



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

MF109880

LEASE A - EXPIRED 9/2/11
LEASE B - EXPIRED 9/12/11
LEASE C - EXPIRED 9/12/13
LEASE D -

INUT 10520 INUT 11607
INUT 10521 INUT 11606
INUT 11265 INUT 11608
INUT 11266
INUT 11267
INUT 11268
INUT 11269
INUT 11270

Leasing: DR

Maps: MS

GIS: JA/MC

Scanlab: _____

Lease Type
RAL

Control

07-109620

Basefile

095254

County

REEVES

Survey

T & P Ry Co

Block

54

Block Name

Township

4-S

Section/Tract

18

Land Part

Acres

Net: 160.000000 Gross: 320.000000

Depth Below

Depth Above

Depth Other

Allow All
Depths

Name

PETCO, LTD.

Lease Date

6/16/2012

Primary Term

5 years

Bonus

\$0.00

Lease Royalty

0.12500000

Paid Up

No

CONTENTS OF FILE NO. MF-

109880

1. Email 9/32/08	17.) TERMINATION LETTER 10-12-15
2. BAA Review 9/33/08	scanned PJ 12-22-15
3. Letter, bonuses + fees 12/2/08	18) MF109880 Assign # 9598
4. (3) leases 12/2/08	Panther to CP2 5-20-16
5. GLO letter 12/12/08	scanned PJ 9-21-16
scanned 2/2/09 LA	19) Agree to commingle 3/29/17
6. RENTAL PAYMENT A, B, C 8/25/09	20. Ltr. from Panther 4/4/17
7. RENTAL PAYMENT A, B, C 8/2/10	21. Ltr. to Panther 4/10/17
ASSIGNMENT FILED IN MF 109358-12.	22. Pooling Agmt. Packet # 8293
WI, #1157, 12/13/10	Fiver State 18 14 Unit 4/10/17
8) Rental Payment (B lease) 11/8/11	scanned PJ 6-1-2017
9) Rental Payment (C lease) 11/8/11	23. Completion Report API 389-35512 Unit 8293 6/28/17
10. Letter + bonus 01/03/12	scanned PJ 7-5-2017
11. Fees 01/24/12	24. SWR 32 Exception Data Sheet 9/28/17
12. lease D 01/24/12	scanned PJ 9-29-2017
13. Delay rental B, C 7/20/12	25. Division Order 11-9-17
Scanned 5/3/13 JA	See MF 075 080 #50 Assign # 10221
Lease A - Expired - 9/2/11	Panther and CP2 to RKI 1-18-18
Lease B - Expired - 9/12/13	scanned PJ 1-22-2018
Lease C - Expired - 9/12/13	26) Recon Billing 4/11/18
Scanned PJ 6-13-14	scanned PJ 4-10-2018
See Assignment # 8800, in MF 089209, #35	#26 PS Form 3811
Andarico Petroleum to Andarico E&P 6-29-13	scanned PJ 4-26-2018
scanned PJ 7-29-14	27) SWR 32 Data Sheet 5/7/18
14. 4 th & 5 th yr Rental Lease D 6/2/15	scanned PJ 5-11-2018
scanned PJ 6-22-15	28 Completion Report API 389-35732 6/15/18
See MF 056135 #114 7-2-15	scanned PJ 6-29-2018
for Assn # 9347	29) Memo to SLB 9/13/19
15. Assn ID #9417 Permian Sov	30) Memo to Commissioner 9/13/19
to Panther 5-19-15	31) Ltr to WPX Energy 9/13/19
16 Assn ID #9418 Silvertack	32) PSA for the Fiver State 9/13/19
to Panther 5-14-15	Sharing Area
	scanned sm 10/02/2019

Contents of Mineral File Number: 109880

33. iNut 10520 2/18/2020 scanned PJ 11-18-2024

34. iNut 10521 2/18/2020

Scanned sm 02/25/2020

35. DIVISION ORDER 10-8-2020

scanned PJ 10-13-2020

36. Surface Damage Pmt 7-26-2021

37. Surface Damage Pmt 7-26-2021

38. Surface Damage Pmt 7-26-2021

39. Surface Damage Pmt 7-26-2021

40. Surface Damage Pmt 7-26-2021

Scanned sm 08/01/2021

41. iNut 11265-API 42-389-39146 11/12/2021

42. iNut 11266-API 42-389-39148 11/12/2021

43. iNut 11267-API 42-389-39149 11/12/2021

44. iNut 11268-API 42-389-39151 11/12/2021

45. iNut 11269-API 42-389-39152 11/12/2021

46. iNut 11270-API 42-389-39153 11/12/2021

scanned PJ 10 Jan 2022

47. iNut 11606-API 42-389-39341 8/30/22

48. iNut 11607-API 42-389-39342 8/30/2022

49. iNut 11608-API 42-389-39346 8/30/22

scanned PJ 13 Sept 2022

(50) Comm Exempt'n Gas Lift Apprvl 10/8/23 10/24/23

(51) Comm Exempt'n Gas Lift Apprvl 10/9/23 10/30/23

(52) Comm Exempt'n Gas Lift Apprvl 10/9/23 10/30/23

Scanned sm 10/31/2023

(53) Copy-Pooling Agreement 8293 9/4/24

(54) Termination Packet 11/14/24

New(1)

From: "Taylor Hunt" <thunt@petrohunt.com>
To: Drew.Reid@GLO.STATE.TX.US
Date: 9/22/2008 4:43:39 PM
Subject: Mineral File Number Request

Drew--

I am requesting a Mineral File Number for the following attached leases (Two have Addendums specifying the Third Year Rental Payment):

Lessor: Richard C. Slack

Lands: 1/4 Mineral Interest in the Southeast Quarter (SE/4) and the Northwest Quarter (NW/4) of Section 18, Block 54, Township 4, T&P Ry. Co. Survey, containing 320.0 acres, more or less

Totaling: 80.0 net mineral acres out of 320.0 gross acres

Terms: \$450.00 per net mineral acre and a 1/4 Royalty for Five (5) Years with a \$450.00 3rd Year Rental Payment

Lessor: Nancy Dean Investment Corp., by Robert C. Dean, President

Lands: 1/4 Mineral Interest in the Southeast Quarter (SE/4) and the Northwest Quarter (NW/4) of Section 18, Block 54, Township 4, T&P Ry. Co. Survey, containing 320.0 acres, more or less

Totaling: 80.0 net mineral acres out of 320.0 gross acres

Terms: \$450.00 per net mineral acre and a 1/4 Royalty for Five (5) Years with a \$450.00 3rd Year Rental Payment

Lessor: Petco Limited

Lands: 1/2 Mineral Interest in the Southeast Quarter (SE/4) and the Northwest Quarter (NW/4) of Section 18, Block 54, Township 4, T&P Ry. Co. Survey, containing 320.0 acres, more or less

Totaling: 160.0 net mineral acres out of 320.0 gross acres

Terms: \$450.00 per net mineral acre and a 1/4 Royalty for Three (3) Years

I will send these onto our Dallas office, and April Aguilar will contact you regarding the Mineral File Number. Thank you very much for your time Drew, and please let me know if you have any questions.

Sincerely,
Taylor Hunt

P.O. Box 248
Pecos, TX 79772

Cell: 706-202-2332
Office: 432-445-5366
Fax: 432-445-5372

1.
File No. MF 109880

Email

Date Filed: 9/22/08
Jerry Patterson, Commissioner

By 

RAL REVIEW SHEET

Transaction # 6349

Geologist: R. Widmayer

Lessor: Petco Limited

Lease Date: 9/2/2008

U: ☐

Lessee: Petro-Hunt, L.L.C.

Gross Acres: 320

Net Acres: 160

LEASE DESCRIPTION

County	PIN#	Base File No	Part	Sec.	Block	Twp	Survey	Abst#
REEVES	07-109620	95254	SE/4, NW/4	18	54	04S	T & P RY CO	1997

TERMS OFFERED

Primary Term: 5 years

Bonus/Acre: \$450.00

Rental/Acre: \$1.00

Royalty: 1/4

TERMS RECOMMENDED

Primary Term 5 years

Bonus/Acre \$450.00

Rental/Acre \$1.00

Royalty 1/4

COMPARISONS

MF #	Lessee	Date	Term	Bonus/Ac.	Rental/Ac.	Royalty	Distance
MF105570	Perry & Perry, Inc.	8/1/2005	3 years	\$150.00	\$1.00	1/5	Last Lease
MF109157	Pinnacle Land Services, Inc.	4/29/2008	5 years	\$400.00	\$1.00	1/4	1 Mile West

Comments: 3 leases in this file. Richard Slack with 80 acres will have a 5 year lease. 4th year rental to be \$450. Same terms & acreage for Nancy Dean Investment Corp.

Approved: PAZ 9.24.08

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: 23-Sep-08

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

Applicant: Petro-Hunt, L.L.C.

County: REEVES

Prim. Term: 5 years

Bonus/Acre

\$450.00

Royalty: 1/4

Rental/Acre

\$1.00

Consideration

Recommended: PACB

Date: 9.24.08

Not Recommended: _____

Comments: 3 leases in this file. Richard Slack with 80 acres will have a 5 year lease. 4th year rental to be \$450.
Same terms & acreage for Nancy Dean Investment Corp.

✓ Lease Form

Recommended: PJA

Date: 10/08/08

Not Recommended: _____

Comments: .

Louis Renaud, Deputy Commissioner

Date: 10/09/08

Recommended: CLR

Not Recommended: _____

Bill Warnick, General Counsel

Date: 10/13/08

Recommended: WFW

Not Recommended: _____

Larry Laine, Chief Clerk

Date: 10/13/08

Approved: [Signature]

Not Approved: _____

Jerry Patterson, Commissioner

Date: 10/13/08

Approved: [Signature]

Not Approved: _____

2

File No. MF 109880

BAH Review

Date Filed: 9/23/08

Jerry Patterson, Commissioner

By [Signature]

PAYEE: DETACH THIS PORTION BEFORE CASHING CHECK

PETRO HUNT, L.L.C. ✓
1601 Elm Street, Suite 3400
Dallas, Texas 75201
(214) 880-8400

JPMorgan Chase Bank, N.A.
Jefferson County
8200 Hwy 69
Port Arthur, Texas 77640

Page 1 of 1

OWNER NAME	OWNER NO.	DATE	CHECK NUMBER	AMOUNT
TEXAS GENERAL LAND OFFICE	58207	Nov-21-2008	4141385	\$36,025.00

VOUCHER	VENDOR INV #	INV DATE	TOTAL AMOUNT	PRIOR PMTS & DISCOUNTS	NET AMOUNT
11AP1914	111808B	11/18/08	36,025.00	0.00	36,025.00
"SOUTH DELAWARE BASIN PROSPECT"					
TOTAL INVOICES PAID					36,025.00

09005531

PAYEE: DETACH THIS PORTION BEFORE CASHING CHECK

PETRO-HUNT, L.L.C.
1601 Elm Street, Suite 3400
Dallas, Texas 75201
(214) 880-8400

JPMorgan Chase Bank, N.A.
Jefferson County
8200 Hwy 69
Port Arthur, Texas 77640

Page 1 of 1

OWNER NAME	OWNER NO.	DATE	CHECK NUMBER	AMOUNT
TEXAS GENERAL LAND OFFICE	58207	Nov-21-2008	4141389	\$18,025.00

VOUCHER	VENDOR INV #	INV DATE	TOTAL AMOUNT	PRIOR PMTS & DISCOUNTS	NET AMOUNT
11AP1916	111808F	11/18/08	18,025.00	0.00	18,025.00
"SOUTH DELAWARE BASIN PROSPECT"					
TOTAL INVOICES PAID					18,025.00

09005535

PAYEE DETACH THIS PORTION BEFORE CASHING CHECK

RETRO-HUNT, L.L.C.
1601 Elm Street, Suite 3400
Dallas, Texas 75201
(214) 880-8400

JPMorgan Chase Bank, N.A.
Jefferson County
8200 Hwy 69
Port Arthur, Texas 77640

Page 1 of 1

OWNER NAME	OWNER NO.	DATE	CHECK NUMBER	AMOUNT
TEXAS GENERAL LAND OFFICE	58207	Nov-21-2008	4141386	\$18,125.00

VOUCHER	VENDOR INV #	INV DATE	TOTAL AMOUNT	PRIOR PMTS & DISCOUNTS	NET AMOUNT
11AP1919	111808C	11/18/08	18,125.00	0.00	18,125.00
"SOUTH DELAWARE BASIN PROSPECT"					
TOTAL INVOICES PAID					18,125.00

09005532

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



TEL: 214-880-8400
FAX: 214-880-7101

November 24, 2008

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

Mr. Reid:

Enclosed please find Petro-Hunt, L.L.C.'s payments for one-half of the bonus consideration due for six Oil and Gas Leases taken in Reeves County, Texas as well as payment for the appropriate Filing and Application Fees. A breakdown of payment for each lease is as follows:

<u>Petco Limited:</u> M# Unknown at this time SE/4 & the NW/4 of Sec. 18, Blk. 54, Township 4, T&P Ry. Co. Survey	09-02-2008	\$36,000.00- Lease Bonus <u>\$25.00- Filing Fee</u> \$36,025.00 - Total
<u>Nancy Dean Investment Corp.,</u> <u>By Robert C. Dean, President</u> M# Unknown at this time SE/4 & the NW/4 of Sec. 18, Blk. 54, Township 4, T&P Ry. Co. Survey,	09-12-2008	\$18,000.00- Lease Bonus \$25.00- Filing Fee <u>\$100.00- Application Fee</u> \$18,125.00 - Total
<u>Robert H. Breeden:</u> M# Unknown at this time All of Sec. 8, Blk. 55, Township 5, T&P Ry. Co. Survey.	08-25-2008	\$72,000.00- Lease Bonus \$25.00- Filing Fee <u>\$100.00- Application Fee</u> \$72,125.00- Total
<u>J.P. Bryan:</u> M# Unknown at this time All of Sec. 16, & 38, Blk. 55, All being in Township 4, T&P Ry. Co. Survey	08-01-2008	\$288,000.00- Lease Bonus \$25.00- Filing Fee <u>\$100.00- Application Fee</u> \$288,125.00- Total
<u>Richard C. Slack</u> M# Unknown at this time The SE/4 & the NW/4 of Sec. 18, Blk. 54, Township 4, T&P Ry. Co. Survey.	09-12-2008	\$18,000.00- Lease Bonus <u>\$25.00- Filing Fee</u> \$18,025.00- Total

Georgia E. Breeden, Individually and as,
Executor of the Estate of John W. Breeden

08/25/2008

\$72,000.00- Lease Bonus

\$25.00- Filing Fee

\$72,025.00- Total

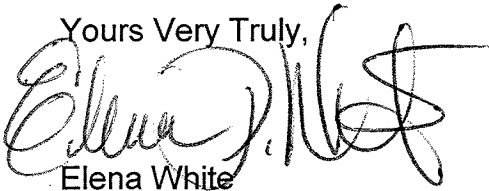
In Fact:

M# Unknown at this time

Sec. 8, Blk. 55, Township 5, T&P Ry. Co. Survey

A Certified copy of the above state lease is also enclosed. If you have any questions please give me a call at 214-880-8493.

Yours Very Truly,

A handwritten signature in black ink, appearing to read 'Elena White', with a large, stylized flourish extending from the end of the signature.

Elena White

3,

File No. MF 109880

Salary, bonuses, & fees

Date Filed: 12/2/08

Jerry Patterson, Commissioner

By [Signature]

FILE#4641

General Land Office
Relinquishment Act Lease Form
Revised, September 1997

Notice of Confidentiality Rights: If you are a natural person, you may remove or strike any of the following information from this instrument before it is filed for record in the public records: your social security number or your driver's license number.

The State of Texas



Austin, Texas

OIL AND GAS LEASE

THIS AGREEMENT is made and entered into this 2nd day of September, 2008, between the State of Texas, acting by and through its agent, Petco Limited of P.O. Box 911, Breckenridge, Texas 76424 said agent herein referred to as the owner of the soil (whether one or more), and Petro-Hunt L.L.C. of 1601 Elm Street, Suite 3400, Thanksgiving Tower, Dallas, Texas 75201-7201 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:

The Southeast Quarter (SE1/4) and the Northwest Quarter (NW1/4) of Section 18, Block 54, Township 4, T&P Ry. Co. Survey, containing 320.0 acres, more or less

containing 320.0 acres, more or less. The bonus consideration paid for this lease is as follows:

To the State of Texas: Thirty-six thousand and 00/100
Dollars (\$36,000.00)

To the owner of the soil: Thirty-six thousand and 00/100
Dollars (\$36,000.00)

Total bonus consideration: Seventy-two thousand and 00/100
Dollars (\$72,000.00)

The total bonus consideration paid represents a bonus of Four hundred fifty and no/100's
Dollars (\$450.00) per acre, on 160.0 net acres.

2. TERM. Subject to the other provisions in this lease, this lease shall be for a term of Three (3) 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.



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

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 Address Shown For Lessor Above 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: Eighty and 00/100
Dollars (\$80.00)

To the State of Texas: Eighty and 00/100
Dollars (\$80.00)

Total Delay Rental: One-hundred sixty and 00/100
Dollars (\$160.00)

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 25% 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 25% 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 25% 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 25% 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.

LH



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

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 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

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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.

(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

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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 five hundred (500) feet to any house or barn now on said premises without the written consent of the owner of the soil.

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

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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 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.

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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.

LH



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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.

40. REPORTS TO OWNER OF THE SOIL. Notwithstanding any provisions in this lease to the contrary, Lessee agrees to provide owner of the soil with a copy of the final suite of electric logs run in any well drilled on the property.

PETRO-HUNT L.L.C.

Bruce W. Hunt

By: Bruce W. Hunt, President

Date: 10/07/08 with 10/3/08 

LESSOR:

STATE OF TEXAS

By: Petco Limited
Individually and as agent for the State of Texas

By: Frank R. Hunt
General Partner

APPROVED
AS TO FORM

By: Breck Operating Corp.
General Partner

AS TO CONTENT
LH
AS TO INTEREST

ADMINISTRATION
dm

By: Phillip C. Cunningham
President

DATE: September 8, 2008

STATE OF TEXAS

(CORPORATE ACKNOWLEDGMENT)

COUNTY OF DALLAS

BEFORE ME, the undersigned authority, on this day personally appeared Bruce W. Hunt known to me to be the person whose name is subscribed to the foregoing instrument, as President of Petro-Hunt L.L.C. 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, company.

Given under my hand and seal of office this the 10th day of October, 2008.



Susan M. Querry
Notary Public in and for STATE of TEXAS



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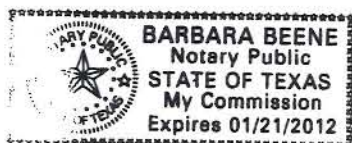
STATE OF TEXAS

COUNTY OF STEPHENS

§

~~KNOW YOUR ACKNOWLEDGEMENT~~

This instrument was acknowledged before me on this the 11th day of Sept., 2008, by Fred F. Dueser, General Partner of Petco Limited, a Texas limited partnership, on behalf of said partnership.



Barbara Beene
Notary Public, State of Texas

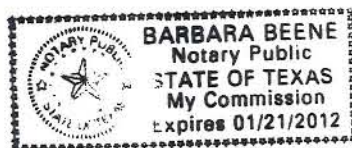
STATE OF TEXAS

COUNTY OF STEPHENS

§

~~KNOW YOUR ACKNOWLEDGEMENT~~

This instrument was acknowledged before me on this the 11th day of Sept., 2008, by John H. Connally, President of Breck Operating Corp., a Texas corporation acting in its capacity as General Partner of Petco Limited, a Texas limited partnership, on behalf of said partnership.



Barbara Beene
Notary Public, State of Texas

LH

FILE# 4641

FILED FOR RECORD ON THE 23RD DAY OF OCTOBER A.D. 2008 4:49 P. M.

