submitted. The GLO must approve the purpose of the funds submission.

Susan Draughn, Landman
Energy Resources | Texas General Land Office
Phone 512-463-6521 | Email: susan.draughn@glo.texas.gov

From: Doc Robertson <doc.robertson@verizon.net>
Sent: Friday, March 11, 2022 11:01 AM
To: Susan Draughn <Susan.Draughn@GLO.TEXAS.GOV>
Subject: Re: [EXTERNAL] Re: Refund of shut in payment

Good Morning Susan,

Concerning the Brackenridge 57-44 #1 we have filed and received an approved W-3A from the RRC. We are currently soliciting bids for the P&A of this well. A release will be provided once the P&A Operation is complete. We consider the Lease still valid for the reasons mentioned in our earlier communication as well the Lease Agreement contains a Force Majeure Clause which protects the Lease under the conditions for which it is not producing. I have attached a copy of the approved W-3A to this email.

Thanks,

Doc Robertson
Recovery Operating LP
325-450-3682

-----Original Message-----

From: Susan Draughn <Susan.Draughn@GLO.TEXAS.GOV>
To: Doc Robertson <doc.robertson@verizon.net>
Sent: Wed, Mar 9, 2022 9:43 am
Subject: FW: [EXTERNAL] Re: Refund of shut in payment

Hello Doc,

The GLO is expecting a release of the lease for Brackenridge. Are you in the process of getting that done and to us?

Best regards,

Susan Draughn, Landman
Energy Resources | Texas General Land Office
Phone 512-463-6521 | Email: susan.draughn@glo.texas.gov

From: Susan Draughn
Sent: Friday, January 14, 2022 2:37 PM

To: Doc Robertson <doc.robertson@verizon.net>
Subject: RE: [EXTERNAL] Re: Refund of shut in payment

Doc,

Please see the attached letter in response to your email. A refund has been requested, but please note it takes some time to route for signatures before a check is issued. I explain in the attached letter.

Susan Draughn, Landman
Energy Resources | Texas General Land Office
Cell: 512-468-9995 | Email: susan.draughn@glo.texas.gov

From: Doc Robertson <doc.robertson@verizon.net>
Sent: Friday, January 14, 2022 9:42 AM
To: Susan Draughn <Susan.Draughn@GLO.TEXAS.GOV>
Subject: [EXTERNAL] Re: Refund of shut in payment

Dear Susan,

Good Morning, I hope all is well with you today.
Concerning the Brackenridge 57-44 # 1 MF 105848 it is our position that the GLO has excepted payment by cashing the check for the Shut In Royalty and by excepting payment has in fact agreed to the Shut In Period for term of 2022. We are offering the GLO a window of opportunity to return the funds or not depending on if the GLO wants the Shut In Period to extend for 2022. If the GLO plans to return the funds they need to do so by the date outlined in our letter. Recovery Operating LP Tax ID Number is 81-3816398.
Thank You for time and consideration in this matter.

Regards,

Doc Robertson
Recovery Operating LP
325-450-3682

-----Original Message-----
From: Susan Draughn <Susan.Draughn@GLO.TEXAS.GOV>
To: doc.robertson@verizon.net <doc.robertson@verizon.net>
Sent: Thu, Jan 6, 2022 12:03 pm
Subject: Re: Refund of shut in payment

Dear Doc,

I received your letter day regarding denial of the shut in payment for the Brackenridge 57-44 well #1, MF105848. My letter dated December 16, 2021 in paragraph two stated how to receive a refund. The letter I received today requested a refund. All I need is the Tax ID number for the Recovery Operating LP account. Refunds are requested at the GLO office and paid by the Texas Comptrollers Office and will be mailed to you at the address shown on the check.

I your letter you mentioned that cashing the check indicated acceptance of payment, however, that is not true. All moneys received at the GLO are immediately deposited and I only receive copies of those payments. Refunds are available upon request as noted in my letter dated December 16, 2021.

Please provide the Tax ID number for the Recovery Operating LP.

Regards,

Susan Draughn, Landman
Energy Resources | Texas General Land Office
Cell: 512-468-9995 | Email: susan.draughn@glo.texas.gov

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48.

File No. MF 105848
Emails Re: Release County

Date Filed: 4/6/2022

George P. Bush, Commissioner
By SSD

Susan Draughn

From: Susan Draughn
Sent: Thursday, April 7, 2022 11:33 AM
To: rboat@boatrightogm.com; 'Doc Robertson'
Cc: Robert Hatter; Droth@elderbray.com
Subject: RE: [EXTERNAL] RE: Agreement
Attachments: Brackenridge Foundation Lease_MF105848.pdf

Randy and Doc,

I have attached a copy of the oil and gas lease for this property. MF105848, It may also be viewed here:
https://s3.glo.texas.gov/ncu/SCANDOCS/archives_webfiles/arcmaps/webfiles/landgrants/PDFs/1/0/3/6/1036627.pdf

I believe the lease addresses the concerns regarding restoration of the surface and the details for removing equipment. Please see paragraphs 25 and 26 of the lease.