DULY RECORDED ON THE 24TH DAY OF OCTOBER A.D. 2008 4:00 P. M.

BY: Dennis Valdez, DEPUTY

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

ANY FURTHER NOTICE WHICH RESPECTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS VOID AND UNENFORCEABLE UNDER FEDERAL LAW



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**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. **806**, PAGE **582** THRU **590**.



I hereby certified on **10/28/2008**

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

BY

DENISE G. VALDEZ

DEPUTY

FILE# 4604

General Land Office
Relinquishment Act Lease Form
Revised, September 1997

Notice of Confidentiality Rights: If you are a natural person, you may remove or strike any of the following information from this instrument before it is filed for record in the public records: your social security number or your driver's license number.

The State of Texas



Austin, Texas

OIL AND GAS LEASE

THIS AGREEMENT is made and entered into this 12th day of September, 2008, between the State of Texas, acting by and through its agent, Nancy Deen Investment Corp., by Robert C. Deen, President of P.O. Box 629, Pecos, Texas 79772 said agent herein referred to as the owner of the soil (whether one or more), and Petro-Hunt L.L.C. of 1601 Elm Street, Suite 3400, Thanksgiving Tower, Dallas, Texas 75201-7201 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:

The Southeast Quarter (SE4) and the Northwest Quarter (NW4) of Section 18, Block 54, Township 4, T&P Ry. Co. Survey, containing 320.0 acres, more or less

containing 320.0 acres, more or less. The bonus consideration paid for this lease is as follows:

To the State of Texas: Eighteen thousand and 00/100
Dollars (\$18,000.00)

To the owner of the soil: Eighteen thousand and 00/100
Dollars (\$18,000.00)

Total bonus consideration: Thirty-six thousand and 00/100
Dollars (\$36,000.00)

The total bonus consideration paid represents a bonus of Four hundred fifty and no/100's
Dollars (\$450.00) per acre, on 90.0 net acres.

2. **TERM.** Subject to the other provisions in this lease, this lease shall be for a term of Five (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.



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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 Address Shown For Lessor Above, 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: Forty and 00/100
Dollars (\$40.00)
To the State of Texas: Forty and 00/100
Dollars (\$40.00)
Total Delay Rental: Eighty and 00/100
Dollars (\$80.00)

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 25% 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 25% 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 25% 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 25% 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.



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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



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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.

(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



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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 five hundred (500) feet to any house or barn now on said premises without the written consent of the owner of the soil.

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



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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 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.



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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 utilize 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.

PETRO-HUNT L.L.C.

Bruce W. Hunt
By: Bruce W. Hunt, President
Date: 10/02/08

Wah 10/1/08
(Signature)

STATE OF TEXAS

By: Robert C. Dean
Individually and as agent for the State of Texas
Nancy Dean Investment Corp., by Robert C. Dean, President

DATE: 9/23/08

STATE OF TEXAS
COUNTY OF DALLAS

(CORPORATE ACKNOWLEDGMENT)

BEFORE ME, the undersigned authority, on this day personally appeared Bruce W. Hunt known to me to be the person whose name is subscribed to the foregoing instruments as President of Petro-Hunt L.L.C. 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. Company.
Given under my hand and seal of office this 2nd day of October, 2008.

Susan M. Quacy
Notary Public in and for STATE of TEXAS

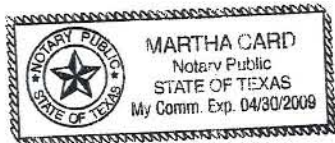


STATE OF TEXAS
COUNTY OF Reeves

(INDIVIDUAL ACKNOWLEDGMENT)

BEFORE ME, the undersigned authority, on this day personally appeared Nancy Dean Investment Corp., by Robert C. Dean, President known to me to be the person(s) 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 23 day of September, 2008.

Martha Card
Notary Public in and for STATE of TEXAS



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ADDENDUM

TO OIL AND GAS LEASE DATED September 12th, 2008 FROM THE STATE OF TEXAS, ACTING BY AND THROUGH ITS AGENT, Nancy Dean Investment Corp., by Robert C. Dean, President, AS LESSOR, and Petro-Hunt L.L.C., AS LESSEE;

ADDITIONAL PROVISIONS OF LEASE

Notwithstanding anything to the contrary in the foregoing Oil & Gas Lease, it is agreed and understood as follows, to wit:

A. Amended Delay Rental Provision:

*As to any rentals that may be paid on or before the 1st, 2nd and 4th anniversary date, the total rental shall be payable in the amount of \$80.00, being \$1.00 per net mineral acre.

**Except that if delay rentals are paid on or before the 3rd anniversary date, the total rental shall be payable in the amount of \$36,000.00, being \$450.00 per net mineral acre.

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, REMOVAL, OR USE OF THE FOREGOING REAL PROPERTY BECAUSE OF COLOR OR RACE IS VOID AND UNENFORCEABLE UNDER FEDERAL LAW

FILE# 4604

FILED FOR RECORD ON THE 20TH DAY OF OCTOBER A.D. 2008 11:26 A.M.

DULY RECORDED ON THE 24TH DAY OF OCTOBER A.D. 2008 4:00 P.M.

BY: *Christine Valdez*, DEPUTY

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS



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003 37

**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 806,
PAGE 423 THRU 431.



I hereby certified on 10/28/2008

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

BY Denise G. Valdez DEPUTY
DENISE G. VALDEZ

FILE# 4642

General Land Office
Relinquishment Act Lease Form
Revised, September 1997

Notice of Confidentiality Rights: If you are a natural person, you may remove or strike any of the following information from this instrument before it is filed for record in the public records: your social security number or your driver's license number.

The State of Texas



Austin, Texas

OIL AND GAS LEASE

THIS AGREEMENT is made and entered into this 12th day of September, 2008, between the State of Texas, acting by and through its agent, Richard C. Slack of P.O. Box 820, Pecos, Texas 79772 said agent herein referred to as the owner of the soil (whether one or more), and Petro-Hunt L.L.C. of 1601 Elm Street, Suite 3400, Thanksgiving Tower, Dallas, Texas 75201-7201 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:

The Southeast Quarter (SE1/4) and the Northwest Quarter (NW1/4) of Section 18, Block 54, Township 4, T&P Ry. Co. Survey, containing 320.0 acres, more or less

containing 320.0 acres, more or less. The bonus consideration paid for this lease is as follows:

To the State of Texas: Eighteen thousand and 00/100
Dollars (\$18,000.00)
To the owner of the soil: Eighteen thousand and 00/100
Dollars (\$18,000.00)
Total bonus consideration: Thirty-six thousand and 00/100
Dollars (\$36,000.00)

The total bonus consideration paid represents a bonus of Four hundred fifty and no/100's
Dollars (\$450.00) per acre, on 80.0 net acres.

2. TERM. Subject to the other provisions in this lease, this lease shall be for a term of Five (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.



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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 Address Shown For Lessor Above 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: Forty and 00/100
Dollars (\$40.00)
To the State of Texas: Forty and 00/100
Dollars (\$40.00)
Total Delay Rental: Eighty and 00/100
Dollars (\$80.00)

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 25% _____ 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 25% _____ 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 25% _____ 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 25% _____ 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.



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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



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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.

(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



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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 five hundred (500) feet to any house or barn now on said premises without the written consent of the owner of the soil.

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



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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 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.



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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 utilize 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.

PETRO-HUNT LLC.

BW Hunt
By: Bruce W. Hunt, President
Date: 10/07/08 *with P/S 10/8*

STATE OF TEXAS

By: Richard C. Slack
Individually and as agent for the State of Texas
Richard C. Slack
DATE: 9-12-08

STATE OF TEXAS

(CORPORATE ACKNOWLEDGMENT)

COUNTY OF DALLAS

BEFORE ME, the undersigned authority, on this day personally appeared Bruce W. Hunt known to me to be the person whose name is subscribed to the foregoing instruments as President of Petro-Hunt LLC. 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~~ company.
Given under my hand and seal of office this the 07th day of October, 2008.



Susan M. Greer
Notary Public in and for STATE of TEXAS

STATE OF TEXAS

(INDIVIDUAL ACKNOWLEDGMENT)

COUNTY OF Reeves

BEFORE ME, the undersigned authority, on this day personally appeared Richard C. Slack known to me to be the person(s) 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 12th day of September, 2008.

Frissy M. Contreras
Notary Public in and for STATE of TEXAS



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ADDENDUM

TO OIL AND GAS LEASE DATED September 12th, 2008 FROM THE STATE OF TEXAS, ACTING BY AND THROUGH ITS AGENT, Richard C. Slack, AS LESSOR, and Petro-Hunt L.L.C., AS LESSEE;

ADDITIONAL PROVISIONS OF LEASE

Notwithstanding anything to the contrary in the foregoing Oil & Gas Lease, it is agreed and understood as follows, to wit:

A. Amended Delay Rental Provision:

*As to any rentals that may be paid on or before the 1st, 2nd and 4th anniversary date, the total rental shall be payable in the amount of \$80.00, being \$1.00 per net mineral acre.

**Except that if delay rentals are paid on or before the 3rd anniversary date, the total rental shall be payable in the amount of \$36,000.00, being \$450.00 per net mineral acre.

ANY PROVISION HEREIN WHICH VIOLATES THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS VOIDED AND UNENFORCEABLE UNDER FEDERAL LAW

FILE# 4642

FILED FOR RECORD ON THE 23RD DAY OF OCTOBER A.D. 2008 4:49 P.M.

DULY RECORDED ON THE 24TH DAY OF OCTOBER A.D. 2008 4:00 P.M.

BY: *Dianne O. Florez* DEPUTY

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS



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Reeves County
Clerks Office

003 47

File No. MF 109880
(3) leases
Date Filed: 12/2/08
Jerry Patterson, Commissioner
By [Signature]

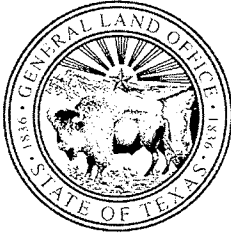
CERTIFIED TRUE AND CORRECT COPY CERTIFICATE
STATE OF TEXAS
COUNTY OF REEVES

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. 806 PAGE 591, THRU 599.



I hereby certify on 10/27/2008
DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS
BY [Signature] DEPUTY
DENISE G. VAJDEFZ

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

December 12, 2008

Petro-Hunt, L.L.C.
Attn: Elena White
1601 Elm Street, Ste. 3400
Dallas, Texas 75201-7201

Re: Relinquishment Act Lease - MF-109880

320 acres out of Section 18, Blk. 54, T&P Ry. Co. Survey,
Reeves County, Texas

Dear Ms. White:

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-109880**. **Please refer to this number when making payments to the State and in all future correspondence concerning the lease. Failure to include the mineral file number may delay processing of any payments towards the lease.**

Your remittance of **\$72,125.00**, applied as the state's portion of the cash bonus **\$72,000.00** 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

5.

File No. MF 10 9890

210 letter

Date Filed: 12/12/08

Jerry Patterson, Commissioner

By JP

PETRO-HUNT, L.L.C.
 1601 Elm Street, Suite 3400
 Dallas, Texas 75201
 (214) 880-8400

JPMorgan Chase Bank, N.A.
 Jefferson County
 8200 Hwy 69
 Port Arthur, Texas 77640

Page 1 of 1

OWNER NAME	OWNER NO.	DATE	CHECK NUMBER	AMOUNT
ST OF TX GENERAL LAND OFFICE		Aug-17-2009	7010191	\$80.00

LEASE NUMBER 118*1031845	ORIGINAL LESSOR/LEASE NAME PETCO LIMITED	DATE 08/17/09	CHECK NO 7010191
LEASE DATE 09/02/08	RENTAL PERIOD FROM 09/02/09 TO 09/02/10	FILE ID 68424-0005-003	

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

TO BE CREDITED TO ADDITIONAL TEXT

OWNER # 79586
 ST TX MF 109880 **A**
 RECORDED **BOOK 806** ✓ **PAGE 582** **ENTRY 004641** ✓
 PROSPECT BONE SPRINGS PROSPECT
 COUNTY/PARISH REEVES STATE TX
 TRACT NO 29841
 LEGAL DESCRIPTION
 REEVES COUNTY, TX BLOCK 54, TOWNSHIP
 4, T&P RY CO SURVEY SECTION 18: SE/4
 AND NW/4 CONTAINING 320 ACRES, MORE
 OR LESS ***

PAYMENT AMOUNT	80.00
BANK SERVICE CHG	0.00
TOTAL AMOUNT	80.00

121
 09018527

PETRO-HUNT, L.L.C.
 1601 Elm Street, Suite 3400
 Dallas, Texas 75201
 (214) 880-8400

JPMorgan Chase Bank, N.A.
 Jefferson County
 8200 Hwy 69
 Port Arthur, Texas 77640

Page 1 of 1

OWNER NAME	OWNER NO.	DATE	CHECK NUMBER	AMOUNT
ST OF TX GENERAL LAND OFFICE		Aug-17-2009	7010187	\$40.00

LEASE NUMBER
 118*1031826

ORIGINAL LESSOR/LEASE NAME
 NANCY DEAN INVESTMENT CORP
 RENTAL PERIOD

DATE

08/17/09

CHECK NO 7010187

LEASE DATE MONTHS FROM TO FILE ID
 09/12/08 12 09/12/09 09/12/10 68424-0005-001

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

PAYMENT AMOUNT 40.00

BANK SERVICE CHG 0.00

TOTAL AMOUNT 40.00

TO BE CREDITED TO

ADDITIONAL TEXT

OWNER # 79586

ST TX MF 109880

RECORDED BOOK 806

PAGE 423

ENTRY 004604

PROSPECT BONE SPRINGS PROSPECT

COUNTY/PARISH REEVES

STATE TX

TRACT NO 29841

LEGAL DESCRIPTION

REEVES COUNTY, TX BLOCK 54, TOWNSHIP

4, T&P RY CO SURVEY SECTION 18: SE/4

AND NW/4 CONTAINING 320 ACRES, MORE

OR LESS ***

09018526

12/

PETRO-HUNT, L.L.C.
 1601 Elm Street, Suite 3400
 Dallas, Texas 75201
 (214) 880-8400

JPMorgan Chase Bank, N.A.
 Jefferson County
 8200 Hwy 69
 Port Arthur, Texas 77640

Page 1 of 1

OWNER NAME	OWNER NO.	DATE	CHECK NUMBER	AMOUNT
ST OF TX GENERAL LAND OFFICE		Aug-17-2009	7010189	\$40.00

LEASE NUMBER
 118*1031844

ORIGINAL LESSOR/LEASE NAME
 SLACK RICHARD C
 RENTAL PERIOD

DATE

08/17/09

CHECK NO 7010189

LEASE DATE MONTHS
 09/12/08 12

FROM TO FILE ID
 09/12/09 09/12/10 68424-0005-002

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

PAYMENT AMOUNT 40.00

TO BE CREDITED TO

ADDITIONAL TEXT

BANK SERVICE CHG 0.00

TOTAL AMOUNT 40.00

OWNER # 79586

ST TX MF 109880

RECORDED BOOK 806

PAGE 591

ENTRY 004642

PROSPECT BONE SPRINGS PROSPECT

COUNTY/PARISH REEVES

STATE TX

TRACT NO 29841

LEGAL DESCRIPTION

REEVES COUNTY, TX BLOCK 54, TOWNSHIP

4, T&P RY CO SURVEY SECTION 18: SE/4

AND NW/4 CONTAINING 320 ACRES, MORE

OR LESS ***

09018529

121

6

File No. MF 109880

RENTAL PAYMENT

C

Date Filed: 8/25/09

Jerry E. Patterson, Commissioner

By RM

PETRO-HUNT, L.L.C.
 1601 Elm Street, Suite 3400
 Dallas, Texas 75201
 (214) 880-8400

JPMorgan Chase Bank, N.A.
 Dallas, Texas

Page 1 of 1

OWNER NAME	OWNER NO.	DATE	CHECK NUMBER	AMOUNT
ST OF TX GENERAL LAND OFFICE		Jul-27-2010	7012023	\$80.00

LEASE NUMBER
 118*1031845

ORIGINAL LESSOR/LEASE NAME
 PETCO LIMITED
 RENTAL PERIOD

DATE

07/27/10

CHECK NO 7012023

LEASE DATE MONTHS FROM TO FILE ID
 09/02/08 12 09/02/10 09/02/11 68424-0005-003

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

PAYMENT AMOUNT 80.00

BANK SERVICE CHG 0.00

TOTAL AMOUNT 80.00

TO BE CREDITED TO

ADDITIONAL TEXT

OWNER # 79586

ST TX MF 109880

RECORDED BOOK 806

PAGE 582

ENTRY 004641

PROSPECT BONE SPRINGS PROSPECT

COUNTY/PARISH REEVES

STATE TX

TRACT NO 29841

LEGAL DESCRIPTION

REEVES COUNTY, TX BLOCK 54, TOWNSHIP

4, T&P RY CO SURVEY SECTION 18: SE/4

AND NW/4 CONTAINING 320 ACRES, MORE

OR LESS ***

MF
 109880A

X
 121
 10710185

PETRO-HUNT, L.L.C.
 1601 Elm Street, Suite 3400
 Dallas, Texas 75201
 (214) 880-8400

JPMorgan Chase Bank, N.A.
 Dallas, Texas

Page 1 of 1

OWNER NAME	OWNER NO.	DATE	CHECK NUMBER	AMOUNT
ST OF TX GENERAL LAND OFFICE		Jul-27-2010	7012019	\$40.00

LEASE NUMBER
 118*1031826

ORIGINAL LESSOR/LEASE NAME
 NANCY DEAN INVESTMENT CORP
 RENTAL PERIOD

DATE

07/27/10

CHECK NO 7012019

LEASE DATE MONTHS
 09/12/08 12

FROM TO FILE ID
 09/12/10 09/12/11 68424-0005-001

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

PAYMENT AMOUNT 40.00

BANK SERVICE CHG 0.00

TOTAL AMOUNT 40.00

TO BE CREDITED TO

ADDITIONAL TEXT

OWNER # 79586

ST TX MF 109880

RECORDED BOOK 806

PAGE 423

ENTRY 004604

PROSPECT BONE SPRINGS PROSPECT

COUNTY/PARISH REEVES

STATE TX

TRACT NO 29841

LEGAL DESCRIPTION

REEVES COUNTY, TX BLOCK 54, TOWNSHIP

4, T&P RY CO SURVEY SECTION 18: SE/4

AND NW/4 CONTAINING 320 ACRES, MORE

OR LESS ***

MF
 109880B

121

10710183

PETRO-HUNT, L.L.C.
 1601 Elm Street, Suite 3400
 Dallas, Texas 75201
 (214) 880-8400

JPMorgan Chase Bank, N.A.
 Dallas, Texas

Page 1 of 1

OWNER NAME	OWNER NO.	DATE	CHECK NUMBER	AMOUNT
ST OF TX GENERAL LAND OFFICE		Jul-27-2010	7012021	\$40.00

LEASE NUMBER 118*1031844	ORIGINAL LESSOR/LEASE NAME SLACK RICHARD C	DATE 07/27/10	CHECK NO 7012021
LEASE DATE 09/12/08	MONTHS 12	FROM 09/12/10	TO 09/12/11
FILE ID 68424-0005-002			

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

TO BE CREDITED TO

ADDITIONAL TEXT

OWNER # 79586

ST TX MF 109880

RECORDED BOOK 806

PAGE 591

ENTRY 004642

PROSPECT BONE SPRINGS PROSPECT

COUNTY/PARISH REEVES

STATE TX

TRACT NO 29841

LEGAL DESCRIPTION

REEVES COUNTY, TX BLOCK 54, TOWNSHIP

4, T&P RY CO SURVEY SECTION 18: SE/4

AND NW/4 CONTAINING 320 ACRES, MORE

OR LESS ***

PAYMENT AMOUNT 40.00

BANK SERVICE CHG 0.00

TOTAL AMOUNT 40.00

MF
109880C

121 10710181

File No. MF- 109880(A,B,C)

INITIAL PAYMENT

Date Filed: 8/2/10

Jerry E. Patterson, Commissioner

By ME

ANADARKO PETROLEUM CORP

STATE OF TEXAS
GENERAL LAND OFFICE
1700 N CONGRESS AVENUE
AUSTIN, TX 78701-1436

MF
109880B

11714260

INSTRUCTIONS TO PAYEE:

In as much as the canceled check serves as our rental receipt, please cash the check immediately upon receipt.

INSTRUCTIONS TO DEPOSITORY:

In case of any difficulty, promptly communicate with the rental section of Land Administration of this company 832-636-7050, explaining the circumstances and further instructions will be given.

Lease Number: TX-000135349/002

DEPOSIT TO THE CREDIT OF	BA NUMBER	CHECK DATE	CHECK NUMBER	AMOUNT
STATE OF TEXAS GENERAL LAND OFFICE	LA45678203	Jul-28-2011	30057716	***\$18,000.00*
MF-109880				

File No. MF 109880

(8)

Rental Payment (B10000)

Date Filed: 11/8/11

Jerry E. Patterson, Commissioner

By EH

ANADARKO PETROLEUM CORP

MF
109880CSTATE OF TEXAS
GENERAL LAND OFFICE
1700 N CONGRESS AVENUE
AUSTIN, TX 78701-1436

11714261

INSTRUCTIONS TO PAYEE:

In as much as the canceled check serves as our rental receipt, please cash the check immediately upon receipt.

INSTRUCTIONS TO DEPOSITORY:

In case of any difficulty, promptly communicate with the rental section of Land Administration of this company 832-636-7050, explaining the circumstances and further instructions will be given.

Lease Number: TX-000135349/003

DEPOSIT TO THE CREDIT OF	BA NUMBER	CHECK DATE	CHECK NUMBER	AMOUNT
STATE OF TEXAS GENERAL LAND OFFICE	LA45678203	Jul-28-2011	30057718	***\$18,000.00*
MF-109880				

9

File No. MF 109 880

Rental Payment (C Leases)

Date Filed: 11/5/11

Jerry E. Patterson, Commissioner

By GfH



PETROHAWK ENERGY CORPORATION

1000 LOUISIANA STREET, SUITE 5600 • HOUSTON, TX 77002 832-204-2787

CHECK NO.

107343

REFERENCE	INVOICE DATE	INVOICE NO.	INVOICE AMT.	PRIOR PAYMENT	DISCOUNT	AMOUNT PAID
AMB28JUNE201 2-2	6/28/12	CKREQ-GENERA L.LAND.OFFICE-0 6/28/12E SOIL OWNER: PETCO LIMITED 1/2	128,000.00		12713794	128,000.00

EXPLORATION LAND SERVICES, LLC

P O Box 52105 • Lafayette, Louisiana 70505-2105 • Phone: 337.234.3500 • Fax: 337.234.3525 • Email: contact@explorationland.com

July 2, 2012

Via FedEx

Mr. Drew Reid
Texas General Land Office
1700 Congress Avenue
Stephen F. Austin Building, RM 847
Austin, Texas 78701

Re: Oil, Gas and Mineral Leases
Reeves County, Texas

Dear Drew:

Enclosed herewith, please find five (5) checks, made payable to the Commissioner of the General Land Office, as well as a copy of each check. Also enclosed is a report prepared for you containing a calculated breakdown of the interests and property the checks cover.

<u>Date</u>	<u>Check No.</u>	<u>Amount</u>
06/29/2012	107342	\$35,625.00
06/29/2012	107343	\$128,000.00
06/29/2012	107344	\$512,000.00
06/29/2012	107345	\$256,000.00
06/29/2012	107346	\$106,000.00

Please sign and return the copies of the checks to me in the enclosed prepaid envelope.

I trust that you will not hesitate to call me with any questions that you may have concerning this matter.

Sincerely yours,


Natalie Holeman

encl.

JULY 2, 2012 REQUEST

Section 18, Block 54, Township 4, T & P RR Co. Survey, Reeves County, Texas

THE SE/4 AND THE NW/4

Lessor	Gross Ac	Interest	Net Ac.	Bonus Per Acre	Bonus to Lessor	Bonus to State	Lease Bonus
Petco Limited	320	1/2	160.00000000	\$1,600.00	\$128,000.00	\$128,000.00	\$256,000.00
TOTALS		1/2	160.00000000		\$128,000.00	\$128,000.00	\$256,000.00

Section 28, Block 54, Township 4, T & P RR Co. Survey, Reeves County, Texas

Lessor	Gross Ac	Interest	Net Ac.	Bonus Per Acre	Bonus to Lessor	Bonus to State	Lease Bonus
Ann Thompson White	640	1/3	213.33333333	\$1,600.00	\$170,666.67	\$170,666.67	\$341,333.33
John M. Thompson, III	640	1/6	106.66666667	\$1,600.00	\$85,333.33	\$85,333.33	\$170,666.67
James Cash Thompson	640	1/6	106.66666667	\$1,600.00	\$85,333.33	\$85,333.33	\$170,666.67
James Cash Thompson, et ux	640	1/3	213.33333333	\$1,600.00	\$170,666.67	\$170,666.67	\$341,333.33
TOTALS		1	640.00000000		\$512,000.00	\$512,000.00	\$1,024,000.00

Section 18, Block 54, Township 4, T & P RR Co. Survey, Reeves County, Texas

THE SW/4 AND THE NE/4

Lessor	Gross Ac	Interest	Net Ac.	Bonus Per Acre	Bonus to Lessor	Bonus to State	Lease Bonus
Dean Eric Skinner	320	1/16	20.00000000	\$1,600.00	\$16,000.00	\$16,000.00	\$32,000.00
Timothy A. Skinner	320	1/16	20.00000000	\$1,600.00	\$16,000.00	\$16,000.00	\$32,000.00
J&M Raymond, Ltd	320	1/3	106.66666667	\$1,600.00	\$85,333.33	\$85,333.33	\$170,666.67
Vaughan-McElvain Energy, Inc.	320	5/12	133.33333333	\$1,600.00	\$106,666.67	\$106,666.67	\$213,333.33
The Revocable Living Trust of E.P. Williams and Dorothy Jane Williams	320	1/8	40.00000000	\$1,600.00	\$32,000.00	\$32,000.00	\$64,000.00
TOTALS		1	320.00000000		\$256,000.00	\$256,000.00	\$512,000.00

File No. 109680

Letter & bonus

Date Filed: 07/03/12

Jerry E. Patterson, Commissioner

By 

EXPLORATION LAND SERVICES, LLC

Texas General Land Office

7/23/2012

4049

Date	Type	Reference
7/23/2012	Bill	Filing&ProcessingFee

Original Amt.
2,250.00

Balance Due
2,250.00

Discount
Check Amount

Payment
2,250.00
2,250.00

12714759
1281

Iberia Bank

Filing Fees-26 Leases; Processing Fees- 16 Tra

X 2,250.00

EXPLORATION LAND SERVICES, LLC

PO BOX 52105
LAFAYETTE, LA 70505

IBERIABANK

4049

84-7041-2652

7/23/2012

PAY TO THE
ORDER OF Texas General Land Office

\$2,250.00

Two Thousand Two Hundred Fifty and 00/100***** DOLLARS

Texas General Land Office
1700 Congress Avenue
Stephen F. Austin Building RM847
Austin, TX 78701

MEMO Filing Fees-26 Leases; Processing Fees- 16 Tracts

⑈004049⑈

EXPLORATION LAND SERVICES, LLC

Texas General Land Office

Date	Type	Reference
7/23/2012	Bill	Filing&ProcessingFee

Original Amt.
2,250.00

Balance Due
2,250.00

7/23/2012 Discount
Check Amount

4049 Payment
2,250.00
2,250.00

Iberia Bank Filing Fees-26 Leases; Processing Fees- 16 Tra

2,250.00

EXPLORATION LAND SERVICES, LLC

Texas General Land Office

Date	Type	Reference
7/23/2012	Bill	Filing&ProcessingFee

Original Amt.
2,250.00

Balance Due
2,250.00

7/23/2012 Discount
Check Amount

4049 Payment
2,250.00
2,250.00

Del. Basin Leasing

Iberia Bank Filing Fees-26 Leases; Processing Fees- 16 Tra

2,250.00

Received By:

File No. 10988 0

Fees

Date Filed: 07/24/12

Jerry E. Patterson, Commissioner

By 

RECORDED SA

10988 0

ELS-0104

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.

General Land Office
Relinquishment Act Lease Form
Revised, September 1997

12-05301
FILED FOR RECORD
REEVES COUNTY, TEXAS
Jul 19, 2012 at 04:22:00 PM

MF 109880D

The State of Texas



Austin, Texas

OIL AND GAS LEASE

THIS AGREEMENT is made and entered into this 16th day of June, 2012, between the State of Texas, acting by and through its agent, PETCO LIMITED, a Texas Limited Partnership whose mailing address is POST OFFICE BOX 911, BRECKENRIDGE, TEXAS 76424 said agent herein referred to as the owner of the soil (whether one or more), and PETROHAWK PROPERTIES, LP whose mailing address is 6100 SOUTH YALE AVENUE, SUITE 500, TULSA, OKLAHOMA 74136 hereinafter called Lessee.

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:

The SE/4 and the NW/4 of Section 18, Block 54, Township 4, Abstract 1997, T&P RR Co. Survey, Reeves County, Texas, containing 320.000 acres, more or less

Containing 320.000 acres, more or less. The bonus consideration paid for this lease is as follows:

To the State of Texas: ONE HUNDRED TWENTY EIGHT THOUSAND DOLLARS AND 00/100
Dollars (\$128,000.00)

To the owner of the soil: ONE HUNDRED TWENTY EIGHT THOUSAND DOLLARS AND 00/100
Dollars (\$128,000.00)

Total bonus consideration: TWO HUNDRED FIFTY SIX THOUSAND DOLLARS AND 00/100
Dollars (\$256,000.00)

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

The total bonus consideration paid represents a bonus of ONE THOUSAND SIX HUNDRED DOLLARS AND 00/100
Dollars (\$1600.00) per acre, on 160.000 net acres.

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

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 PAY DIRECTLY TO OWNER OF THE SOIL 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: _____
Dollars (\$ _____)

To the State of Texas: REFER TO ADDENDUM PARAGRAPH 40 (THIS IS A PAID UP LEASE)
Dollars (\$ _____)

Total Delay Rental: _____
Dollars (\$ _____)

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.

LH

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 1/4 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 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 1/4 part of the gross production or the market value thereof, at the option of the owner of the soil or the Commissioner of the General Land Office, such value to be based on the highest market price paid or offered for gas of comparable quality in the general area where produced and when run, or the gross price paid or offered to the producer, whichever is the greater; provided that the maximum pressure base in measuring the gas under this lease shall not at any time exceed 14.65 pounds per square inch absolute, and the standard base temperature shall be sixty (60) degrees Fahrenheit, correction to be made for pressure according to Boyle's Law, and for specific gravity according to tests made by the Balance Method or by the most approved method of testing being used by the industry at the time of testing.

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

(D) OTHER PRODUCTS. Royalty on carbon black, sulphur or any other products produced or manufactured from gas (excepting liquid hydrocarbons) whether said gas be "casinghead," "dry," or any other gas, by fractionating, burning or any other processing shall be 1/4 part of the gross production of such products, or the market value thereof, at the option of the owner of the soil or the Commissioner of the General Land Office, such market value to be determined as follows: 1) on the basis of the highest market price of each product for the same month in which such 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.

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.

(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.

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

True and Correct
copy of
Original filed in
Clerks Office

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 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.

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.

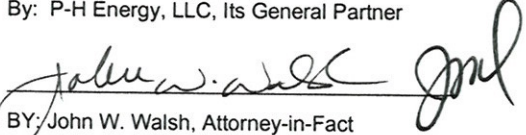
39. LEASE FILING. Pursuant to Chapter 9 of the Texas Business and Commerce Code, this lease must be filed of record in the office of the County Clerk in any county in which all or any part of the leased premises is located, and certified copies thereof must be filed in the General Land Office. This lease 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.

ADDENDUM PROVISION - #40 AND 41

40. DELAY RENTALS. As stipulated in Paragraph #3 of this lease, the rentals for this lease have been PAID-UP for the second (2nd) and third (3rd) years of the primary term hereof. Lessee or its assigns shall have the right to keep this lease in force and effect for the fourth (4th) and fifth (5th) years of the primary term provided for herein by tendering a payment of one thousand six hundred dollars (\$1600.00) per net acre, such payment to be divided equally between the State of Texas and the owner of the soil and made prior to June 16, 2015, as to any acreage covered hereby and not otherwise being maintained by any other provision herein at such time.

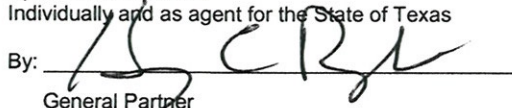
41. If, at the expiration of the primary term, this lease is being maintained in force under any provision of the lease, or within 180 days prior to the expiration of the primary term Lessee has completed a well as a dry hole or commenced a well on the leased premises or lands pooled therewith, or Lessee is then engaged in operations on the leased premises or lands pooled therewith, Lessee agrees to begin a continuous drilling program within 180 days after the end of the primary term or within 180 days after completion of such well or the cessation of such operations, whichever is the later date; and thereafter to carry on the continuous drilling program on the leased premises or lands pooled therewith until all proration units have been drilled, allowing not more than 180 days to elapse between the completion of one well and the commencement of the succeeding well. Should Lessee fail to begin the continuous drilling program or subsequently default in the performance thereof, then in either event, this lease shall terminate as to all lands covered hereby, save and except for the proration unit surrounding each well then producing, capable of producing or upon which operations are being conducted, limited, respectively, to those depths from the surface down to the stratigraphic equivalent of the depth 100 feet below the base of the deepest penetrated formation. As used in this paragraph: i) the term "commission" means the Railroad Commission of the State of Texas or any successor agency, ii) the term "proration unit" means any acreage designated as a drilling unit or production unit in accordance with the rules of the commission (or any other governmental authority having jurisdiction) or any unit formed by pooling as provided in this lease or otherwise, iii) the terms "commenced" and "commencement" mean the date when a well is spudded, and iv) the terms "completed" and "completion" mean the date the initial potential test report is filed with the commission, if a productive well, or the date the plugging report is filed with the commission, if a dry hole, in either event no later than 60 days after the drilling rig has been released. Notwithstanding the partial termination of this lease, Lessee shall continue to have the rights of ingress and egress across all of the leased premises to and from lands that remain subject to this lease, or lands pooled therewith, for the purposes described in paragraph 1 hereof, together with easements and rights of way for roads, pipelines, flowlines and other facilities on or across all of the leased premises for the exploration, development, production, gathering or transportation of oil, gas and other products from the lands still subject to this lease or lands pooled therewith. The sole liability or penalty for the failure of Lessee to drill any well or wells required or permitted by this lease shall be the termination or partial termination of Lessee's rights under the lease as provided above.

LESSEE:
PETROHAWK PROPERTIES, LP
By: P-H Energy, LLC, Its General Partner

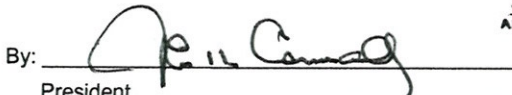
By:  John W. Walsh, Attorney-in-Fact

Date: 7/10/2012

LESSOR:
STATE OF TEXAS
By: PETCO LIMITED
Individually and as agent for the State of Texas

By:  General Partner

By: Breck Operating Corp.
General Partner

By:  President

DATE: June 28, 2012

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



APPROVED
AS TO FORM

AS TO CONTENT
44 
AS TO INTEREST
ADMINISTRATION

STATE OF TEXAS

(CORPORATION ACKNOWLEDGMENT)

COUNTY OF HARRIS

BEFORE ME, the undersigned authority, on this day personally appeared John W. Walsh known to me to be the person whose name is subscribed to the foregoing instruments as Attorney-in-Fact of P-H Energy, LLC, general partner of **Petrohawk Properties, LP**, a Texas limited partnership.

Given under my hand and seal of office this the 10th day of July, 2012.



K. Stepanski

Notary Public, State of Texas

STATE OF TEXAS

COUNTY OF STEPHENS

This instrument was acknowledged before me on this the 28th day of June, 2012, by Harry C. Reaugh, General Partner of **Petco Limited**, a Texas limited partnership, on behalf of said partnership.



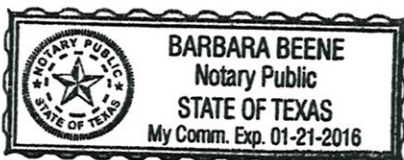
Barbara Beene

Notary Public, State of Texas

STATE OF TEXAS

COUNTY OF STEPHENS

This instrument was acknowledged before me on this the 28th day of June, 2012, by John H. Connally, President of Breck Operating Corp., a Texas corporation acting in its capacity as General Partner of **Petco Limited**, a Texas limited partnership, on behalf of said partnership.



Barbara Beene

Notary Public, State of Texas



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

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
the original instrument as the same was filed in my office this _____ day of _____, 2012.
TO CERTIFY WHICH, Witness my hand and official seal at Pecos, Texas
this _____ day of _____, 2012.
DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

12-05301
DIANNE O. FLOREZ
COUNTY CLERK
2012 Jul 19 at 04:22 PM
REEVES COUNTY, TEXAS
By: AC Aureal DEPUTY

File No. 109880
Lease D
Date Filed: 07/24/12
Jerry E. Patterson, Commissioner
By [Signature]



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
filed for record in my office this 19th day of July, 2012, at
11:39 A.M., under Clerk's File No. 200501, to be recorded in the
Records of Reeves County, Texas.
this 19 day of July, 2012.
By [Signature], Deputy, DIANNE O. FLORES, COUNTY CLERK
REEVES COUNTY, TEXAS

ANADARKO PETROLEUM CORP

STATE OF TEXAS
GENERAL LAND OFFICE
1700 N CONGRESS AVENUE
AUSTIN, TX 78701-1436

12714604

INSTRUCTIONS TO PAYEE:

If as much as the canceled check serves as our rental receipt, please cash the check immediately upon receipt.

INSTRUCTIONS TO DEPOSITORY:

In case of any difficulty, promptly communicate with the rental section of Land Administration of this company 832-636-7050, explaining the circumstances and further instructions will be given.

Lease Number: TX-000135349/003

DEPOSIT TO THE CREDIT OF	BA NUMBER	CHECK DATE	CHECK NUMBER	AMOUNT
STATE OF TEXAS GENERAL LAND OFFICE	LA45678203	Jul-16-2012	30063785	***\$40.00*

STATE OF TEXAS
MF-109880 C

(13)

File No. MF 109880

Debt Rental C

Date Filed: 7/20/12

Jerry E. Patterson, Commissioner

3v EA



PANTHER ENERGY COMPANY II LLC

6100 S YALE, SUITE 600
TULSA, OK 74136

Bank of America-Mon
Tulsa, 15712717

CHECK NO	CHECK DATE	CHECK AMOUNT
12373	05/26/15	\$*****128,000.00

PAY ***128,000 Dollars and No Cents

PAY TO THE ORDER OF
TEXAS GENERAL LAND OFFICE
1700 N CONGRESS AVE
AUSTIN TX 78701

Buy & Sell

⑈0012373⑈

PANTHER ENERGY COMPANY II LLC

6100 S YALE, SUITE 600, TULSA, OK 74136 918/583-1396

INVOICE	DATE	DESCRIPTION	NET
5132015E	05/13/15	SAND LAKE PROSPECT	X 128,000.00

MF109880D

121

4th & 5th Year Delay Rental – Oil & Gas Lease

State of Texas, acting by and through its agent, Petco Ltd

Sec 18, Blk 54, T4S, T&P Survey, Reeves Co TX

160 acs @ \$1600 per acre split between State of Texas & Petco Ltd

15712717

VENDOR TEX0009 CHECK 12373 DATE 05/26/15 128,000.00

(14)

File No. MF 109880 D
4th + 5th yr Rental County

Date Filed: 6/2/2015

By BN George P. Bush, Commissioner



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

October 1, 2015

Susan Murray, Landman
Rocket Industries LLC
1804 Sylvan Dr.
Abilene, TX 79605

RE: GLO Assignment ID #9417 MF109880-D (expired), MF114284-AtoD
& MF 114285-AtoE - Reeves County

Dear Ms. Murray:

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

Assignment and Bill of Sale effective April 1, 2015 from Permian-Sovereign LP, assignor, to Panther Energy Company II, LLC, d/b/a Panther Exploration, LLC, as assignee. Filed for record in Reeves County at Doc # 15-03918..