Susan Draughn, Landman
Energy Resources | Texas General Land Office
Phone 512-463-6521 | Email: susan.draughn@glo.texas.gov

From: rboat@boatrightogm.com <rboat@boatrightogm.com>
Sent: Wednesday, April 6, 2022 10:56 AM
To: 'Doc Robertson' <doc.robertson@verizon.net>
Cc: Susan Draughn <Susan.Draughn@GLO.TEXAS.GOV>; Robert Hatter <Robert.Hatter@GLO.TEXAS.GOV>; Droth@elderbray.com
Subject: [EXTERNAL] RE: Agreement

Doc,
I took out the part about University Lands Standards. I thought that was the problem for you. In fact, you told me you don't mind doing a cleanup of the wellsite.
So now you want me to remove the part about restoring to as near as possible prior to the drilling of the well? That is standard language.
I have done all the changing I am going to do.
Take It or leave it.
Randy Boatright

From: Doc Robertson <doc.robertson@verizon.net>
Sent: Wednesday, April 6, 2022 10:03 AM
To: rboat@boatrightogm.com
Cc: susan.draughn@glo.texas.gov; Robert.Hatter@GLO.TEXAS.GOV; Droth@elderbray.com
Subject: Re: Agreement

Randy,

Please strike the last sentence of the first paragraph and we will be good to go.

Thanks

Doc Robertson
Recovery Operating LP
325-450-3682

-----Original Message-----

From: Randy Boatright <rboat@boatrightogm.com>
To: Doc Robertson <doc.robertson@verizon.net>
Cc: susan.draughn@glo.texas.gov <susan.draughn@glo.texas.gov>; Robert Hatter <Robert.Hatter@GLO.TEXAS.GOV>;
David Roth <Droth@elderbray.com>
Sent: Mon, Apr 4, 2022 9:09 am
Subject: Re: Agreement

Doc,
Maybe this will work better for you.

From: Doc Robertson <doc.robertson@verizon.net>
Reply-To: Doc Robertson <doc.robertson@verizon.net>
Date: Friday, April 1, 2022 at 2:19 PM
To: Randy Boatright <rboat@boatrightogm.com>
Cc: "susan.draughn@glo.texas.gov" <susan.draughn@glo.texas.gov>
Subject: Re: Agreement

Randy,

We do not have a problem cleaning up the site. In fact, we are mandated to do so by the RRC. We were not sure as to the exact nature of the ULS Standards so we were not comfortable with that language.

Doc Robertson
Recovery Operating LP
325-450-3682

-----Original Message-----

From: Randy Boatright <rboat@boatrightogm.com>
To: Doc Robertson <doc.robertson@verizon.net>
Cc: susan.draughn@glo.texas.gov <susan.draughn@glo.texas.gov>
Sent: Fri, Apr 1, 2022 2:07 pm
Subject: Re: Agreement

Why would you have a problem cleaning up the site? I assume you that when you took over this well that you knew that you would have to live by the terms of the lease. I didn't change the deal. The deal is what it is.
The lease has requirements in it.

Randy Boatright

From: Doc Robertson <doc.robertson@verizon.net>
Reply-To: Doc Robertson <doc.robertson@verizon.net>
Date: Friday, April 1, 2022 at 1:59 PM
To: Randy Boatright <rboat@boatrightogm.com>

Cc: "susan.draughn@glo.texas.gov" <susan.draughn@glo.texas.gov>

Subject: Re: Agreement

Randy,

Thanks for letting me know that you are not going to honor our agreement. We have tried in good faith to accommodate you. The part about ULS standards is not acceptable. It your choice to walk away from this agreement not ours.

Doc Robertson
Recovery Operating LP
325-450-3682

-----Original Message-----

From: Randy Boatright <rboat@boatrightogm.com>

To: Doc Robertson <doc.robertson@verizon.net>

Cc: Droth@elderbray.com <Droth@elderbray.com>; Susan.Draughn@GLO.TEXAS.GOV

<Susan.Draughn@GLO.TEXAS.GOV>; Robert.Hatter@GLO.TEXAS.GOV <Robert.Hatter@GLO.TEXAS.GOV>

Sent: Fri, Apr 1, 2022 1:49 pm

Subject: Re: Agreement

Doc,

If you are claiming to own that lease then you are subject to the terms of that lease.

There is a surface restoration clause in it and this is not negotiable.

There is nothing here that you will not be required by the State to do anyway. It is part of being a good operator.

Take what I am offering or forget it.

Randy Boatright

From: Doc Robertson <doc.robertson@verizon.net>

Reply-To: Doc Robertson <doc.robertson@verizon.net>

Date: Friday, April 1, 2022 at 1:44 PM

To: Randy Boatright <rboat@boatrightogm.com>

Cc: David Roth <Droth@elderbray.com>, "Susan.Draughn@GLO.TEXAS.GOV"

<Susan.Draughn@GLO.TEXAS.GOV>, Robert Hatter <Robert.Hatter@GLO.TEXAS.GOV>

Subject: Re: Agreement

Randy,

We have reviewed the agreement and for the most part find it agreeable. The only issue we have is the last sentence of the first paragraph. We did not agree upon that language in our conversation. We feel the RRC Regulations, and the Language contained in the Lease Agreement adequately binds Recovery as to the Remediation/Restoration of the Location. Please remove the referenced wording from the agreement and send back to me and we will be good to go. I am planning on executing the Release sometime this afternoon in anticipation of your acceptance of this request.