Filing fees of \$250.00 were received in connection with the above assignment. Please feel free to contact me if you have any questions.

Best Regards,

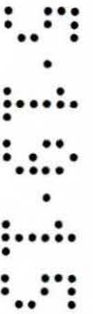
Carl Bonn, CPL
Mineral Leasing
Energy Resources
(512) 463-5407
carl.bonn@glo.texas.gov

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



ROCKET INDUSTRIES LLC
PHONE: 325-669-4430
1834 SYLVAN DR
ABILENE, TX 79605

15712165
5/19/15

1109
88-112/1113
4

Pay to the Order of GLO \$ 550.00
Five hundred fifty & 10/100 Dollars

FIRST FINANCIAL BANK

For GLO - CP2 June 12 2015 Susan Murray MP

1109

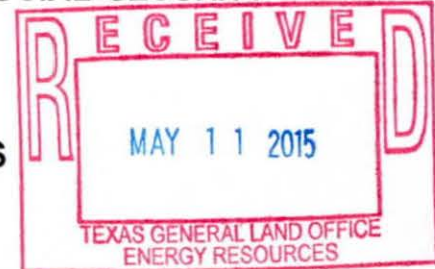
Harland Clarke IN TOUCH® CUSTOM CREATIONS®

129

9417 \$250
9418 \$300

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY 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 OF OIL AND GAS LEASES



STATE OF TEXAS)
COUNTY OF REEVES)

KNOW ALL MEN BY THESE PRESENTS: *ID# 9417*
eff 4-1-15

MF 109880.D
MF 114284.A to D
MF 114285.A to P

THAT, for and in consideration of One Hundred Dollars (\$100.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned, **Permian-Sovereign LP**, a Texas limited partnership, (hereinafter referred to as "Assignor"), whose address is 5949 Sherry Lane, Suite 1610, Dallas, TX, 75225, does hereby **BARGAIN, SELL, TRANSFER, ASSIGN and CONVEY** unto **PANTHER ENERGY COMPANY, II, LLC**, a Delaware limited liability company, **d/b/a PANTHER EXPLORATION COMPANY, LLC**, (hereinafter referred to as "Assignee") whose address is 6100 S. Yale, Suite 600, Tulsa, Oklahoma 74136, its successors and assigns, the oil, gas and mineral leases listed on the schedule marked Exhibit "A" attached hereto and made a part hereof for all purposes, which leases are hereinafter referred to collectively as the "Leases".

Assignor hereby covenants and warrants unto Assignee, its successors and assigns, by, through or under Assignor, but not otherwise, (1) that Assignor is the lawful owner of the Leases with full power and authority to sell and convey same, (2) that the Leases are now free and clear of any and all liens and encumbrances, and (3) that the Leases are currently valid, binding, subsisting and in full force and effect in accordance with their respective terms and provisions.

Assignee accepts Assignee's undivided interest in the Leases herein assigned and conveyed by Assignor expressly subject to the terms, conditions and provisions of the Leases and Assignee hereby agrees to bear Assignee's proportionate share of all duties, liabilities and obligations under each of the respective Leases.

The terms and provisions of this assignment shall be binding upon and shall inure to the benefit of Assignor and Assignee, their respective successors and assigns.



IN WITNESS WHEREOF, this assignment is executed this 22nd day of April, 2015, but shall be effective as of April 1, 2015.

PERMIAN SOVEREIGN LP

BY: SOVEREIGN RESOURCES LLC
a Texas limited liability company

Its: Sole General Partner

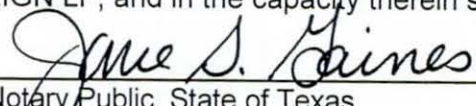
By: 
Name: Frederic D. Sewell
Title: President

ASSIGNOR ACKNOWLEDGEMENT

THE STATE OF TEXAS §
 §
COUNTY OF DALLAS §

The foregoing instrument was acknowledged before me this 22nd day of April, 2015, by FREDERIC D. SEWELL, President of SOVEREIGN RESOURCES, LLC, a Texas limited liability company, on behalf of such limited liability company, as General Partner of PERMIAN SOVEREIGN LP, and in the capacity therein stated.




Notary Public, State of Texas

After recording, please return to:

PANTHER EXPLORATION COMPANY, LLC
6100 S. Yale
Suite 600
Tulsa, Oklahoma 74136



**TRUE & CORRECT
COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE**

Exhibit "A"

Lessor	Lessee	Lease Date	State	County	Book	Page	Legal Description	
State of Texas - Ann Thompson White, Sep, Agent	Petrohawk Properties, LP	6/16/2012	TX	Reeves	951	380	Sec 28, BLK 54, TWP 4S, T&P RR Co.: All	B
State of Texas - John M. Thompson, III, Sep, Agent	Petrohawk Properties, LP	6/16/2012	TX	Reeves	951	387	Sec 28, BLK 54, TWP 4S, T&P RR Co.: All	C
State of Texas - James Cash Thompson, Sep., Agent	Petrohawk Properties, LP	6/16/2012	TX	Reeves	951	394	Sec 28, BLK 54, TWP 4S, T&P RR Co.: All	D
State of Texas - James Cash Thompson, Com., Agent	Petrohawk Properties, LP	6/16/2012	TX	Reeves	951	401	Sec 28, BLK 54, TWP 4S, T&P RR Co.: All	A
State of Texas - Dean Eric Skinner Sep., Agent	Petrohawk Properties, LP	6/16/2012	TX	Reeves	951	344	Sec 18, BLK 54, TWP 4S, T&P RR Co.: SW/4 and NE/4	D
State of Texas - Timothy Skinner, Sep., Agent	Petrohawk Properties, LP	6/16/2012	TX	Reeves	951	351	Sec 18, BLK 54, TWP 4S, T&P RR Co.: SW/4 and NE/4	E
State of Texas - J & M Raymond, LTD, Agent	Petrohawk Properties, LP	6/16/2012	TX	Reeves	951	358	Sec 18, BLK 54, TWP 4S, T&P RR Co.: SW/4 and NE/4	B
State of Texas - Vaughn-McElvain, Inc., Agent	Petrohawk Properties, LP	6/16/2012	TX	Reeves	951	365	Sec 18, BLK 54, TWP 4S, T&P RR Co.: SW/4 and NE/4	A
State of Texas - Rev. Tr. EP Williams, Agent	Petrohawk Properties, LP	6/16/2012	TX	Reeves	951	372	Sec 18, BLK 54, TWP 4S, T&P RR Co.: SW/4 and NE/4	C
State of Texas - Petco Limited as Agent	Petrohawk Properties, LP	6/16/2012	TX	Reeves	951	409	Sec 18, BLK 54, TWP 4S, T&P RR Co.: SE/4 and NW/4	109880-D

MF114284.

MF114285

expired



INST NO. 15-03918
 DIANNE O. FLOREZ
 COUNTY CLERK
 REEVES COUNTY, TEXAS
 2015 May 06 at 01:39 PM
 BY: ERIC [Signature]
 DEPUTY
 TRUE & CORRECT
 COPY OF
 ORIGINAL FILED IN
 REEVES COUNTY
 CLERKS OFFICE

CLERK'S OFFICE
REEVES COUNTY
ORIGINAL FILED IN
COPY OF
LETTER & CORRECT



By Elizabeth Rags DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

this 14th day of May, 2015.
TO CERTIFY WHICH, Witness my hand and official seal at Pecos, Texas

Records of Reeves County, Texas.

Filed for record in my office this 14th day of May,
at 1:30 PM, under Clerk's File No. 15-03913, to be recorded in the
Official Public Records

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
Assignment of 66c dated 4-22-15

15
File No. MT-109880
ADN ID # 9417
Permittee: Son (to) Panther
Date Filed: 5-19-15
By George P. Bush, Commissioner Bom



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

October 1, 2015

Susan Murray, Landman
Rocket Industries LLC
1804 Sylvan Dr.
Abilene, TX 79605

RE: GLO Assignment ID #9418 MF109880-D (expired), MF114284-AtoD
& MF114285-AtoE - Reeves County

Dear Ms. Murray:

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

Assignment and Bill of Sale effective April 6, 2015 from Silverback Exploration, LLC, assignor, to Panther Energy Company II, LLC, d/b/a Panther Exploration, LLC, as assignee. Filed for record in Reeves County at Doc # 15-04127..

Filing fees of \$300.00 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
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

ROCKET INDUSTRIES LLC
PHONE: 325-669-4430
1834 SYLVAN DR
ABILENE, TX 79605

15712165

1109

88-112/1113
4

5/19/15

Date

Pay to the
Order of

GLO

\$550.00

Five hundred fifty & 10/100

Dollars

Security
Features
Details on
Back.

FIRST
FINANCIAL
BANK.

For GLO - CP2 June 12 2015

Susan Murray

MP

1109

Harland Clarke

INTOUCH® CUSTOM CREATIONS®

129

9417 \$250

9418 \$300

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, ANY 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 OF OIL, GAS AND/OR MINERAL LEASES

LD# 9418

eff 4.6.15

MF 109,880. D (expired)
M/I= 114,284. A to D
M/I= 114,285 A to E

THE STATE OF TEXAS

§

§

COUNTY OF REEVES

§

This Assignment of Oil, Gas and/or Mineral Leases (this "Assignment") is made and entered into this 15th day of April, 2015, but effective as of April 6, 2015 (the "Effective Date") by and between Silverback Exploration, LLC, whose address is 1826 North Loop 1604 West, Suite 250, San Antonio, Texas 78248 ("Assignor"), and Panther Energy Company II, LLC, a Delaware limited liability company, d/b/a Panther Exploration Company, LLC ("Assignee"), whose address is 6100 S. Yale, Suite 600, Tulsa, Oklahoma 74136.

NOW, THEREFORE, in consideration of the sum of One Hundred and No/100 (\$100.00) Dollars, cash in hand paid, and of other good and valuable considerations, the receipt, adequacy and sufficiency of which are hereby acknowledged, Assignor does hereby Convey, Assign, Transfer, Sell, Set-Over and Deliver to Assignee the oil, gas and/or mineral leases described on Exhibit "A" (the "Transferred Leases").

TO HAVE AND TO HOLD the Transferred Leases, with all rights thereunder and incident thereto, unto Assignee, its successors and assigns, forever.

By accepting this Assignment, Assignee hereby agrees to properly and timely plug and abandon all wells hereafter drilled on the Transferred Leases by Assignee, its successors or assigns.

This Assignment is made and accepted with warranty of title by, through and under Assignor but not otherwise. Provided, further, that Assignee shall have full rights of substitution of the rights of Assignor and its predecessors-in-title, in and to all warranties and covenants heretofore given by others in respect to the Transferred Leases. The provisions of this Assignment are binding upon, and shall inure to the benefit of the heirs, successors and assigns of Assignor and Assignee.

Assignee accepts the Transferred Leases herein assigned and conveyed by Assignor expressly subject to the terms, conditions and provisions of the Transferred Leases and Assignee hereby agrees to bear all duties, liabilities and obligations under each of the respective Transferred Leases.



TRUE & CORRECT
COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE



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

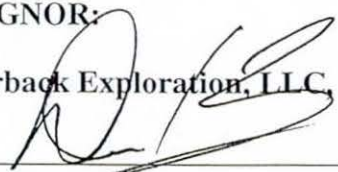
4-23-15

This instrument may be executed in counterpart form and all parties executing the same authorize Assignee to combine all signature and acknowledgement pages into a single instrument for purposes of recordation.

Executed this 15 day of April, 2015, but effective as of the Effective Date.

ASSIGNOR:

Silverback Exploration, LLC

By: 

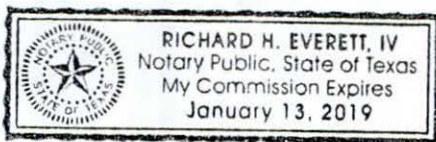
Name: David Frye

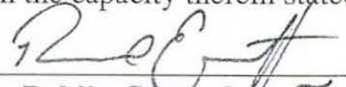
Title: Vice-President, Land

STATE OF TEXAS §

COUNTY OF BEXAR §

This instrument was acknowledged before me on the ____ day of ____, 20__, by David Frye, Vice-President, Land of Silverback Exploration, LLC, a Delaware limited liability corporation on behalf of said corporation, in the capacity therein stated.




Notary Public, State of Texas

My Commission Expires: 1/13/19



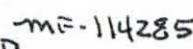
TRUE & CORRECT
COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE



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

mu
4-23-15

Exhibit "A"

$$m_F = 114284$$


True and Correct
copy of
Original filed in
Culberson County
Clerks Office
4-23-15

THE STATE OF TEXAS

COUNTY OF CULBERSON I, Linda McDonald, 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 Assn of Oil Gas & Min Lease dated April 15

2015 filed for record in my office this 23rd day of April

2015 at 2:25 P M, under Clerk's File No. 71793 to be

recorded in the Oil & Gas Records of Culberson County,

Texas.

TO CERTIFY WHICH, Witness my hand and seal at Van Horn this 23rd

day of April 2015

By Linda McDonald Deputy LINDA McDONALD, COUNTY CLERK

CULBERSON COUNTY, TEXAS

THIS STATE OF TEXAS
COUNTY OF CULBERSON
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 _____ dated _____
_____ filed for record in my office this _____ day of _____
_____ at _____ M, under Clerk's File No. _____ to be
recorded in the _____ Records of Culberson County,
Texas.
TO CERTIFY WHICH, Witness my hand and seal at Van Horn this _____
day of _____ _____
By _____ Deputy _____
LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS

Inst No. 15-04127
DIANNE O. FLOREZ
COUNTY CLERK

2015 May 13 at 01:03 PM
REEVES COUNTY, TEXAS

By: ER Elizabeth Ray DEPUTY



TRUE & CORRECT
COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

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

Assignment of UG dated 4-6-15

filed for record in my office this 13th day of May at

1:03P M, under Clerk's File No. 15-04121, to be recorded in the

Official Public Records
Records of Reeves County, Texas.

TO CERTIFY WHICH, Witness my hand and official seal at Pecos, Texas
this 13th day of May, 2015.

By Elizabeth Ray, Deputy.

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

TRUE & CORRECT
COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERK'S OFFICE

THE STATE OF TEXAS

COUNTY OF CULBERSON I, Linda McDonald, 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 Assn of Oil Gas & Min Lease dated April 15

2015 filed for record in my office this 23rd day of April

2015 at 2:25 P M, under Clerk's File No. 1193 to be

recorded in the Oil & Gas Records of Culberson County,

Texas.

TO CERTIFY WHICH, Witness my hand and seal at Van Horn this 23rd
day of April 2015

By Linda McDonald Deputy LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS

Inst No. 15-04127
DIANNE O. FLOREZ
COUNTY CLERK

2015 May 13 at 01:03 PM
REEVES COUNTY, TEXAS

By: ER E. R. [Signature] DEPUTY

TRUE & CORRECT
COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE



File No. MF109880
Airtel #9418 Silverback
to Pen the
Date Filed: 5-19-15
George P. Bush, Commissioner
By Burn



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

Certified USPS 7011 1150 0001 2414 8417

September 4, 2015

Ms. Elena White
Petro-Hunt, LLC
1601 Elm Street, Ste. 3400
Dallas, Texas 75201-7201

Re: State Lease MF 109880 Approximately 320 acres in Reeves County, Texas.

Dear Ms. White:

Our records indicate that the referenced lease has terminated due to failure to pay the delay rentals due on or before June 15, 2015.

You have thirty days from the receipt of this letter in which to present evidence and convince 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

UNITED STATES POSTAL SERVICE



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

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

RECEIVED

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109880

TRAVIS MATTHEWS

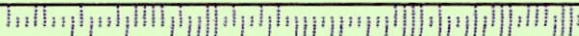
TEXAS GENERAL LAND OFFICE

PO BOX 12873

AUSTIN TX 78711-2873

SEP 14

General Land Office



SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- 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:

Ms. Elena White
Petro-Hunt, LLC
1601 Elm Street, Ste. 3400
Dallas, Texas 75201-7201

2. Article Number
(Transfer from service label)

7011 1150 0001 2414 8417

COMPLETE THIS SECTION ON DELIVERY

A. Signature

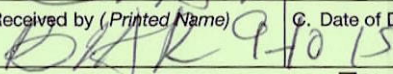
X



☐ Agent

☐ Addressee

B. Received by (Printed Name)



C. Date of Delivery

D. Is delivery address different from item 1?

☐ Yes

If YES, enter delivery address below:

☐ No

3. Service Type

☒ Certified Mail

☐ Express Mail

☐ Registered

☐ Return Receipt for Merchandise

☐ Insured Mail

☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

U.S. Postal Service™

CERTIFIED MAIL™ RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com®

OFFICIAL USE

Postage

\$

Certified Fee

Return Receipt Fee
(Endorsement Required)

Restricted Delivery Fee
(Endorsement Required)

Total Postage & Fees

\$

Postmark
Here

Sent To

PETRO-HUNT

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

City, State, ZIP+4

7011 1150 0001 2414 8417

Certified Mail Provides:

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

Important Reminders:

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

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

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

TERMINATION LETTER ⁽¹⁷⁾

File No. MF 109880

County

Date Filed: 9-4-15

George P. Bush, Commissioner

By TRAVIS MATTHEWS



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

May 20, 2016

Diane Wehrenberg, CDOA
Panther Energy Company II, LLC
6100 S. Yale, Ste 600
Tulsa, OK 74136

RE: GLO Assign ID #9598 – MF109880-D, MF114284 A-D, MF114285 A-E, MF117409,
MF117471 A-S, MF117669-C, MF117672 A-C, MF117673, MF117680 & MF117681 –
Culberson and Reeves County

Dear Ms. Wehrenberg:

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

Assignment of Oil and Gas Leases, effective November 30, 2015, from
Panther Energy Company II, LLC, d/b/a Panther Exploration Company, LLC
to CP2 Operating, LLC. Filed of record in Culberson and Reeves County.

The filing fee of \$1,000.00 was received in connection with the above assignment. Give me a call if you have any questions.

Best Regards,

Carl Bonn, CPL
Mineral Leasing
Energy Resources
512 463 5407

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



Panther Energy Company II, LLC

6100 S. Yale, Ste 600

Tulsa, OK 74136

Main (918) 583-1396

Fax (918) 583-5396

20 9598
MF-109880-1D

May 9, 2016

Carl Bonn, CPL
Mineral Leasing Division
Texas General Land Office
1700 N Congress Ave
Austin TX 78701

Re: Culberson Certified Copy
Assignment of Oil & Gas Leases
Culberson & Reeves Counties, Texas

Dear Carl:

Enclosed is a Culberson County certified copy of the Assignment of Oil & Gas Leases from Panther Energy Company II, LLC to CP2 Operating LLC dated effective November 30, 2015, conveying 49% of its interest in numerous State of Texas Relinquishment Act leases in Culberson and Reeves Counties, Texas.

On April 26, 2016, I sent you the Reeves County certified copy of this assignment and Panther's check #14797 dated 4/26/16 in the amount of \$1,000 to cover the filing fees.

Before sending the assignment to the Culberson County Clerk, I discovered a few discrepancies on the Exhibit A where the State of Texas MF numbers were either incomplete or incorrect. They are on Page 2 (Carrolle Nell Hathway MF-117471R, Triangle Royalty LP MF-117471S), Page 3 (Stephen F Armstrong MF-117672B) and Page 4 (Armstrong M&L Trust MF-117672C).

Again, thank you for so much for your assistance and guidance in getting this document filed appropriately.

Diane Wehrenberg

Diane Wehrenberg
dianew@pantherenergy.us
918/551-7146 direct line

Enclosure

✓ Done
Exh
Pg 2

918.551.7146



Panther Energy Company II, LLC

6100 S. Yale, Ste 600

Tulsa, OK 74136

Main (918) 583-1396

Fax (918) 583-5396

April 26, 2016

SENT BY FED-EX

*rec'd
wait for
Cert
copies
Culberson ✓*

Carl Bonn, CPL
Mineral Leasing Division
Texas General Land Office
1700 N Congress Ave
Austin TX 78701

Re: Certified Copy - Reeves County, Texas
Assignment of Oil & Gas Leases
Culberson & Reeves Counties, Texas

Dear Carl:

Reeves

Per our recent email, enclosed is a certified copy of the Assignment of Oil & Gas Leases from Panther Energy Company II, LLC to CP2 Operating LLC dated effective November 30, 2015, conveying 49% of its interest in numerous State of Texas Relinquishment Act leases in Culberson and Reeves Counties, Texas. I will send you a certified copy from Culberson County as soon as I receive it.

I apologize for the delay in getting this assignment recorded and sent to you but was waiting on the Double Eagle to Panther Energy Company II, LLC Refile assignments being recorded first.

Also enclosed is Panther's check #14797 dated 4/26/16 in the amount of \$1,000 representing the \$25 filing fee for each State of Texas lease. I counted 2 filing fees for MF-117471L, one for the lease and one for the ratification. I also accidentally counted the two 2T Partnership leases (non-State of Texas leases) in my calculation for the filing fee so the enclosed check includes an additional \$50.00.

Thank you so much for processing this assignment and forgiving the delay due to the corrected Double Eagle Refile Assignments being recorded first. Please let me know if I need to provide anything further.

Your help is most appreciated! Thanks again!

Diane Wehrenberg

Diane Wehrenberg
dianew@pantherenergy.us
918/551-7146 direct line

Enclosures

INVOICE	DATE	DESCRIPTION	NET
4252016	04/25/16	4299-ASGN-005 CASABLANCA FEES	1,000.00

Recording Fee for Assignment of Oil & Gas Leases from
Panther Energy Company II, LLC to CP2 Operating LLC effective as of 11/30/15
Culberson & Reeves Counties, Texas

<u>MF Number</u>	<u>Legal</u>
117409	34/61, T2S, T&P Survey, Culberson Co TX
117673	6/54, T4S, T&P Survey, Reeves Co TX
117680	6/54, T4S, T&P Survey, Reeves Co TX
117681	6/54, T4S, T&P Survey, Reeves Co TX
109880D	18/54, T4S, T&P Survey, Reeves Co TX
114284A - 114284D	28/54, T4S, T&P Survey, Reeves Co TX
114285A - 114285E	18/54, T4S, T&P Survey, Reeves Co TX
117471A - 117471S	14/61, T2S, T&P Survey, Culberson Co TX
117669C	6/54, T4S, T&P Survey, Reeves Co TX
117672A - 117672C	6/54, T4S, T&P Survey, Reeves Co TX

16710009

VENDOR TEX0009 CHECK 14797 DATE 04/26/16

129
X 1,000.00

ID# 9598

Doc# 00000001711

ASSIGNMENT OF OIL AND GAS LEASES

off 11-30-15
49%

	MF	MF
STATE OF TEXAS)	109880-D	117669-C
COUNTIES OF REEVES)	114284 A-D	117672 A-C
AND CULBERSON)	114285 A-E	117673
	117409	117680
	117471 A-S	117681

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This Assignment of Oil and Gas Leases (this "Assignment"), dated effective as of November 30th, 2015 at 7:00 a.m. Central Daylight Time (the "Effective Time"), is made by **Panther Energy Company II, LLC**, a Delaware limited liability company, d/b/a **Panther Exploration Company, LLC**, with a notice address of 6100 S Yale, Suite 600, Tulsa, Oklahoma 74136 ("Assignor") to **CP2 Operating, LLC**, with a notice address of 77 Sugar Creek Center Blvd, Suite 550, Sugar Land, Texas 77478 ("Assignee").

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For and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor does hereby **GRANT, BARGAIN, SELL, CONVEY, ASSIGN, TRANSFER, SET OVER AND DELIVER** unto Assignee, subject to the terms and reservations below, an undivided 49% interest (the "Percent Assigned") in and to the oil and gas leases described in Exhibit "A" attached hereto and made a part hereof, as extended or amended, and the lands (the "Lands") covered thereby, together with all rights incident thereto and appurtenances thereon (individually, where appropriate, "Lease," collectively "the Leases").

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TO HAVE AND TO HOLD all and singular the Percent Assigned in the Leases together with such percentage of all rights, titles, interests, estates, remedies, powers and privileges thereunto appertaining unto Assignee and Assignee's successors and assigns forever; subject to the following matters:

- (1) All easements, rights-of-way, servitudes, permits, surface leases and other rights in respect of surface operations;
- (2) The terms and conditions of each Lease;
- (3) All rights reserved to or vested in any municipality or governmental, tribal, statutory or public authority to control or regulate any of the Leases in any manner, and all applicable laws, rules and orders of governmental and tribal authority; and
- (4) All overriding royalty interests, production payments, net profit obligations, carried working interests and other payments out of or with respect to production which are of record as of the date this Assignment is filed of record, and with which any Lease is encumbered; and the Assignee, from the



True and Correct
copy of
Original Filed in
Culberson County
Clerk's Office
5/31/16

Effective Time forward, hereby assumes and agrees to pay, perform or carry, as the case may be, the Percent Assigned of each of said overriding royalties, production payments, net profit obligations, carried working interests and other payments out of or with respect to production, to the extent that it is or remains a burden on the Leases.

- (5) All prior assignments of the Leases and all letter agreements, farmout agreements, purchase and sales agreements, operating agreements, unit agreements, orders of the Texas Railroad Commission and any and all similar agreements or governmental orders which are an encumbrance on the Leases as of the Effective Time, regardless as to recordation or the actual knowledge of the Assignee ("Existing Encumbrances"); however, from and after the Effective Time, Assignee shall be bound by but have the right to enjoy the obligations and rights, respectively, associated with the ownership of the Percent Assigned in and to the Leases.

With respect to the undivided interest in and to the Leases being assigned herein, this instrument is executed and recorded without any representations or warranties (of title, or otherwise), either statutory, express or implied, except that Assignor hereby covenants and warrants unto Assignee, Assignee's heirs, successors and/or assigns, by, through or under Assignor only, but not otherwise, that Assignor is the lawful owner of such interest with the full power and authority to sell and convey same and that such interest is now free and clear of any and all liens and encumbrances.

This Assignment is made subject to that certain Participation Agreement dated June 12, 2014 between Assignor and Assignee (the "Agreement"), which shall not merge into this Assignment and shall survive the execution and delivery hereof as provided therein. In the event of a conflict between this Assignment and the Agreement, the terms of the Agreement shall control.

In addition to this Assignment, Assignor shall execute, acknowledge, and deliver to Assignee, in a timely manner and without further consideration, any documents or instruments that Assignee may reasonably require, including, without limitation, further assignments or conveyances required by any state or federal authority, consents to further evidence the assignment and conveyance of the Leases by Assignor to Assignee. This Assignment may be executed in any number of counterparts, each of which shall be considered an original.

This Assignment shall bind and inure to the benefit of Assignor and Assignee and their respective successors and assigns.

IN WITNESS WHEREOF, the undersigned has executed this instrument on the date of the acknowledgment annexed hereto, but effective for all purposes as of the Effective Time.

ASSIGNOR:

Panther Energy Company II, LLC
A Delaware limited liability company d/b/a
Panther Exploration Company, LLC

By: [Signature]
James R Stone, Executive Vice President

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ACKNOWLEDGMENT

STATE OF OKLAHOMA)
)
COUNTY OF TULSA)

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This instrument was acknowledged before me on this 8th day of
December 2015, by James R Stone, Executive Vice President of Panther
Energy Company II, LLC, a Delaware limited liability company, d/b/a Panther
Exploration Company, LLC, on behalf of such limited liability company.

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Diane Wehrenberg
Notary Public, State of Oklahoma



ASSIGNEE:

CP2 Operating, LLC

By: Mark Clemans
Mark Clemans, President

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ACKNOWLEDGMENT

STATE OF TEXAS)
)
COUNTY OF FORT BEND)

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This instrument was acknowledged before me on this 30th day of
November 2015, by Mark Clemans, President of CP2 Operating, LLC, a
Delaware limited liability company on behalf of such limited liability company.

Nida Khan
Notary Public, State of Texas

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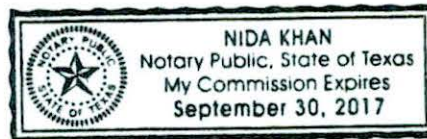


EXHIBIT "A"
to Assignment of Oil & Gas Leases from Panther Energy Company II, LLC to CP2 Operating LLC

(MF)

Lease Name	Lessee	Lease Date	Recordation Date	Book	Page	Entry	GLO MF #	State	County	Legal Description
State of Texas, acting by and through its agent, Nancy Puff Jones Trust, Dorothy Jean Keenom Trustee	Panther Exploration Company, LLC	1/27/2015	3/23/2015	115	737	00000071627	MF-117471E	Texas	Culberson	Sec 14, Blk 61, T2S, T&P Survey, Culberson Co TX
State of Texas, acting by and through its agent, Thomas Hill Puff Ratification of Lease by Alldale Minerals LP	Panther Exploration Company, LLC	1/27/2015	3/23/2015 11/2/2015	115	727	00000071626 00000000818	MF-117471L	Texas	Culberson	Sec 14, Blk 61, T2S, T&P Survey, Culberson Co TX
State of Texas, acting by and through its agent, GeoMar Resources Inc	Panther Exploration Company, LLC	2/19/2015	4/9/2015	115	912	00000071701	MF-117471B	Texas	Culberson	Sec 14, Blk 61, T2S, T&P Survey, Culberson Co TX
State of Texas, acting by and through its agent, Hill Investments Ltd	Panther Exploration Company, LLC	3/2/2015	4/9/2015	115	922	00000071702	MF-117471I	Texas	Culberson	Sec 14, Blk 61, T2S, T&P Survey, Culberson Co TX
State of Texas, acting by and through its agent, H-S Minerals & Realty Ltd	Panther Exploration Company, LLC	3/2/2015	4/9/2015	115	961	00000071706	MF-117471J	Texas	Culberson	Sec 14, Blk 61, T2S, T&P Survey, Culberson Co TX
State of Texas, acting by and through its agent, Virginia Glenn Lattimore	Panther Exploration Company, LLC	3/2/2015	4/9/2015	115	951	00000071705	MF-117471C	Texas	Culberson	Sec 14, Blk 61, T2S, T&P Survey, Culberson Co TX
State of Texas, acting by and through its agent, James Robert Hill	Panther Exploration Company, LLC	3/2/2015	4/9/2015	115	941	00000071704	MF-117471D	Texas	Culberson	Sec 14, Blk 61, T2S, T&P Survey, Culberson Co TX
State of Texas, acting by and through its agent, the Houston & Emma Hill Trust Estate	Panther Exploration Company, LLC	3/2/2015	4/9/2015	115	901	00000071700	MF-117471A	Texas	Culberson	Sec 14, Blk 61, T2S, T&P Survey, Culberson Co TX
State of Texas, acting by and through its agent, Susan Luckel Christie	Panther Exploration Company, LLC	3/2/2015	4/21/2015	116	50	00000071785	MF-117471G	Texas	Culberson	Sec 14, Blk 61, T2S, T&P Survey, Culberson Co TX
State of Texas, acting by and through its agent, Eb F Luckel Jr	Panther Exploration Company, LLC	3/2/2015	4/7/2015	115	876	00000071691	MF-117471H	Texas	Culberson	Sec 14, Blk 61, T2S, T&P Survey, Culberson Co TX

Original
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State of Texas, acting by and through its agent, Gregg B Colton LLC	Panther Exploration Company, LLC	3/6/2015	4/9/2015	115	932	00000071703	MF-117471F	Texas	Culberson	Sec 14, Blk 61, T2S, T&P Survey, Culberson Co TX
State of Texas, acting by and through its agent, Word B Wilson Investments LP	Panther Exploration Company, LLC	3/20/2015	4/28/2015	116	91	00000071810	MF-117471O	Texas	Culberson	Sec 14, Blk 61, T2S, T&P Survey, Culberson Co TX
State of Texas, acting by and through its agent, Jack Frey Cochran	Panther Exploration Company, LLC	3/20/2015	5/11/2015	116	179	00000071853	MF-117471K	Texas	Culberson	Sec 14, Blk 61, T2S, T&P Survey, Culberson Co TX
State of Texas, acting by and through its agent, Mrs Geraldine Tyll, Trustee, the Mary A Driscoll Revocable Living Trust	Panther Exploration Company, LLC	3/2/2015	4/28/2015	116	100	00000071811	MF-117471M	Texas	Culberson	Sec 14, Blk 61, T2S, T&P Survey, Culberson Co TX
State of Texas, acting by and through its agent, CG Interests LLC	Panther Exploration Company, LLC	3/24/2015	4/28/2015	116	82	00000071809	MF-117471Q	Texas	Culberson	Sec 14, Blk 61, T2S, T&P Survey, Culberson Co TX
State of Texas, acting by and through its agent, Nell Cochran Hastings	Panther Exploration Company, LLC	3/20/2015	4/28/2015	116	72	00000071808	MF-117471N	Texas	Culberson	Sec 14, Blk 61, T2S, T&P Survey, Culberson Co TX
State of Texas, acting by and through its agent, Legado Investments LLC	Panther Exploration Company, LLC	4/28/2015	6/15/2015	1	336	00000000060	MF-117471P	Texas	Culberson	Sec 14, Blk 61, T2S, T&P Survey, Culberson Co TX
State of Texas, acting by and through its agent, Carrolle Nell Hathaway	Panther Exploration Company, LLC	3/2/2015	7/13/2015	2	286	00000000210	MF-117471R	Texas	Culberson	Sec 14, Blk 61, T2S, T&P Survey, Culberson Co TX
State of Texas, acting by and through its agent, Triangle Royalty, LP	Panther Exploration Company, LLC	6/30/2015	9/3/2015	4	139	00000000432	MF-117471S	Texas	Culberson	Sec 14, Blk 61, T2S, T&P Survey, Culberson Co TX
State of Texas, acting by and through its agent, Dela Minerals Inc	Panther Exploration Company, LLC	1/25/2015	3/16/2015	115	649	00000071587	MF-117409	Texas	Culberson	S/2 of Sec 34, Blk 61, T2S, T&P Survey
2T Partnership Ltd	Panther Exploration Company, LLC	7/15/2015	8/3/2015	1184	703	15-06739	Not a GLO Lease	Texas	Reeves	S/2 of Sec 24, Blk 55, T7S, T&P Survey
2T Partnership Ltd	Panther Exploration Company, LLC	7/14/2015	8/7/2015	1185	564	15-06886	Not a GLO Lease	Texas	Reeves	E/2 North 402 acres in Sec 6, Blk 54, T7S, T&P Survey

State of Texas, acting by and through its agent, Dela Minerals Inc

2T Partnership Ltd

2T Partnership Ltd

True and Correct

5/31/16

2 of 4

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NON -

LOA

State of Texas, acting by and through its agent, Linda J Marooney, Successor Trustee, the Revocable Living Trust of E P Williams & Dorothy Jane Williams, dated 8-19-98

Petrohawk Properties LP

6/16/2012 7/19/2012 951 372 12-05296

MF-114285C Texas Reeves

SE/4 & NW/4 of Sec 18, Blk 54, T4S, T&P Survey

State of Texas, acting by and through its agent, J & M Raymond Ltd

Petrohawk Properties LP

6/16/2012 7/19/2012 951 358 12-05294

MF-114285B Texas Reeves

SE/4 & NW/4 of Sec 18, Blk 54, T4S, T&P Survey

State of Texas, acting by and through its agent, Dean Eric Skinner, S/P

Petrohawk Properties LP

6/16/2012 7/19/2012 951 344 12-05292

MF-114285D Texas Reeves

SE/4 & NW/4 of Sec 18, Blk 54, T4S, T&P Survey

State of Texas, acting by and through its agent, Timothy A Skinner, S/P

Petrohawk Properties LP

6/16/2012 7/19/2012 951 351 12-05293

MF-114285E Texas Reeves

SE/4 & NW/4 of Sec 18, Blk 54, T4S, T&P Survey

State of Texas, acting by and through its agent, Vaughan-McElvain Energy Inc

Petrohawk Properties LP

6/16/2012 7/19/2012 951 365 12-05295

MF-114285A Texas Reeves

SE/4 & NW/4 of Sec 18, Blk 54, T4S, T&P Survey

State of Texas, acting by and through its agent, Petco Ltd

Petrohawk Properties LP

6/16/2012 7/19/2012 951 409 12-05301

MF-109880D Texas Reeves

SE/4 & NW/4 of Sec 18, Blk 54, T4S, T&P Survey

State of Texas, acting by and through its agent, James Cash Thompson, S/P

Petrohawk Properties LP

6/16/2012 7/19/2012 951 394 12-05299

MF-114284D Texas Reeves

All of Sec 28, Blk 54, T4S, T&P Survey

State of Texas, acting by and through its agent, James Cash Thompson & Kimberly R Thompson, husband & wife, as community property

Petrohawk Properties LP

6/16/2012 7/19/2012 951 401 12-05300

MF-114284A Texas Reeves

All of Sec 28, Blk 54, T4S, T&P Survey

State of Texas, acting by and through its agent, John M Thompson III, S/P

Petrohawk Properties LP

6/16/2012 7/19/2012 951 387 12-05298

MF-114284C Texas Reeves

All of Sec 28, Blk 54, T4S, T&P Survey

State of Texas, acting by and through its agent, Ann Thompson-White, S/P

Petrohawk Properties LP

6/16/2012 7/19/2012 951 380 12-05297

MF-114284B Texas Reeves

All of Sec 28, Blk 54, T4S, T&P Survey

The State of Texas, acting by and through its agent, Lawrence Wayne McGee by Phala June McGee AIF

Double Eagle Development, LLC

6/23/2015 7/8/2015 1178 574 15-05959

MF-117672A Texas Reeves

S/2 NW/4 of Sec 6, Blk 54, T4S, T&P Survey

State of Texas, acting by and through its agent, Stephen F. Armstrong

Double Eagle Development, LLC

9/2/2015 9/11/2015 1194 335 15-08179

MF-117669 Texas Reeves

S/2 NW/4 of Sec 6, Blk 54, T4S, T&P Survey

117672B

MF

State of Texas, acting by and through its agent,
Stephen F Armstrong, Trustee of the Armstrong M&L
Trust

Double Eagle Development, LLC

9/7/2015 9/11/2015 1194 324 15-08178

MF-117689

Texas Reeves

S/2 NW/4 of Sec 6, Blk 54, T4S, T&P Survey

117672C

State of Texas, acting by and through its agent,
Deborah A Bewersdorf, Trustee of the Clifford H
Blatchley & Betty Blatchley Revocable Declaration of
Trust u/t/a dated 12/11/2000

Double Eagle Development, LLC

5/27/2015 6/17/2015 1173 322 15-05286

MF-117680

Texas Reeves

NE/4 of Sec 6, Blk 54, T4S, T&P Survey

State of Texas, acting by and through its agent, the
Hamilton Family Living Revocable Trust u/t/a dated
January 16, 2001

Double Eagle Development, LLC

5/20/2015 7/1/2015 1177 235 15-05786

MF-117681

Texas Reeves

NE/4 of Sec 6, Blk 54, T4S, T&P Survey
SE/4 of Sec 6, Blk 54, T4S, T&P Survey

State of Texas, acting by and through its agent, Mary
Louise Cardwell

Double Eagle Development, LLC

6/15/2015 6/19/2015 1174 85 15-05372

MF-117673

Texas Reeves

SW/4 of Sec 6, Blk 54, T4S, T&P Survey

State of Texas, acting by and through its agent, Ted
Collins Jr

Double Eagle Development, LLC

7/8/2015 9/10/2015 1194 93 15-08130

MF-117669

Texas Reeves

N/2 NW/4, Sec 6, Blk 54, T4S, T&P Survey
LIMITED TO ALL DEPTHS BELOW 10.659'



True & Correct
Clerk
5/3/16



Inst No. 16-03457
DIANNE O. FLOREZ
COUNTY CLERK
2016 Mar 21 at 11:30 AM
REEVES COUNTY TEXAS

DEPUTY

0000001711

FILED FOR RECORD

AT 1:22 O'CLOCK P. M.