Thank you,

Doc Robertson
Recovery Operating LP
325-450-3682

-----Original Message-----

From: Randy Boatright <rboat@boatrightogm.com>

To: Doc Robertson <doc.robertson@verizon.net>

Cc: David Roth <Droth@elderbray.com>; Susan Draughn <Susan.Draughn@GLO.TEXAS.GOV>; Robert Hatter

<Robert.Hatter@GLO.TEXAS.GOV>

Sent: Fri, Apr 1, 2022 11:42 am

Subject: Agreement

Doc,

The attached letter is all you need to do what you need to do.

We look forward to receiving your executed Release ASAP.

Thanks,

Randy Boatright

Randy J. Boatright, Trustee
George W. Brackenridge Foundation
1 Riverwalk Place
700 North St. Mary's Street
Suite 875
San Antonio, Texas 78205

Direct Number : 210-860-0557

Main Office No: 210-693-0819

From: Randy Boatright <rboat@boatrightogm.com>

Date: Thursday, March 31, 2022 at 2:44 PM

To: Doc Robertson <doc.robertson@verizon.net>

Cc: David Roth <Droth@elderbray.com>, Robert Hatter <Robert.Hatter@GLO.TEXAS.GOV>, Susan Draughn <Susan.Draughn@GLO.TEXAS.GOV>

Subject: Release of Oil & Gas Lease

Mr. Doc Robertson,

Pursuant to our conversation on this the 31st day of March, 2022, Please sign the attached Release of Oil & Gas Lease in the presence of a Notary Public and be sure that the Notary has affixed their seal of office. Please send that executed document to:

The George W. Brackenridge Foundation
700 North Saint Mary's St.
Ste 875
San Antonio, Texas 78205

After receipt of this fully executed document, you will be fully authorized to enter the property of the George W. Brackenridge Foundation in Reeves County, Texas to access the following well for the purpose of conducting Plugging and abandoning operation:

Brackenridge State 57-44
API 42-389-32520
Sec 44, Blk 57, PSL Survey
Reeves County, Texas

In exchange for the right to remove and take possession of the wellsite equipment and all tanks, pipes and downhole tubing, Recovery Operating, Inc will execute and deliver the Release to the George Brackenridge Foundation within the next 5 days.

Sincerely,

Randy J. Boatright, Trustee
George W. Brackenridge Foundation
1 Riverwalk Place
700 North St. Mary's Street

Suite 875
San Antonio, Texas 78205

Direct Number : 210-860-0557
Main Office No: 210-693-0819

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49.

File No. MF 105848
Email exchange County
re Release of Lease
Date Filed: 5/3/22
George P. Bush, Commissioner
Py SSD

RECOVERY OPERATING LP
12329 SPRING CREEK LANE
SAN ANGELO, TEXAS 76904



7871132873 BC09



FOREVER / USA

Texas General Land Office
P.O. Box 12873
Austin, Texas 78711-2873

Attention: Susan Draughn

4-22-22

RELEASE OF OIL AND GAS LEASE

STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF REEVES §

Whereas the undersigned do hereby RELEASE, RELINQUISH, SURRENDER and forever QUIT-CLAIM any and all of their right, title and interest in and to the following:

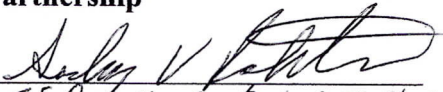
Oil & Gas Lease dated November 7, 2005 from the State of Texas by and through it's agent, The George W. Brackenridge Foundation by Leroy G. Denman, Jr., Chairman as Lessor to Hallwood Energy II, L.P. as Lessee, same being recorded in Vol 717, Page 130 of the Official Public Records of Reeves County, Texas insofar as same covers the 320 acres attributed to the Brackenridge State 57-44 #1 situated in Section 44, Block 57 Public School Land Survey.

Including all rights, title and interest in and to the lands described in the Oil and Gas Lease referenced above.

IN WITNESS WHEREOF, the undersigned has executed this document on the date set out in their respective acknowledgement but effective as of APRIL 19TH 2022

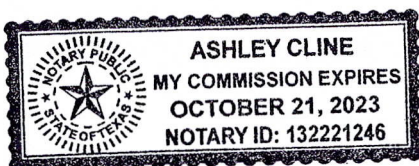
RECOVERY OPERATING, L.P.

A TEXAS Limited
Partnership

By: 
SIDNEY V. ROBERTSON (printed)
Partner (title)

STATE OF TEXAS §
COUNTY OF Tom Green §

THIS instrument was acknowledged by me on the 19 day of April, 2022 by Sidney Robertson as the Partner of Recovery Operating, LP, in the capacity stated above.




Notary Public for the State of TEXAS
My Commission expires: 10/21/23

File No. MF 105848
Release of OtGL County

Date Filed: 5/3/22
George P. Bush, Commissioner
SSD
By _____



RELEASE OF OIL AND GAS LEASE

STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF REEVES §

Whereas the undersigned do hereby RELEASE, RELINQUISH, SURRENDER and forever QUIT-CLAIM any and all of their right, title and interest in and to the following:

Oil & Gas Lease dated November 7, 2005 from the State of Texas by and through it's agent, The George W. Brackenridge Foundation by Leroy G. Denman, Jr., Chairman as Lessor to Hallwood Energy II, L.P. as Lessee, same being recorded in Vol 717, Page 130 of the Official Public Records of Reeves County, Texas insofar as same covers the 320 acres attributed to the Brackenridge State 57-44 #1 situated in Section 44, Block 57 Public School Land Survey.

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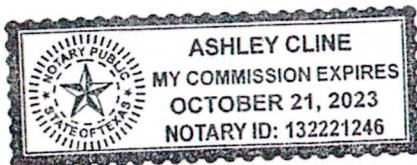
RECOVERY OPERATING, L.P.

A Texas Limited
Partnership

By: *Sidney V. Robertson*
Sidney V. Robertson (printed)
Partner (title)

STATE OF TEXAS §
COUNTY OF Tom Green §

THIS instrument was acknowledged by me on the 19 day of April, 2022 by Sidney Robertson as the Partner of Recovery Operating, LP, in the capacity stated above.



Ashley Cline
Notary Public for the State of TEXAS
My Commission expires: 10/21/23



VG-3387-2022-2022003050

Reeves County
Dianne O. Florez
Reeves County Clerk

Instrument Number: 2022003050

Real Property Recordings

RELEASE

Recorded On: May 09, 2022 11:50 AM

Number of Pages: 2

" Examined and Charged as Follows: "

Total Recording: \$26.00

***** THIS PAGE IS PART OF THE INSTRUMENT *****

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY because of color or race is invalid and unenforceable under federal law.

File Information:

Document Number: 2022003050
Receipt Number: 20220509000014
Recorded Date/Time: May 09, 2022 11:50 AM
User: Diana R
Station: CLERK09

Record and Return To:

BOATRIGHT OIL & GAS PROP/ RANDY J BOATRIGHT
PO BOX 17962

SAN ANTONIO TX 78217



STATE OF TEXAS
Reeves County

I hereby certify that this Instrument was filed in the File Number sequence on the date/time printed hereon, and was duly recorded in the Official Records of Reeves County, Texas

Dianne O. Florez
Reeves County Clerk
Reeves County, TX

Dianne O. Florez

File No. ME105848
Cert copy of release County
of Lease
Date Filed: 5/13/22
George P. Bush, Commissioner
By SSD

RAILROAD COMMISSION OF TEXAS

OIL AND GAS DIVISION

FORM W-3
Rev. 12/92
FOD1296

API NO.
(If available) 42-389-32520

1. RRC District

08

4. RRC Lease or ID Number

246223

5. Well Number

1

10. County

Reeves

11. Date Drilling Permit Issued

12. Permit Number

655312

13. Date Drilling Commenced

14. Date Drilling Completed

6/13/22

15. Date Well Plugged

6/13/22

FILE IN DUPLICATE WITH DISTRICT OFFICE OF DISTRICT IN WHICH WELL IS LOCATED WITHIN THIRTY DAYS AFTER PLUGGING

2. FIELD NAME (as per RRC Records)

Toyah, NW (Shale)

3. Lease Name

Brackenridge State 57-44

6. OPERATOR

Recovery Operating LP

6a. Original Form W-1 Filed in Name of:

6b. Any Subsequent W-1's Filed in Name of:

7. ADDRESS

12329 Spring Creek Lane San Angelo, TX 76904

8. Location of Well, Relative to Nearest Lease Boundaries of Lease on which this Well is located.

Feet From Line and Feet From

Line of the Lease

9a. SECTION, BLOCK, AND SURVEY

44 57 PSL/Harris, W M

9b. Distance and Direction From Nearest Town in this County

23 miles NW of Pecos, TX

16. Type Well (Oil, Gas, Dry)

Gas

Total Depth

18,600'

17. If Multiple Completion List All Field Names and Oil Lease or Gas ID No.'s

GAS ID or OIL LEASE #

Oil - O Gas - G

WELL #

18. If Gas, Amt. of Cond. on Hand at time of Plugging

0

CEMENTING TO PLUG AND ABANDON DATA:

	PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7	PLUG #8
*19. Cementing Date	6/7/22	6/9/22	6/9/22	6/10/22	6/10/22	6/13/22	6/13/22	
20. Size of Hole or Pipe in which Plug Placed (inches)	5½x9%	5½x9%	5½x9%	5½x9%	5½x9%	5½x9%	5½	
21. Depth to Bottom of Tubing or Drill Pipe (ft.)	6028	6200	4300	1680	1100	750	30	
*22. Sacks of Cement Used (each plug)	200	45	75	130	75	130	15	
*23. Slurry Volume Pumped (cu. ft.)	236	59.4	99	171.6	99	171.6	19.8	
*24. Calculated Top of Plug (ft.)	6200	6170	4230	1500	975	554	Surface	
25. Measured Top of Plug (if tagged) (ft.)	6200	6170	4230	--	975	554	Surface	
*26. Slurry Wt. #/Gal.	16.4	14.8	14.8	14.8	14.8	14.8	14.8	
*27. Type Cement	H	C	C	C	C	C	C	

28. CASING AND TUBING RECORD AFTER PLUGGING

SIZE	WT.#/FT.	PUT IN WELL (ft.)	LEFT IN WELL (ft.)	HOLE SIZE (in.)
13½		1632'	1632'	17½
9½		9895'	9895'	12½
5½		18,597'	18,597'	8½

29. Was any Non-Drillable Material (Other than Casing) Left in This Well?

☒ Yes ☐ No

29a. If answer to above is "Yes" state depth to top of "junk" left in hole and briefly describe non-drillable material. (Use Reverse Side of Form if more space is needed.)