IN THE 3rd DAY OF May

A.D., 2016

Linda McDonald
COUNTY AND DISTRICT CLERK
CULBERSON COUNTY, TEXAS
Rosa Reyes
DEPUTY

**STATE OF TEXAS
COUNTY OF CULBERSON**

I hereby certify that this instrument was FILED on the date and at the time stamped hereon by me and was duly RECORDED in the Volume 13 and Page 426-433 of the OPR Records of Culberson County, Texas.



COUNTY AND DISTRICT
CLERK CULBERSON
COUNTY, TEXAS

CERTIFICATE OF TRUE AND CORRECT COPY CERTIFICATE
STATE OF TEXAS
COUNTY OF CULBERSON

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 OPR Records of my office, found in VOL. 13, PAGE 426-433

I hereby certified on 3rd May 2016

LINDA McDONALD, COUNTY & DISTRICT CLERK
CULBERSON COUNTY, TEXAS

BY *Rosa Reyes* DEPUTY

91279

ASSIGNMENT OF OIL AND GAS LEASES

STATE OF TEXAS)
COUNTIES OF REEVES)
AND CULBERSON)

This Assignment of Oil and Gas Leases (this "Assignment"), dated effective as of November 30th, 2015 at 7:00 a.m. Central Daylight Time (the "Effective Time"), is made by Panther Energy Company II, LLC, a Delaware limited liability company, d/b/a Panther Exploration Company, LLC, with a notice address of 6100 S Yale, Suite 600, Tulsa, Oklahoma 74136 ("Assignor") to CP2 Operating, LLC, with a notice address of 77 Sugar Creek Center Blvd, Suite 550, Sugar Land, Texas 77478 ("Assignee").

For and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor does hereby **GRANT, BARGAIN, SELL, CONVEY, ASSIGN, TRANSFER, SET OVER AND DELIVER** unto Assignee, subject to the terms and reservations below, an undivided 49% interest (the "Percent Assigned") in and to the oil and gas leases described in Exhibit "A" attached hereto and made a part hereof, as extended or amended, and the lands (the "Lands") covered thereby, together with all rights incident thereto and appurtenances thereon (individually, where appropriate, "Lease," collectively "the Leases").

TO HAVE AND TO HOLD all and singular the Percent Assigned in the Leases together with such percentage of all rights, titles, interests, estates, remedies, powers and privileges thereunto appertaining unto Assignee and Assignee's successors and assigns forever; subject to the following matters:

- (1) All easements, rights-of-way, servitudes, permits, surface leases and other rights in respect of surface operations;
- (2) The terms and conditions of each Lease;
- (3) All rights reserved to or vested in any municipality or governmental, tribal, statutory or public authority to control or regulate any of the Leases in any manner, and all applicable laws, rules and orders of governmental and tribal authority; and
- (4) All overriding royalty interests, production payments, net profit obligations, carried working interests and other payments out of or with respect to production which are of record as of the date this Assignment is filed of record, and with which any Lease is encumbered; and the Assignee, from the



Effective Time forward, hereby assumes and agrees to pay, perform or carry, as the case may be, the Percent Assigned of each of said overriding royalties, production payments, net profit obligations, carried working interests and other payments out of or with respect to production, to the extent that it is or remains a burden on the Leases.

- (5) All prior assignments of the Leases and all letter agreements, farmout agreements, purchase and sales agreements, operating agreements, unit agreements, orders of the Texas Railroad Commission and any and all similar agreements or governmental orders which are an encumbrance on the Leases as of the Effective Time, regardless as to recordation or the actual knowledge of the Assignee ("Existing Encumbrances"); however, from and after the Effective Time, Assignee shall be bound by but have the right to enjoy the obligations and rights, respectively, associated with the ownership of the Percent Assigned in and to the Leases.

With respect to the undivided interest in and to the Leases being assigned herein, this instrument is executed and recorded without any representations or warranties (of title, or otherwise), either statutory, express or implied, except that Assignor hereby covenants and warrants unto Assignee, Assignee's heirs, successors and/or assigns, by, through or under Assignor only, but not otherwise, that Assignor is the lawful owner of such interest with the full power and authority to sell and convey same and that such interest is now free and clear of any and all liens and encumbrances.

This Assignment is made subject to that certain Participation Agreement dated June 12, 2014 between Assignor and Assignee (the "Agreement"), which shall not merge into this Assignment and shall survive the execution and delivery hereof as provided therein. In the event of a conflict between this Assignment and the Agreement, the terms of the Agreement shall control.

In addition to this Assignment, Assignor shall execute, acknowledge, and deliver to Assignee, in a timely manner and without further consideration, any documents or instruments that Assignee may reasonably require, including, without limitation, further assignments or conveyances required by any state or federal authority, consents to further evidence the assignment and conveyance of the Leases by Assignor to Assignee. This Assignment may be executed in any number of counterparts, each of which shall be considered an original.

This Assignment shall bind and inure to the benefit of Assignor and Assignee and their respective successors and assigns.



IN WITNESS WHEREOF, the undersigned has executed this instrument on the date of the acknowledgment annexed hereto, but effective for all purposes as of the Effective Time.

ASSIGNOR:

Panther Energy Company II, LLC
A Delaware limited liability company d/b/a
Panther Exploration Company, LLC

By: _____

James R Stone, Executive Vice President

ACKNOWLEDGMENT

STATE OF OKLAHOMA)

COUNTY OF TULSA)

This instrument was acknowledged before me on this 8th day of December 2015, by James R Stone, Executive Vice President of Panther Energy Company II, LLC, a Delaware limited liability company, d/b/a Panther Exploration Company, LLC, on behalf of such limited liability company.



Diane Wehrenberg
Notary Public, State of Oklahoma



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ASSIGNEE:

CP2 Operating, LLC

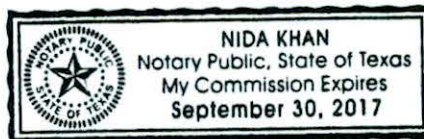
By: Mark Clemans
Mark Clemans, President

ACKNOWLEDGMENT

STATE OF TEXAS)
)
COUNTY OF FORT BEND)

This instrument was acknowledged before me on this 30th day of
November 2015, by Mark Clemans, President of CP2 Operating, LLC, a
Delaware limited liability company on behalf of such limited liability company.

Nida Khan
Notary Public, State of Texas



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EXHIBIT "A"
to Assignment of Oil & Gas Leases from Panther Energy Company II, LLC to CP2 Operating LLC

Lease Name	Lessee	Lease Date	Recordation Date	Book	Page	Entry	GLO MF #	State	County	Legal Description
State of Texas, acting by and through its agent, Nancy Puff Jones Trust, Dorothy Jean Keenom Trustee	Panther Exploration Company, LLC	1/27/2015	3/23/2015	115	737	00000071627	<u>MF-117471E</u>	Texas	Culberson	Sec 14, Blk 61, T2S, T&P Survey, Culberson Co TX
State of Texas, acting by and through its agent, Thomas Hill Puff Ratification of Lease by Alldale Minerals LP	Panther Exploration Company, LLC	1/27/2015	3/23/2015 11/2/2015	115	727	00000071626 00000000818	<u>MF-117471L</u>	Texas	Culberson	Sec 14, Blk 61, T2S, T&P Survey, Culberson Co TX
State of Texas, acting by and through its agent, GeoMar Resources Inc	Panther Exploration Company, LLC	2/19/2015	4/9/2015	115	912	00000071701	<u>MF-117471B</u>	Texas	Culberson	Sec 14, Blk 61, T2S, T&P Survey, Culberson Co TX
State of Texas, acting by and through its agent, Hill Investments Ltd	Panther Exploration Company, LLC	3/2/2015	4/9/2015	115	922	00000071702	<u>MF-117471I</u>	Texas	Culberson	Sec 14, Blk 61, T2S, T&P Survey, Culberson Co TX
State of Texas, acting by and through its agent, H-S Minerals & Realty Ltd	Panther Exploration Company, LLC	3/2/2015	4/9/2015	115	961	00000071706	<u>MF-117471J</u>	Texas	Culberson	Sec 14, Blk 61, T2S, T&P Survey, Culberson Co TX
State of Texas, acting by and through its agent, Virginia Glenn Lattimore	Panther Exploration Company, LLC	3/2/2015	4/9/2015	115	951	00000071705	<u>MF-117471C</u>	Texas	Culberson	Sec 14, Blk 61, T2S, T&P Survey, Culberson Co TX
State of Texas, acting by and through its agent, James Robert Hill	Panther Exploration Company, LLC	3/2/2015	4/9/2015	115	941	00000071704	<u>MF-117471D</u>	Texas	Culberson	Sec 14, Blk 61, T2S, T&P Survey, Culberson Co TX
State of Texas, acting by and through its agent, the Houston & Emma Hill Trust Estate	Panther Exploration Company, LLC	3/2/2015	4/9/2015	115	901	00000071700	<u>MF-117471A</u>	Texas	Culberson	Sec 14, Blk 61, T2S, T&P Survey, Culberson Co TX
State of Texas, acting by and through its agent, Susan Luckel Christie	Panther Exploration Company, LLC	3/2/2015	4/21/2015	116	50	00000071785	<u>MF-117471G</u>	Texas	Culberson	Sec 14, Blk 61, T2S, T&P Survey, Culberson Co TX
State of Texas, acting by and through its agent, Eb F Luckel Jr	Panther Exploration Company, LLC	3/2/2015	4/7/2015	115	876	00000071691	<u>MF-117471H</u>	Texas	Culberson	Sec 14, Blk 61, T2S, T&P Survey, Culberson Co TX



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State of Texas, acting by and through its agent, Gregg B Colton LLC	Panther Exploration Company, LLC	3/6/2015	4/9/2015	115	932	00000071703	MF-117471F	Texas	Culberson	Sec 14, Blk 61, T2S, T&P Survey, Culberson Co TX
State of Texas, acting by and through its agent, Word B Wilson Investments LP	Panther Exploration Company, LLC	3/20/2015	4/28/2015	116	91	00000071810	MF-117471O	Texas	Culberson	Sec 14, Blk 61, T2S, T&P Survey, Culberson Co TX
State of Texas, acting by and through its agent, Jack Frey Cochran	Panther Exploration Company, LLC	3/20/2015	5/11/2015	116	179	00000071853	MF-117471K	Texas	Culberson	Sec 14, Blk 61, T2S, T&P Survey, Culberson Co TX
State of Texas, acting by and through its agent, Mrs Geraldine Tyll, Trustee, the Mary A Driscoll Revocable Living Trust	Panther Exploration Company, LLC	3/2/2015	4/28/2015	116	100	00000071811	MF-117471M	Texas	Culberson	Sec 14, Blk 61, T2S, T&P Survey, Culberson Co TX
State of Texas, acting by and through its agent, CG Interests LLC	Panther Exploration Company, LLC	3/24/2015	4/28/2015	116	82	00000071809	MF-117471Q	Texas	Culberson	Sec 14, Blk 61, T2S, T&P Survey, Culberson Co TX
State of Texas, acting by and through its agent, Nell Cochran Hastings	Panther Exploration Company, LLC	3/20/2015	4/28/2015	116	72	00000071808	MF-117471N	Texas	Culberson	Sec 14, Blk 61, T2S, T&P Survey, Culberson Co TX
State of Texas, acting by and through its agent, Legado Investments LLC	Panther Exploration Company, LLC	4/28/2015	6/15/2015	1	336	00000000060	MF-117471P	Texas	Culberson	Sec 14, Blk 61, T2S, T&P Survey, Culberson Co TX
State of Texas, acting by and through its agent, Carrolle Nell Hathaway	Panther Exploration Company, LLC	3/2/2015	7/13/2015	2	286	00000000210	MF-117471R	Texas	Culberson	Sec 14, Blk 61, T2S, T&P Survey, Culberson Co TX
State of Texas, acting by and through its agent, Triangle Royalty, LP	Panther Exploration Company, LLC	6/30/2015	9/3/2015	4	139	00000000432	MF-117471S	Texas	Culberson	Sec 14, Blk 61, T2S, T&P Survey, Culberson Co TX
State of Texas, acting by and through its agent, Dela Minerals Inc	Panther Exploration Company, LLC	1/25/2015	3/16/2015	115	649	00000071587	MF-117409	Texas	Culberson	S/2 of Sec 34, Blk 61, T2S, T&P Survey
2T Partnership Ltd	Panther Exploration Company, LLC	7/15/2015	8/3/2015	1184	703	15-06739	Not a GLO Lease	Texas	Reeves	S/2 of Sec 24, Blk 55, T7S, T&P Survey
2T Partnership Ltd	Panther Exploration Company, LLC	7/14/2015	8/7/2015	1185	564	15-06886	Not a GLO Lease	Texas	Reeves	E/2 North 402 acres in Sec 6, Blk 54, T7S, T&P Survey



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State of Texas, acting by and through its agent, Linda J Marooney, Successor Trustee, the Revocable Living Trust of E P Williams & Dorothy Jane Williams, dated 8-19-98

Petrohawk Properties LP

6/16/2012 7/19/2012 951 372 12-05296

MF-114285C

Texas Reeves

SE/4 & NW/4 of Sec 18, Blk 54, T4S, T&P Survey

State of Texas, acting by and through its agent, J & M Raymond Ltd

Petrohawk Properties LP

6/16/2012 7/19/2012 951 358 12-05294

MF-114285B

Texas Reeves

SE/4 & NW/4 of Sec 18, Blk 54, T4S, T&P Survey

State of Texas, acting by and through its agent, Dean Eric Skinner, S/P

Petrohawk Properties LP

6/16/2012 7/19/2012 951 344 12-05292

MF-114285D

Texas Reeves

SE/4 & NW/4 of Sec 18, Blk 54, T4S, T&P Survey

State of Texas, acting by and through its agent, Timothy A Skinner, S/P

Petrohawk Properties LP

6/16/2012 7/19/2012 951 351 12-05293

MF-114285E

Texas Reeves

SE/4 & NW/4 of Sec 18, Blk 54, T4S, T&P Survey

State of Texas, acting by and through its agent, Vaughan-McElvain Energy Inc

Petrohawk Properties LP

6/16/2012 7/19/2012 951 365 12-05295

MF-114285A

Texas Reeves

SE/4 & NW/4 of Sec 18, Blk 54, T4S, T&P Survey

State of Texas, acting by and through its agent, Petco Ltd

Petrohawk Properties LP

6/16/2012 7/19/2012 951 409 12-05301

MF-109880D

Texas Reeves

SE/4 & NW/4 of Sec 18, Blk 54, T4S, T&P Survey

State of Texas, acting by and through its agent, James Cash Thompson, S/P

Petrohawk Properties LP

6/16/2012 7/19/2012 951 394 12-05299

MF-114284D

Texas Reeves

All of Sec 28, Blk 54, T4S, T&P Survey

State of Texas, acting by and through its agent, James Cash Thompson & Kimberly R Thompson, husband & wife, as community property

Petrohawk Properties LP

6/16/2012 7/19/2012 951 401 12-05300

MF-114284A

Texas Reeves

All of Sec 28, Blk 54, T4S, T&P Survey

State of Texas, acting by and through its agent, John M Thompson III, S/P

Petrohawk Properties LP

6/16/2012 7/19/2012 951 387 12-05298

MF-114284C

Texas Reeves

All of Sec 28, Blk 54, T4S, T&P Survey

State of Texas, acting by and through its agent, Ann Thompson White, S/P

Petrohawk Properties LP

6/16/2012 7/19/2012 951 380 12-05297

MF-114284B

Texas Reeves

All of Sec 28, Blk 54, T4S, T&P Survey

The State of Texas, acting by and through its agent, Lawrence Wayne McGee by Phala June McGee AIF

Double Eagle Development, LLC

6/23/2015 7/8/2015 1178 574 15-05959

MF-117672A

Texas Reeves

S/2 NW/4 of Sec 6, Blk 54, T4S, T&P Survey

State of Texas, acting by and through its agent, Stephen F Armstrong

Double Eagle Development, LLC

9/2/2015 9/11/2015 1194 335 15-08179

MF-117669

Texas Reeves

S/2 NW/4 of Sec 6, Blk 54, T4S, T&P Survey

117672B



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State of Texas, acting by and through its agent, Stephen F Armstrong, Trustee of the Armstrong M&L Trust	Double Eagle Development, LLC	9/7/2015	9/11/2015	1194	324	15-08178	MF-117669 117672C	Texas Reeves	S/2 NW/4 of Sec 6, Blk 54, T4S, T&P Survey
State of Texas, acting by and through its agent, Deborah A Bewersdorf, Trustee of the Clifford H Blatchley & Betty Blatchley Revocable Declaration of Trust u/t/a dated 12/11/2000	Double Eagle Development, LLC	5/27/2015	6/17/2015	1173	322	15-05286	MF-117680	Texas Reeves	NE/4 of Sec 6, Blk 54, T4S, T&P Survey
State of Texas, acting by and through its agent, the Hamilton Family Living Revocable Trust u/t/a dated January 16, 2001	Double Eagle Development, LLC	5/20/2015	7/1/2015	1177	235	15-05786	MF-117681	Texas Reeves	NE/4 of Sec 6, Blk 54, T4S, T&P Survey SE/4 of Sec 6, Blk 54, T4S, T&P Survey
State of Texas, acting by and through its agent, Mary Louise Cardwell	Double Eagle Development, LLC	6/15/2015	6/19/2015	1174	85	15-05372	MF-117673	Texas Reeves	SW/4 of Sec 6, Blk 54, T4S, T&P Survey
State of Texas, acting by and through its agent, Ted Collins Jr	Double Eagle Development, LLC	7/8/2015	9/10/2015	1194	93	15-08130	MF-117669C	Texas Reeves	N/2 NW/4, Sec 6, Blk 54, T4S, T&P Survey LIMITED TO ALL DEPTHS BELOW 10,659'



Inst No. 16-03457
DIANNE O. FLOREZ
COUNTY CLERK
2016 Mar 21 at 11:30 AM
REEVES COUNTY TEXAS
BY: MA *Mary Cardwell* DEPUTY
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REEVES COUNTY
CLERKS OFFICE

(18)

M/F 109880

File No.