5½' pkr @ 17,000'
9200' of 2½ tbg

30. LIST ALL OPEN HOLE AND/OR PERFORATED INTERVALS

FROM 17,256'	TO 18,454'	FROM	TO
FROM	TO	FROM	TO
FROM	TO	FROM	TO
FROM	TO	FROM	TO
FROM	TO	FROM	TO

I have knowledge that the cementing operations, as reflected by the information found on this form, were performed as indicated by such information.
* Designates items to be completed by Cementing Company. Items not so designated shall be completed by Operator.

Chris Romero

Signature of Cementer or Authorized Representative

Ranger Energy Services

Name of Cementing Company

CERTIFICATE:

I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

S.V. "Doc" Robertson

REPRESENTATIVE OF COMPANY

Partner

TITLE

06-29-2022

DATE

Phone

325-450-3682

A/C

NUMBER

SIGNATURE: REPRESENTATIVE OF RAILROAD COMMISSION

31. Was well filled with Mud-Laden Fluid, according to the regulations of the Railroad Commission ☒ Yes ☐ No		32. How was Mud Applied? Circulated		33. Mud Weight 10#							
24. Total Depth 18,600'		Other Fresh Water Zones by T.D.W.R. <table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%; text-align: center;">TOP</td> <td style="width:50%; text-align: center;">BOTTOM</td> </tr> <tr> <td style="text-align: center; border-bottom: 1px solid black;">700'</td> <td style="text-align: center; border-bottom: 1px solid black;">1550'</td> </tr> <tr> <td style="text-align: center; border-bottom: 1px solid black;">1050'</td> <td style="text-align: center; border-bottom: 1px solid black;">1550'</td> </tr> </table>		TOP	BOTTOM	700'	1550'	1050'	1550'	35. Have all Abandoned Wells on this Lease been Plugged according to RRC Rules? ☒ Yes ☐ No	
TOP	BOTTOM										
700'	1550'										
1050'	1550'										
Depth of Deepest Fresh Water 1550'		36. If NO, Explain									
37. Name and Address of Cementing or Service company who mixed and pumped cement plugs in this well. Ranger Energy Services, 4601 SCR 1270 Midland TX, 79706				Date RRC District Office notified of plugging 5/31/22							
38. Name(s) and Address(es) of Surface Owner of Well Site George J. Brackenridge Foundation 1 Riverwalk Place 700 North St. Mary's Street Suite 875 San Antonio, Texas 78205											
39. Was Notice Given Before Plugging to Each of the Above? Yes											
FILL IN BELOW FOR DRY HOLES ONLY											
40. For Dry Holes, this Form must be accompanied by either a Driller's, Electric, Radioactivity or Acoustical/Sonic Log or such Log must be released to a Commercial Log Service.											
☐ Log Attached ☐ Log released to _____ Date _____											
Type Logs:											
☐ Driller's ☐ Electric ☐ Radioactivity ☐ Acoustical/Sonic											
41. Date FORM P-8 (Special Clearance) Filed?											
42. Amount of Oil produced prior to Plugging _____ bbls* * File FORM P-1 (Oil Production Report) for month this oil was produced											
RRC USE ONLY											
Nearest Field _____											

REMARKS

5/31/22—MIRU.

6/01/22—Gauge well bleed of to pit pump 280 bbls down tbg (went on vacuum) SIW.

6/02/22—NUBOP could not unset pkr call for swivel & pkr hand.

6/03/22—Pkr hand could not unset pkr, RU swivel work pkr and got free POOH tbg.

6/07/22—RIH to 6028' sqz 200 sxs stand back 66 stands.

6/08/22—Tag TOC @ 6200' RIH set pkr @ 5788' shut down due to weather.

6/09/22—Perf @ 6200' sqz 45 sxs WOC Tag TOC @ 6170', perf @ 4300' sqz 75 sxs.

6/10/22—Tag TOC @ 4230' PUH to perf @ 1680' sqz 130 sxs TOC @ 1500', perf @ 1100' sqz 75 sxs WOC.

6/13/22—Tag TOC @ 975' perf @ 750' sqz 130 sxs WOC Tag TOC @ 554', spot 15 sxs from 30' to surface verified RDMO.

7. 122

Historical Lease
MF 105848

RECOVERY OPERATING LP

12329 Spring Creek Lane San Angelo, Texas 76904

June 29, 2022

Texas General Land Office
P.O. Box 12873
Austin, Texas 78711-2873

RE: Brackenridge 57-44 Well #1 MF105848 W-3

Please find enclosed a copy of the Railroad Commission of Texas Form W-3 as filed.