Assign # 9598

Panther (to) CP2

Date Filed:

5-20-16

George P. Bush, Commissioner

By

**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 1252
PAGE 142 THRU 149

I hereby certified on 20th Apr. 2016



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

BY Elizabeth Rags DEPUTY



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

March 23, 2017

Certified Mail: 7016 2070 0000 7391 7956

Mr. Steve Towns
Consultant for Panther Exploration, LLC
Towns & Hagemann, Inc.
1301 Nueces Street
Suite 102
Austin, Texas 78701

RE: Your Application Requesting Permission to Surface Commingle Oil and Gas Production from the Titan State Unit 16 Lease, Relinquishment Act Lease (RAL) MF116554, MF116791, and MF118163, GLO Unit 8343; the Mac State 20 Lease, RAL MF116344; and the Fiver State 18, RAL MF109880, MF114285, MF115997, and MF118232, GLO Unit 8293, RRC Commingling Permit 08-Pending, Reeves County, Texas.

Dear Mr. Towns:

Please reference your letter, with attachments, dated March 7, 2017, requesting permission to surface commingle the subject State leases at the Titan State Unit 16 Tank Battery.

Panther Exploration, LLC staff propose to separate then meter the gas, oil, and water production from each individual state lease/unit utilizing dedicated three-phase production separators equipped with meters prior to commingling the production into common separation and storage at the Titan State Unit 16 Battery. The purpose of the commingling permit is to allow commingling of the oil and gas production from multiple RRC leases and State leases/units into common separation and storage at the Titan State Unit 16 Battery. The state's net royalty interest is the same for all leases/units in the scope of the commingling permit; however, in this case multiple surface owners and leases exist.

In this specific case, per the conditions of commingling below, the production royalty shall be due based on the proportionate share of the gross or total energy content (MMBTUs) of gas and stock tank barrels of oil produced monthly as determined by the metered volumes obtained monthly by Panther Exploration staff.

According to the narrative provided with the application, Panther Exploration staff propose to allocate the gas production of each state lease by application of the molecular balance method using the separated and metered gas volumes.

Please note that since Panther Exploration, LLC staff did not provide any specific details regarding their allocation methodology per the GLO commingling application requirements, then

the GLO may not accept any form of allocation unless and until we have been provided detailed allocation methodology information (e.g., gas volume and energy content determined by molecular balance and metered oil volumes corrected to stock tank conditions per API MPMS methods with stock tank oil inventory and sales allocations). If an allocation methodology has been applied, then GLO staff might disagree with your allocation methodology in the context of an audit.

Please be advised that the subject application is approved **subject to the following conditions.**

1. All lease oil production royalties shall be due based on the proportionate share of the total oil production (in stock tank barrels) that are allocated to each RRC Lease ID/lease determined by the oil meter readings of the Coriolis type meters at the dedicated three-phase metering production separators serving each lease/unit. The oil meter volumes shall be corrected from the indicated volumes to stock tank barrels per API MPMS methods. In this specific case the Lessee may pay monthly oil royalties per Texas Administrative Code (TAC) Title 31, Part 1, Chapter 9, Subchapter D, Rule §9.51.
2. All lease gas production royalties shall be due based on the proportionate share of the total gas production determined by the molecular balance method based on the sum of: (1) the gas production volumes and energy content as measured at the orifice meter located downstream of each well's dedicated metering separator, (2) the applicable separator flash gas as determined by the performance of laboratory flash separation tests or per industry standard correlations, based on the proportionate share of the total monthly oil production allocated to each lease well; and 3) any other non-sales dispositions such as fuel, vent, and flare volumes. Please be advised that GLO staff expects state lessees to periodically capture oil/condensate samples at each production separator. The captured oil/condensate sample should then be subjected to a flash separation test per API MPMS Chapter 20 to obtain the oil/condensate shrinkage factor, solution GOR, and solution gas composition at production separator conditions for each individual well. This data will be used during GLO audits to adjust metered oil/condensate volumes at the appropriate separator to stock tank conditions. Absent that oil/condensate shrinkage data, GLO staff will use industry standard correlations to make the oil or condensate metered volume adjustment. The gas BTU content and component analysis obtained at each well separator and facility gas meter shall be determined by gas sample chromatographic analysis or other industry-accepted practices.
3. Retain, for lease audit purposes, all meter and test records, volume statements/reports, oil and gas analysis reports, and shrinkage/flash gas calculation records for all state lease wells in the scope of the commingle permit for a period of at least seven (7) years after creation of each report or record.
4. All measurement shall be in accordance with the American Gas Association (AGA) standards and all applicable chapters of the American Petroleum Institute (API) Manual of Petroleum Measurement Standard (MPMS).
5. All measuring equipment (oil and gas) shall be calibrated and adjusted as necessary by Lessee or as frequently as deemed necessary due to cleaning, repair, replacement, or any

Mr. Steve Towns
Consultant for Panther Exploration, LLC
Towns & Hagemann, Inc.
March 23, 2017
Page 3 of 3

other condition that affects the accuracy, repeatability, and linearity of a meter, but not less frequently than once per calendar quarter, at intervals not to exceed 100 days.

6. Any changes to the flow process, metering scheme, or the addition of any wells that are not currently processed at the commingling facility shall require the Lessee to obtain permission from the GLO prior to making said changes.

If you have questions, please contact me at (512) 475-2230, or by FAX at (512) 475-1543. My e-mail address is matthew.scott@glo.state.tx.us

Sincerely,

A handwritten signature in black ink that reads "Matthew T. Scott". The signature is written in a cursive, flowing style.

Matthew T. Scott, P.E.
Petroleum Engineer
Energy Resources/Mineral Leasing

cc: Robert Hatter, Deputy Director of Energy Resources
Dale Sump, Director of Minerals Audit

File No. MF 109880

REEVES County

AGREE TO COMINGLE

Date Filed: 3/29/2017

George P. Bush, Commissioner

By MT SCOTT



Panther Energy Company II, LLC

6100 S. Yale, Ste 600
Tulsa, OK 74136
Main (918) 583-1396
Fax (918) 583-5396

March 31, 2017

Texas General Land Office
1700 N. Congress Avenue, Suite 840
Austin, TX 78701-1495
Attn: J. Daryl Morgan

RE: The Pooling Agreement for
Fiver State 18-1H Unit
Section 18, Block 54, Township 4 South,
T & P Ry. Co. Survey Reeves County, Texas

Dear Mr. Morgan:

Pursuant to letter dated 1/19/2076 from the Texas General Land Office, Panther Energy Company II, LLC ("Panther") has enclosed with this letter the executed Pooling Agreements and Exhibits for the Fiver State 18-1H Unit (GLO Unit No. 8293). Please return the fully executed Agreement to Panther at your earliest convenience.

Please call me at (918) 551-7138 with any questions you might have, or send an email at ryanr@pantherenergy.us.

Sincerely,
PANTHER ENERGY COMPANY II, LLC

Ryan Robinson
Landman

Enclosures

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MF

File No. MF 109880

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County

Letter from Panther

Date Filed: 1-1-17

George P. Bush, Commissioner

By



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

April 10, 2017

Mr. Ryan Robinson
Panther Energy Company II, LLC
6100 S. Yale, Suite 600
Tulsa, Oklahoma 74136

Re: Pooling Agreement
Fiver State 18 1H Unit
GLO Unit No. 8293
Reeves County, Texas

Dear Mr. Robinson:

Enclosed is the original of the above referenced Pooling Agreement that has been executed by George P. Bush, Commissioner of the Texas General Land Office ("GLO"). We have retained a copy of the Pooling Agreement for our files. Please refer to the referenced GLO Unit No. when filing Royalty Reports with the GLO.

Thank you for your assistance with this matter, if you have any questions or need anything further, please feel free to call.

Sincerely,


J. Daryl Morgan, CPL
Energy Resources Division
(512) 305-9106

Enclosure

File No. M-109880 (21)

Ltr. to Panther County

Date Filed: 4/10/17

George P. Bush, Commissioner

By [Signature]

DO NOT DESTROY



Texas General Land Office
UNIT AGREEMENT MEMO

UPA169375

Unit Number 8293
Operator Name Panther Energy Company II, LLC dba Panther Exploration, LLC Effective Date 01/17/2017
Customer ID C000087606 Unitized For Oil And Gas
Unit Name Fiver State 18 Unit Term
County 1 Reeves RRC District 1 08 Old Unit Number Inactive Status Date
County 2 RRC District 2
County 3 RRC District 3
County 4 RRC District 4
Unit type Permanent
State Net Revenue Interest Oil 0.12500000
State Part in Unit 1.00000000
Unit Depth Specified Depths Well
From Depth Formation
To Depth Participation Basis Surface Acreage
If Excluions Apply: See Remarks

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF114285	1	320.000000	640.000000	0.50000000	O/G	0.12500000	0.06250000	No
MF109880	2	160.000000	640.000000	0.25000000	O/G	0.12500000	0.03125000	No
MF118232	3	80.000000	640.000000	0.12500000	O/G	0.12500000	0.01562500	

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
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MF115997	4	80.000000	640.000000	0.12500000	O/G	0.12500000	0.01562500	No
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API Number

4238935512

Remarks:

Prepared By:

GLO Base Updated By:

RAM Approval By:

GIS By:

Well Inventory By:

Prepared Date:

GLO Base Date:

RAM Approval Date:

GIS Date:

WI Date:

01/17/2017

01/17/2017

01/20/2017

05/19/2017

01/17/2017

Pooling Committee Report

To: School Land Board

UPA169375

Date of Board Meeting: 01/17/2017

Unit Number: 8293

Effective Date: 01/17/2017

Unit Expiration Date:

Applicant: Panther Energy Company II, LLC

Attorney Rep:

Operator: PANTHER ENERGY COMPANY II, LLC,

Unit Name: Fiver State 18

Field Name: PHANTOM (WOLFCAMP)

County: Reeves

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
RAL	MF109880	0.12500000	06/16/2017	5 years	160.000000	160.000000	0.03125000
RAL	MF114285	0.12500000	06/16/2017	5 years	320.000000	320.000000	0.06250000
RAL	MF115997	0.12500000	09/13/2016	3 years	159.990000	80.000000	0.01562500
RAL	MF118232	0.12500000	09/14/2019	3 years	80.000000	80.000000	0.01562500

Private Acres:	0.000000
State Acres:	640.000000
Total Unit Acres:	640.000000

<u>Participation Basis:</u>	Surface Acreage
Surface Acreage	
<u>State Acreage:</u>	100.00%
<u>State Net Revenue Interest:</u>	12.50%

<u>Unit Type:</u>	<u>Unitized for:</u>
Permanent	Oil And Gas
<u>Term:</u>	

<u>RRC Rules:</u>	<u>Spacing Acres:</u>
Yes	704 acres for a 4,800 foot lateral (FTP to LTP).

REMARKS:

- Panther Energy Company II, LLC is requesting permanent oil and gas pooling from the Surface to the base of the Wolfcamp in order to test the Wolfcamp formation.
- The applicant plans to spud the first unit well on January 15, 2017 with a proposed total depth of 11,000 feet TVD. A 4,800 foot lateral is expected to be drilled.
- With Board approval of the unit the State's unit royalty participation will be 12.5%.
- The State will participate on a unitized basis from the date of first production.
- The applicant agrees to drill a total of 4 unit wells or the unit will decrease in size to 160 acres per unit well drilled. The first unit well will be spud by or before June 16, 2017. The second unit well will be spud by or before 180 days after the completion of the first unit well. The third unit well will be spud by or before September 14, 2019. The fourth unit well will be spud by or before 180 days after the completion of the third unit well.

POOLING COMMITTEE RECOMMENDATION:

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



Mary Smith - Office of the Attorney General



Date



Robert Hatter - General Land Office



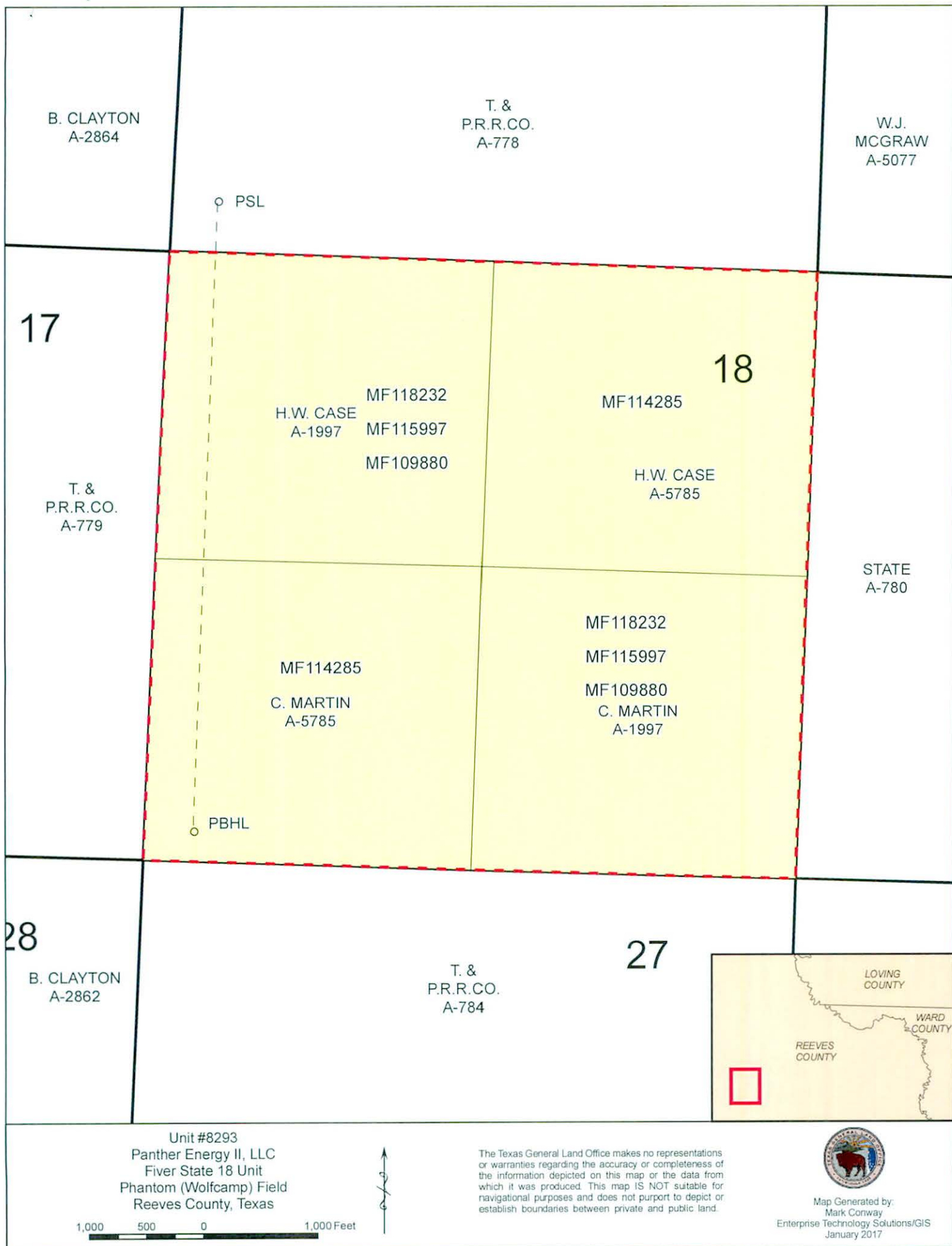
Date



Diane Morris - Office of the Governor



Date



POOLING AGREEMENT
PANTHER ENERGY COMPANY II, LLC
FIVER STATE 18 1H UNIT
GLO UNIT NO. 8293
REEVES COUNTY, TEXAS

THIS AGREEMENT is entered into by and between the Commissioner of the General Land Office, on behalf of the State of Texas, as "Lessor" and Panther Energy Company II, LLC, herein referred to as "Lessee", and such other interested parties as may join in the execution hereof, the undersigned parties herein collectively referred to as the "parties", in consideration of the mutual agreements hereinafter set forth and other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, and for the purposes and upon the terms and conditions which follow:

PURPOSES:

1.

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

UNIT DESCRIPTION:

2.

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

MINERAL POOLED:

3.

The mineral pooled and unitized ("pooled mineral") hereby shall be oil and gas including all hydrocarbons that may be produced from an oil well or a gas well as such wells are recognized and designated by the Railroad Commission of Texas or other state regulatory agency having jurisdiction of the drilling and production of oil and gas wells. The pooled mineral shall extend to those depths underlying the surface boundaries of the pooled unit from the surface to the base of the Wolfcamp formation, subject to the provision in the State Lease or Leases for Horizontal Severance ("unitized interval").

POOLING AND EFFECT:

4.

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

- (a) The unit, to the extent as above described, shall be operated as an entirety for the exploration, development and production of the pooled mineral, rather than as separate tracts.
- (b) All drilling operations, reworking or other operations with respect to the pooled mineral on land within the unit shall be considered as though the same were on each separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Agreement. In the event the unitized area covered by this Agreement is maintained in force by drilling or reworking operations conducted on a directional or horizontal well drilled under the unitized area from a surface location on adjacent or adjoining lands not included within the boundaries of the unitized area, such operations shall be considered to have been commenced on the unitized area when drilling is commenced on the adjacent or adjoining land for the purpose of directionally drilling under the unitized area and production of oil or gas from the unitized area through any directional or horizontal well surfaced on adjacent or adjoining land or drilling or reworking of any such well shall be considered production or drilling or reworking operations, as the case may be, on the unitized area for all purposes under this Agreement. Nothing in this Agreement is intended or shall be construed as granting to Lessee any leasehold interest, easements, or other rights in or with respect to any such adjacent or adjoining land in addition to any such leasehold interests, easements, or other rights which the lessee, operator or other interest owner in the unitized area may have lawfully acquired from the state or others.
- (c) Production of the pooled mineral from the unit allocated to each separate tract, respectively, as hereinafter provided, shall be deemed to have been produced from each such separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Agreement.
- (d) All rights to the production of the pooled mineral from the unit, including royalties and other payments, shall be determined and governed by the lease or other contract pertaining to each separate tract, respectively, based upon the production so allocated to such tract only, in lieu of the actual production of the pooled mineral therefrom. Provided that, payments that are made on a per acre basis shall be reduced according to the number of acres pooled and included herein, so that payments made on a per acre basis shall be calculated based upon the number of acres actually included within the boundaries of the pooled unit covered by this Agreement.
- (e) A shut-in oil or gas well located upon any land or lease included within said unit shall be considered as a shut-in oil or gas well located upon each land or lease included

STATE LAND:

10.

Insofar as the royalty interest of the State of Texas in and under any State tract committed to the unit is concerned, this Agreement is entered into, made and executed by the undersigned Commissioner of the General Land Office by virtue of the authority and pursuant to the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, authorizing the same, after the prerequisites, findings and approval hereof, as provided in said Code having been duly considered, made and obtained.

DISSOLUTION:

11.

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

RATIFICATION/WAIVER:

12.

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

COUNTERPARTS:

13.

This Agreement may be executed in counterparts and if so executed shall be valid, binding and have the same effect as if all the parties hereto actually joined in and executed one and the same document. For recording purposes and in the event counterparts of this Agreement are executed, the executed pages, together with the pages necessary to show acknowledgments, may be combined with the other pages of this Agreement so as to form what shall be deemed and treated as a single original instrument showing execution by all parties hereto.

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

Date Executed

4/6/17

Legal
Content
Geology
Executive

[Signature]
[Signature]
[Signature]

STATE OF TEXAS

By:

[Signature]

George P. Bush, Commissioner
General Land Office

Date Executed

1-1-17

PANTHER ENERGY COMPANY II, LLC

By:

[Signature]

James R. Stone

Its:

Executive Vice President

CERTIFICATE

I, Stephanie Crenshaw, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 17th day of January, 2017, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

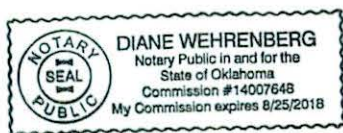
IN TESTIMONY WHEREOF, witness my hand this the 6th day of April, 2017.

Stephanie Crenshaw
Secretary of the School Land Board

STATE OF OKLAHOMA

COUNTY OF TULSA

This instrument was acknowledged before me on Jan 1, 2017, by James R. Stone
as Exec VP of Panther Energy Company II, LLC, a Delaware limited liability
company on behalf of said company.