Sincerely,



S.V. 'Doc' Robertson
(325)-450-3682 doc.robertson@verizon.net

52

File No. MF 105848

Reeves County

W3 42-389-32520

Date Filed: 07/05/2022

By George P. Bush, Commissioner

By [Signature]



MF105848

Form W-3A

Type or print only

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

Rev 1/1/83

(02/00)

WWW-1

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

1. Operator's Name and Address (Exactly as shown on Form P-5, Organization Report) RECOVERY OPERATING LP 12329 SPRING CREEK LANE SAN ANGELO, TX 76904-				6. Drilling Permit No. 655312	5. API No. 38932520
2. RRC Operator No 696542	7. Rule 37 Case No.	4. County of Well Site REEVES	3. District No. 08	8. Oil Lease No. or Gas Well ID No. 246223	9. Well No. 1
10. Field Name (Exactly as shown on RRC records) TOYAH, NW [SHALE]			11. Lease Name BRACKENRIDGE STATE 57-44		
12. Location					
• Section No.	44	Block No	57	Survey and Survey No	PSL/HARRIS, W M
				Abstract No. A-	5053
• Distance (in miles) and direction from a nearby town in this county (name the town).				23 miles NW of Pecos Texas	
13. Type of well Gas			14. Type of completion Single		15. Total depth 18600

16. Usable-quality water strata detail

37]. Water-bearing strata from the land surface to a depth of 700 feet and the Rustler, which is estimated to occur from 1050 to 1550 feet must be protected.

Letter Date 01/28/2022

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

11500

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

18. Casing record (list all casing in well)

Type	Hole size	Size	Depth	Cement	Top of cement	Tool setting depth	Anticipated casing recovery	Top of liner	Bottom of liner	Top of cement determined by		
										Temper Survey	Calculated	Cement Bond Log
Casing	17 1/2	13 3/8	1632	1780	SURF							
Casing	12 1/4	9 5/8	9895	2750	5000							
Casing	8 1/2	5 1/2	18597	1755	10950							

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

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

21. Record of perforated intervals or open hole

Perforations or Open Hole	Perforations	Interval (ft)	17256	to	18454	Plugged or Not Plugged
Historic Plug Information		Set at		feet with		feet of cement on top
				feet to		feet with sacks
		Sacks pumped 'on top'				Sacks pumped 'below'

Other Plugging proposal type

Perforations or Open Hole	Open Hole	Interval (ft)		to		Plugged or Not Plugged
Historic Plug Information		Set at		feet with		feet of cement on top
				feet to		feet with sacks
		Sacks pumped 'on top'				Sacks pumped 'below'

Other Plugging proposal type

Perforations or Open Hole	Open Hole	Interval (ft)		to		Plugged or Not Plugged
Historic Plug Information		Set at		feet with		feet of cement on top
				feet to		feet with sacks
		Sacks pumped 'on top'				Sacks pumped 'below'

Other Plugging proposal type

Perforations or Open Hole		Interval (ft)		to		Plugged or Not Plugged
Historic Plug Information		Set at		feet with		feet of cement on top
				feet to		feet with sacks
		Sacks pumped 'on top'				Sacks pumped 'below'

Other Plugging proposal type

Perforations or Open Hole		Interval (ft)		to		Plugged or Not Plugged
Historic Plug Information		Set at		feet with		feet of cement on top
				feet to		feet with sacks
		Sacks pumped 'on top'				Sacks pumped 'below'

Other Plugging proposal type

Perforations or Open Hole		Interval (ft)		to		Plugged or Not Plugged
Historic Plug Information		Set at		feet with		feet of cement on top
				feet to		feet with sacks
		Sacks pumped 'on top'				Sacks pumped 'below'

Other Plugging proposal type

Perforations or Open Hole		Interval (ft)		to		Plugged or Not Plugged
Historic Plug Information		Set at		feet with		feet of cement on top
				feet to		feet with sacks
		Sacks pumped 'on top'				Sacks pumped 'below'

Other Plugging proposal type

Perforations or Open Hole		Interval (ft)		to		Plugged or Not Plugged
Historic Plug Information		Set at		feet with		feet of cement on top
				feet to		feet with sacks
		Sacks pumped 'on top'				Sacks pumped 'below'

Other Plugging proposal type

Perforations or Open Hole		Interval (ft)		to		Plugged or Not Plugged
Historic Plug Information		Set at		feet with		feet of cement on top
				feet to		feet with sacks
		Sacks pumped 'on top'				Sacks pumped 'below'

Other Plugging proposal type

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

API No:

38932520

Well No:

1

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

Plugging Proposal Type	CIBP	Set at or from	17000	feet to		feet with	3	sacks
				feet with	35	feet of cement on top		
Additional requirements						sacks pumped 'below' and		sacks pumped 'on top'
6 - None								
Plugging Proposal Type	CIBP	Set at or from	11000	feet to		feet with	3	sacks
				feet with	35	feet of cement on top		
Additional requirements						sacks pumped 'below' and		sacks pumped 'on top'
6 - None								
Plugging Proposal Type	Cement Plug	Set at or from	9800	feet to	9700	feet with	45	sacks
				feet with		feet of cement on top		
Additional requirements						sacks pumped 'below' and		sacks pumped 'on top'
2 - Perforate and Squeeze								
Plugging Proposal Type	Cement Plug	Set at or from	7800	feet to	7700	feet with	45	sacks
				feet with		feet of cement on top		
Additional requirements						sacks pumped 'below' and		sacks pumped 'on top'
2 - Perforate and Squeeze								
Plugging Proposal Type	Cement Plug	Set at or from	4300	feet to	4200	feet with	75	sacks
				feet with		feet of cement on top		
Additional requirements						sacks pumped 'below' and		sacks pumped 'on top'
2 - Perforate and Squeeze								
Plugging Proposal Type	Cement Plug	Set at or from	1680	feet to	1500	feet with	130	sacks
				feet with		feet of cement on top		
Additional requirements						sacks pumped 'below' and		sacks pumped 'on top'
2 - Perforate and Squeeze, 4 - Wait 4 hours and tag top of plug								
Plugging Proposal Type	Cement Plug	Set at or from	1100	feet to	1000	feet with	75	sacks
				feet with		feet of cement on top		
Additional requirements						sacks pumped 'below' and		sacks pumped 'on top'
2 - Perforate and Squeeze								
Plugging Proposal Type	Cement Plug	Set at or from	750	feet to	550	feet with	130	sacks
				feet with		feet of cement on top		
Additional requirements						sacks pumped 'below' and		sacks pumped 'on top'
4 - Wait 4 hours and tag top of plug								
Plugging Proposal Type	Cement Surface Plug	Set at or from	15	feet to	0	feet with	10	sacks
				feet with		feet of cement on top		
Additional requirements						sacks pumped 'below' and		sacks pumped 'on top'
6 - None								
Plugging Proposal Type		Set at or from		feet to		feet with		sacks
				feet with		feet of cement on top		
Additional requirements						sacks pumped 'below' and		sacks pumped 'on top'
Plugging Proposal Type		Set at or from		feet to		feet with		sacks
				feet with		feet of cement on top		
Additional requirements						sacks pumped 'below' and		sacks pumped 'on top'

API No:

38932520

Well No:

1

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

Plugging Proposal Type	Set at or from	feet to	feet with	sacks
		feet with	feet of cement on top	
Additional requirements		sacks pumped 'below' and	sacks pumped 'on top'	

Plugging Proposal Type	Set at or from	feet to	feet with	sacks
		feet with	feet of cement on top	
Additional requirements		sacks pumped 'below' and	sacks pumped 'on top'	

Plugging Proposal Type	Set at or from	feet to	feet with	sacks
		feet with	feet of cement on top	
Additional requirements		sacks pumped 'below' and	sacks pumped 'on top'	

Plugging Proposal Type	Set at or from	feet to	feet with	sacks
		feet with	feet of cement on top	
Additional requirements		sacks pumped 'below' and	sacks pumped 'on top'	

Plugging Proposal Type	Set at or from	feet to	feet with	sacks
		feet with	feet of cement on top	
Additional requirements		sacks pumped 'below' and	sacks pumped 'on top'	

WARNING: If the above area for Plugging Proposal is full, verify that there are no more than 16 by reviewing the online version.**22. Name and address of cementing company or contractor**

Contractor has not been determined .

Doc Robertson

Typed or printed name of operator's representative

(325) 450-3682

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

June 01 2022

Partner

Title of person

Doc Robertson

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

September 01 2022

Jeffery Morgan

District Director

Erik Hanson

Must Witness:

No

Approved on behalf of the District Director by:

File No. MF105848
W-3A Notice of Intent County
to Plus
Date Filed: 8/25/2022
George P. Bush, Commissioner
By GSD

MF105848

Plugging Record

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

FORM W-3

Rev. 12/92

FOD1296

API NO.

(If available) 42-389-32520

1. RRC District

08

4. RRC Lease or ID Number

246223

5. Well Number

1

10. County

Reeves

11. Date Drilling Permit Issued

12. Permit Number

655312

13. Date Drilling Commenced

14. Date Drilling Completed

15. Date Well Plugged

6/13/22

FILE IN DUPLICATE WITH DISTRICT OFFICE OF DISTRICT IN WHICH
WELL IS LOCATED WITHIN THIRTY DAYS AFTER PLUGGING

2. FIELD NAME (as per RRC Records)

Toyah, NW (Shale)

3. Lease Name

Brackenridge State 57-44

6. OPERATOR

Recovery Operating LP

6a. Original Form W-1 Filed in Name of:

7. ADDRESS

12329 Spring Creek Lane San Angelo, TX 76904

6b. Any Subsequent W-1's Filed in Name of:

8. Location of Well, Relative to Nearest Lease Boundaries
of Lease on which this Well is located.

Feet From

Line and

Feet From

Line of the

Lease

9a. SECTION, BLOCK, AND SURVEY

44

57

PSL/Harris, W M

9b. Distance and Direction From Nearest Town in this County

23 miles NW of Pecos, TX

16. Type Well (Oil, Gas, Dry)

Gas

18,600'

17. If Multiple Completion List All Field Names and Oil Lease or Gas ID No.'s

GAS ID or OIL
LEASE #Oil - O
Gas - GWELL
#18. If Gas, Amt. of Cond. on Hand at
time of Plugging

0

CEMENTING TO PLUG AND ABANDON DATA:

	PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7	PLUG #8
*19. Cementing Date	6/7/22	6/9/22	6/9/22	6/10/22	6/10/22	6/13/22	6/13/22	
20. Size of Hole or Pipe in which Plug Placed (inches)	5½x9½	5½x9½	5½x9½	5½x9½	5½x9½	5½x9½	5½	
21. Depth to Bottom of Tubing or Drill Pipe (ft.)	6028	6200	4300	1680	1100	750	30	
*22. Sacks of Cement Used (each plug)	200	45	75	130	75	130	15	
*23. Slurry Volume Pumped (cu. ft.)	236	59.4	99	171.6	99	171.6	19.8	
*24. Calculated Top of Plug (ft.)	6200	6170	4230	1500	975	554	Surface	
25. Measured Top of Plug (if tagged) (ft.)	6200	6170	4230	--	975	554	Surface	
*26. Slurry Wt. = Gal.	16.4	14.8	14.8	14.8	14.8	14.8	14.8	
*27. Type Cement	H	C	C	C	C	C	C	

28. CASING AND TUBING RECORD AFTER PLUGGING

SIZE	WT. #/FT.	PUT IN WELL (ft.)	LEFT IN WELL (ft.)	HOLE SIZE (in.)
13½		1632'	1632'	17½
9½		9895'	9895'	12½
5½		18,597'	18,597'	8½

29. Was any Non-Drillable Material (Other
than Casing) Left in This Well?☒ Yes ☐ No29a. If answer to above is "Yes" state depth to top of "junk" left in hole and briefly describe
non-drillable material. (Use Reverse Side of Form if more space is needed.)5½' pkr @ 17,000'
9200' of 2½" tbg

30. LIST ALL OPEN HOLE AND/OR PERFORATED INTERVALS

FROM	17,256'	TO	18,454'	FROM	TO
FROM		TO		FROM	TO
FROM		TO		FROM	TO
FROM		TO		FROM	TO
FROM		TO		FROM	TO

I have knowledge that the cementing operations, as reflected by the information found on this form, were performed as indicated by such information.
* Designates items to be completed by Cementing Company. Items not so designated shall be completed by Operator.

Chris Romero

Signature of Cementer or Authorized Representative

Ranger Energy Services

Name of Cementing Company

CERTIFICATE:

I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that this
report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete,
to the best of my knowledge.

S.V. "Doc" Robertson

Partner

06-29-2022

Phone

325-450-3682

REPRESENTATIVE OF COMPANY

TITLE

DATE

A/C

NUMBER

SIGNATURE: REPRESENTATIVE OF RAILROAD COMMISSION

31. Was well filled with Mud-Laden Fluid, according to the regulations of the Railroad Commission ☒ Yes ☐ No	32. How was Mud Applied? Circulated	33. Mud Weight 10#						
24. Total Depth 18,600' Depth of Deepest Fresh Water 1550'	Other Fresh Water Zones by T.D.W.R. <table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%; text-align: center;">TOP</td> <td style="width:50%; text-align: center;">BOTTOM</td> </tr> <tr> <td style="text-align: center; border-bottom: 1px solid black;">700'</td> <td style="text-align: center; border-bottom: 1px solid black;">1550'</td> </tr> <tr> <td style="text-align: center; border-bottom: 1px solid black;">1050'</td> <td style="text-align: center; border-bottom: 1px solid black;">1550'</td> </tr> </table>	TOP	BOTTOM	700'	1550'	1050'	1550'	35. Have all Abandoned Wells on this Lease been Plugged according to RRC Rules? ☒ Yes ☐ No 36. If NO, Explain
TOP	BOTTOM							
700'	1550'							
1050'	1550'							
37. Name and Address of Cementing or Service company who mixed and pumped cement plugs in this well. Ranger Energy Services. 4601 SCR 1270 Midland TX, 79706		Date RRC District Office notified of plugging 5/31/22						
38. Name(s) and Address(es) of Surface Owner of Well Site George J. Brackenridge Foundation 1 Riverwalk Place 700 North St. Mary's Street Suite 875 San Antonio, Texas 78205								
39. Was Notice Given Before Plugging to Each of the Above? Yes								
FILL IN BELOW FOR DRY HOLES ONLY 40. For Dry Holes, this Form must be accompanied by either a Driller's, Electric, Radioactivity or Acoustical/Sonic Log or such Log must be released to a Commercial Log Service. ☐ Log Attached ☐ Log released to Date Type Logs: ☐ Driller's ☐ Electric ☐ Radioactivity ☐ Acoustical/Sonic								
41. Date FORM P-8 (Special Clearance) Filed?								
42. Amount of Oil produced prior to Plugging bbls* * File FORM P-1 (Oil Production Report) for month this oil was produced								
R R C USE ONLY Nearest Field _____								

REMARKS

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6/13/22—Tag TOC @ 975' perf @ 750' sqz 130 sxs WOC Tag TOC @ 554', spot 15 sxs from 30' to surface verified RDMO.

RECOVERY OPERATING LP

12329 Spring Creek Lane San Angelo, Texas 76904

June 29, 2022

George W Brackenridge Foundation
1 Riverwalk Place
700 North St. Mary's Street
Suite 875
San Antonio, Texas 78205

RE: Brackenridge 57-44 Well #1 MF105848 W-3

Please find enclosed a copy of the Railroad Commission of Texas Form W-3 as filed.

Sincerely,

A handwritten signature in black ink, appearing to read 'S.V. Robertson', with a stylized flourish at the end.

S.V. 'Doc' Robertson
(325)-450-3682 doc.robertson@verizon.net

54.

File No. ME 105848
W-3 Plugging Report County

Date Filed: 8/25/22
George P. Bush, Commissioner
By SSD