Diane Wehrenberg
Notary Public in and for the
State of Oklahoma

Date Executed 2-6-17

CP2 Operating, LLC

By: Mark A. Clemans

Mark A. Clemans

Its: President / CEO

STATE OF TEXAS

§

§

COUNTY OF _____

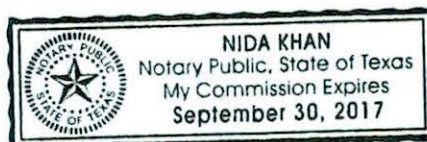
§

This instrument was acknowledged before me on this the 6th day of February, 2017, by Mark A. Clemans, as Pres/CEO of **CP2 OPERATING, LLC**, a Delaware Limited Liability Company, acting for and on behalf of said company.

Nida Khan

Notary Public in and for the State of Texas

Notary ID # _____



Date Executed 2/14/2017

SWEPI LP

By: *Jeff Turnbull*

DAA

Jeff Turnbull
Attorney-In-Fact
Its: _____

STATE OF TEXAS

§

§

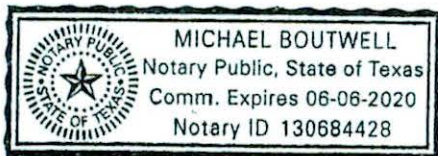
COUNTY OF Harris

§

This instrument was acknowledged before me on this the 14th day of February, 2017,
by Jeff Turnbull, as Attorney-in-Fact of SWEPI LP, a Delaware Limited ~~Liability~~
~~Company~~, acting for and on behalf of said ~~company~~.

Partnership

Partnership



Michael Boutwell
Notary Public in and for the State of Texas

130684428

Notary ID #

Date Executed 4/1/2017

Anadarko E&P Onshore, LLC

By: [Signature]
Joseph M. Colerick

Its: Agent and Attorney-in-Fact

*Be
done*

STATE OF TEXAS §

§

COUNTY OF Montgomery §

This instrument was acknowledged before me on this the 1st day of Jan, 2017,
by Joe M. Colerick as Agent of Anadarko E&P Onshore, LLC, a Delaware
Limited Liability Company, acting for and on behalf of said company.
Attorney-in-Fact

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



Notary ID #

Addendum "A"

To that certain Pooling Agreement for the Fiver State 18-1H Unit

The Parties hereby agree that should a conflict exist between this addendum and the body of the agreement that this Addendum shall prevail.

The pooled unit shall consist of all of the lands herein described in the attached Exhibit "B" and depicted in the attached plat as Exhibit "C". Lessee agrees to drill a minimum of four (4) Horizontal wells within the unit with Horizontal lateral that extend extensively in the lands included in the unit, provide however that, should Lessee fail to meet the "Drilling Obligation Timeframe", as specifically defined below, then such unit shall remain in full force and effect as to any and all wells drilled upon the unit acreage, but shall shrink down to allow for a maximum size of 160 acres per well drilled in the unit, as close as is reasonably practicable to the shape of a rectangle surrounding the well or wells. In the event that Lessee chooses to drill wells ahead of the Drilling Obligation Timeframe detailed below, then Lessee shall not be penalized for doing so and shall still conserve the benefit of the Drilling Obligation Timeframe described below.

Drilling Obligation Timeframe:

Lessee shall have commenced actual Drilling Operations in the Following manner:

- | | | |
|-------------|---|--|
| First well | - | spud on or before 6/16/2017 |
| Second well | - | Spud before or within 180 days after the completion the First well |
| Third Well | - | spud on or before 9/14/2019 |
| Fourth well | - | Spud before or within 180 days after the completion the third well |

Once actual drilling operations have been commenced on a particular well, Lessee shall continue drilling and completion operations thereafter on such well with due diligence, as a reasonable prudent operator would under the same or similar circumstances.

In the event Lessee commences actual drilling operations on all four (4) wells committed to be drilled hereunder as provided above and such well are thereafter completed as wells being capable of producing oil or gas in paying quantities, the parties hereby agree that the pooled unit shall remain in the original, unaltered size and shape as described in Exhibit "B" and depicted in Exhibit "C", in accordance with paragraph nine (9) of this Agreement.

End of Addendum "A"

Exhibit "A"

<u>Lease Name</u>	<u>Lessee</u>	<u>Lease Date</u>	<u>Volume</u>	<u>Page</u>	<u>State Lease Number</u>	<u>State</u>	<u>County</u>	<u>Legal Description</u>
State of Texas, acting by and through its agent, Vaughan-McElvain Energy, Inc.	Petrohawk Properties, LP	6/16/2012	951	365	MF 114285A	Texas	Reeves	The NE/4 and the SW/4 of Section 18, Block 54, Township 4 South, T.&P. Ry. Co. Survey, A-5785
State of Texas, acting by and through its agent, J&M Raymond, Ltd.	Petrohawk Properties, LP	6/16/2012	951	358	MF 114285B	Texas	Reeves	The NE/4 and the SW/4 of Section 18, Block 54, Township 4 South, T.&P. Ry. Co. Survey, A-5785
State of Texas, acting by and through its agent, The Revocable Living Trust of E.P. Williams and Dorothy Jane Williams Dated August 19, 1998, by Linda J. Marooney, Successor Trustee	Petrohawk Properties, LP	6/16/2012	951	372	MF 114285C	Texas	Reeves	The NE/4 and the SW/4 of Section 18, Block 54, Township 4 South, T.&P. Ry. Co. Survey, A-5785
State of Texas, acting by and through its agent, Dean Eric Skinner	Petrohawk Properties, LP	6/16/2012	951	344	MF 114285D	Texas	Reeves	The NE/4 and the SW/4 of Section 18, Block 54, Township 4 South, T.&P. Ry. Co. Survey, A-5785
State of Texas, acting by and through its agent, Timothy A. Skinner	Petrohawk Properties, LP	6/16/2012	951	351	MF 114285E	Texas	Reeves	The NE/4 and the SW/4 of Section 18, Block 54, Township 4 South, T.&P. Ry. Co. Survey, A-5785
State of Texas, acting by and through its agent, Petco Limited	Petrohawk Properties, LP	6/16/2012	951	409	MF 109880D	Texas	Reeves	The SE/4 and the NW/4 of Section 18, Block 54, Township 4 South, T.&P. Ry. Co. Survey, A-1997
State of Texas, acting by and through its agent, Nancy Dean Investments Corporation	Panther Energy Company, II, LLC, d/b/a Panther Exploration, LLC	9/14/2016	1326	499	MF 118232	Texas	Reeves	The SE/4 and the NW/4 of Section 18, Block 54, Township 4 South, T.&P. Ry. Co. Survey, A-1997

Exhibit "A"

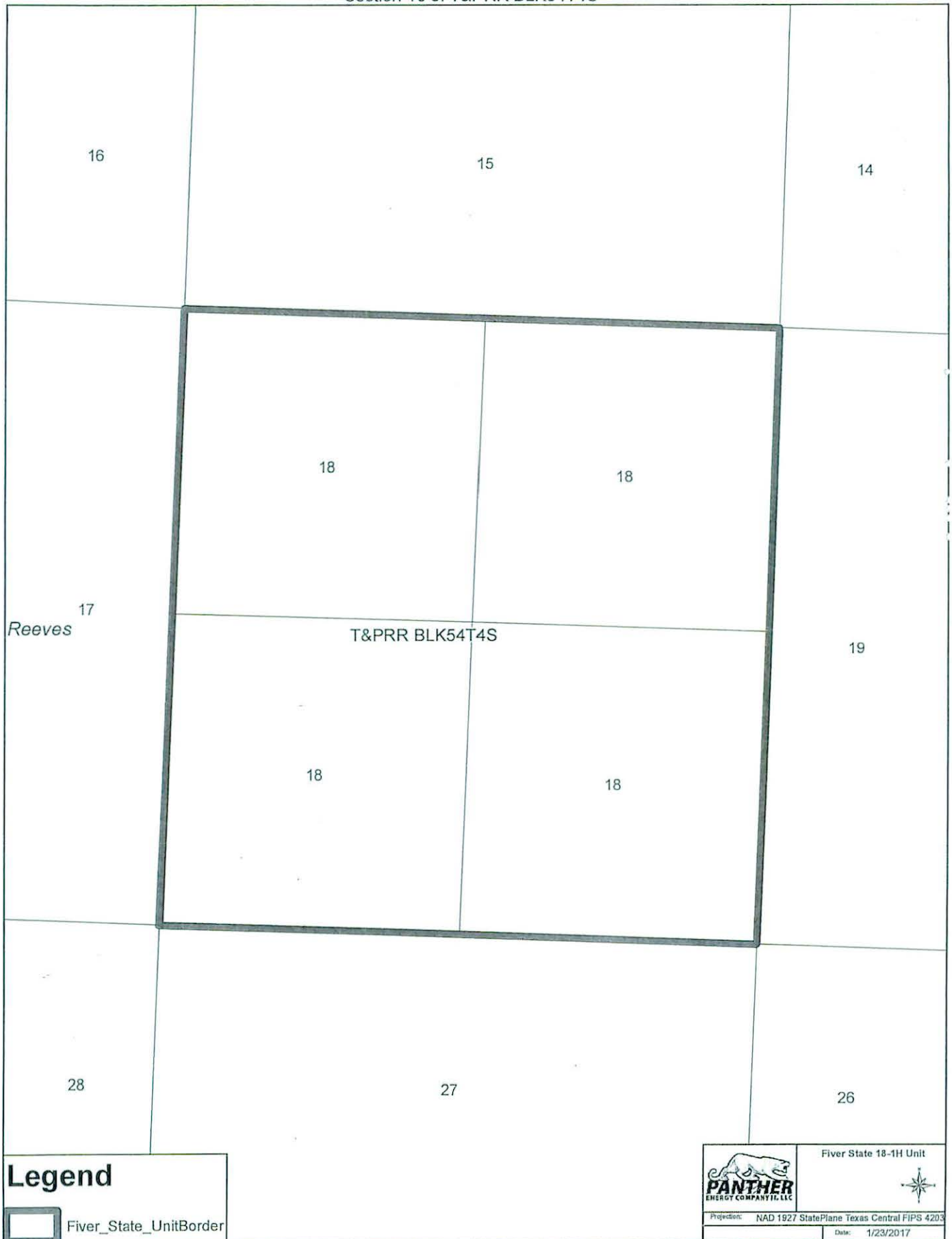
<u>Lease Name</u>	<u>Lessee</u>	<u>Lease Date</u>	<u>Volume</u>	<u>Page</u>	<u>State Lease Number</u>	<u>State</u>	<u>County</u>	<u>Legal Description</u>
State of Texas, acting by and through its agent, Charlotte T. Slack	SWEPI LP	1/2/2014	1074	656	MF 115997B	Texas	Reeves	The SE/4 and the NW/4 of Section 18, Block 54, Township 4 South, T.&P. Ry. Co. Survey, A-1997
State of Texas, acting by and through its agent, Cynthia S. Shaw	SWEPI LP	1/30/2014	1074	635	MF 115997C	Texas	Reeves	The SE/4 and the NW/4 of Section 18, Block 54, Township 4 South, T.&P. Ry. Co. Survey, A-1997
State of Texas, acting by and through its agent, Anne S. Mackey	SWEPI LP	1/30/2014	1074	677	MF 115997D	Texas	Reeves	The SE/4 and the NW/4 of Section 18, Block 54, Township 4 South, T.&P. Ry. Co. Survey, A-1997
State of Texas, acting by and through its agent, Richard C. Slack, II	SWEPI LP	1/30/2014	1077	561	MF 115997E	Texas	Reeves	The SE/4 and the NW/4 of Section 18, Block 54, Township 4 South, T.&P. Ry. Co. Survey, A-1997

Exhibit "B"

The Fiver State 18 1H Unit covers all of the below described land:

All of Section 18, Block 54, Township 4 South, T.&P. Ry. Co. Survey, Reeves County, Texas, containing 640 acres, more or less

Exhibit "C"
Fiver State 18-1H Unit
Section 18 of T&PRR BLK54T4S



File No. M-109880
Pooling Agent. Packet # 8293
Fivet State 18 24 Unit
Date Filed: 4/10/17
George P. Bush, Commissioner
By: [Signature]

**RAILROAD COMMISSION OF TEXAS**

1701 N. Congress
P.O. Box 12967
Austin, Texas 78701-2967

Fiver State 18-1H
MF-109880D, MF-114285 A-E
MF-118232 A

Form W-2

Status: Approved
Date: 05/19/2017
Tracking No.: 171274

OIL WELL POTENTIAL TEST, COMPLETION OR RECOMPLETION REPORT, AND LOG

OPERATOR INFORMATION	
Operator Name: PANTHER EXPLORATION, LLC	Operator No.: 638506
Operator Address: 6100 S YALE SUITE 600 TULSA, OK 74136-0000	

WELL INFORMATION	
API No.: 42-389-35512	County: REEVES
Well No.: 1H	RRC District No.: 08
Lease Name: FIVER STATE 18	Field Name: PHANTOM (WOLFCAMP)
RRC Lease No.: 48474	Field No.: 71052900
Location: Section: 15, Block: 54 T4S, Survey: T&P RR CO/PSL, Abstract: 778	
Latitude:	Longitude:
This well is located 16.4 miles in a NORTHWEST direction from PECOS, TX, which is the nearest town in the county.	

FILING INFORMATION		
Purpose of filing: Initial Potential		
Type of completion: New Well		
Well Type: Producing	Completion or Recompletion Date:	03/13/2017
Type of Permit	Date	Permit No.
Permit to Drill, Plug Back, or Deepen	11/18/2016	820244
Rule 37 Exception		
Fluid Injection Permit		
O&G Waste Disposal Permit		
Other:		

COMPLETION INFORMATION		
Spud date: 12/11/2016	Date of first production after rig released:	03/13/2017
Date plug back, deepening, recompletion, or drilling operation commenced: 12/11/2016	Date plug back, deepening, recompletion, or drilling operation ended:	01/04/2017
Number of producing wells on this lease in this field (reservoir) including this well: 1	Distance to nearest well in lease & reservoir (ft.):	0.0
Total number of acres in lease: 640.00	Elevation (ft.):	2825 GL
Total depth TVD (ft.): 10920	Total depth MD (ft.):	16154
Plug back depth TVD (ft.):	Plug back depth MD (ft.):	
Was directional survey made other than inclination (Form W-12)? Yes	Rotation time within surface casing (hours):	120.0
	Is Cementing Affidavit (Form W-15) attached?	Yes
Recompletion or reclass? No	Multiple completion?	No
Type(s) of electric or other log(s) run: Gamma Ray (MWD)		
Electric Log Other Description:		
Location of well, relative to nearest lease boundaries	Off Lease :	No
of lease on which this well is located:	250.0 Feet from the	South Line and
	500.0 Feet from the	West Line of the
	FIVER STATE 18 Lease.	

FORMER FIELD (WITH RESERVOIR) & GAS ID OR OIL LEASE NO.			
Field & Reservoir	Gas ID or Oil Lease No.	Well No.	Prior Service Type
PACKET:	N/A		

W2: N/A

FOR NEW DRILL OR RE-ENTRY, SURFACE CASING DEPTH DETERMINED BY:

GAU Groundwater Protection Determination

Depth (ft.): 1925.0

Date: 11/29/2016

SWR 13 Exception

Depth (ft.): 3965.0

INITIAL POTENTIAL TEST DATA FOR NEW COMPLETION OR RECOMPLETION

Date of test: 04/15/2017

Production method: Flowing

Number of hours tested: 24

Choke size: 38

Was swab used during this test? No

Oil produced prior to test: 26000.00

PRODUCTION DURING TEST PERIOD:

Oil (BBLs): 1059.00

Gas (MCF): 3442

Gas - Oil Ratio: 3250

Flowing Tubing Pressure: 0.00

Water (BBLs): 4350

CALCULATED 24-HOUR RATE

Oil (BBLs): 1059.0

Gas (MCF): 3442

Oil Gravity - API - 60.: 51.0

Casing Pressure: 2232.00

Water (BBLs): 4350

CASING RECORD

Row	Type of Casing	Casing Hole Size (in.)	Hole Size (in.)	Setting Depth (ft.)	Multi - Stage Tool Depth (ft.)	Multi - Stage Shoe Depth (ft.)	Cement Class	Cement Amount (sacks)	Slurry Volume (cu. ft.)	Top of Cement (ft.)	TOC Determined By
1	Surface	9 5/8	12 1/4	4118			C	1450	3104.0	SURF	Circulated to Surface
2	Intermediate	7	8 3/4	11101			H	795	1997.0	ACE 669	Calculation

LINER RECORD

Row	Liner Size (in.)	Hole Size (in.)	Liner Top (ft.)	Liner Bottom (ft.)	Cement Class	Cement Amount (sacks)	Slurry Volume (cu. ft.)	Top of Cement (ft.)	TOC Determined By
1	4 1/2	6 1/8	10344	16154	H	615	774.0	10344	Calculation

TUBING RECORD

Row	Size (in.)	Depth Size (ft.)	Packer Depth (ft.)/Type
N/A			/

PRODUCING/INJECTION/DISPOSAL INTERVAL

Row	Open hole?	From (ft.)	To (ft.)
1	No	L1 11306	15988.0

ACID, FRACTURE, CEMENT SQUEEZE, CAST IRON BRIDGE PLUG, RETAINER, ETC.

Was hydraulic fracturing treatment performed? Yes

Is well equipped with a downhole actuation sleeve? No

If yes, actuation pressure (PSIG):

Production casing test pressure (PSIG) prior to hydraulic fracturing treatment: 10000

Actual maximum pressure (PSIG) during hydraulic fracturing: 9356

Has the hydraulic fracturing fluid disclosure been reported to FracFocus disclosure registry (SWR29)? Yes

Row	Type of Operation	Amount and Kind of Material Used	Depth Interval (ft.)
1	Fracture	3,794,001 LB 40/70; 8,732,038 LB MESH; 1248 GAL ACID	11306 15988

FORMATION RECORD

<u>Formations</u>	<u>Encountered</u>	<u>Depth TVD (ft.)</u>	<u>Depth MD (ft.)</u>	<u>Is formation isolated?</u>	<u>Remarks</u>
FORD-DELAWARE	No			No	PINCH-OUT
CASTILLE	No			No	PINCH-OUT
BELL CANYON	Yes	4120.0	4126.0	Yes	ESTIMATED
DELAWARE	No			No	PINCH-OUT
DELAWARE CONSOLIDATED GAS	No			No	PINCH-OUT
CHERRY CANYON	Yes	5090.0	5097.0	Yes	ESTIMATED
BONE SPRINGS	Yes	7505.0	7513.0	Yes	ESTIMATED
PERMIAN	No			No	PINCH-OUT
WOLFCAMP	Yes	10483.0	10491.0	Yes	ESTIMATED
PENNSYLVANIAN	No			No	NOT DEEP ENOUGH
MISSISSIPPIAN	No			No	NOT DEEP ENOUGH
DEVONIAN	No			No	NOT DEEP ENOUGH
FUSSELMAN	No			No	NOT DEEP ENOUGH
ELLENBURGER	No			No	NOT DEEP ENOUGH

Do the producing interval of this well produce H2S with a concentration in excess of 100 ppm (SWR 36)? No

Is the completion being downhole commingled (SWR 10)? No

REMARKS

KOP @ 10460

RRC REMARKS**PUBLIC COMMENTS:**

[RRC Staff 2017-04-24 13:00:26.512] EDL=4682 feet, max acres=704, PHANTOM (WOLFCAMP) oil or gas well

CASING RECORD :**TUBING RECORD:**

FLOWING

PRODUCING/INJECTION/DISPOSAL INTERVAL :**ACID, FRACTURE, CEMENT SQUEEZE, CAST IRON BRIDGE PLUG, RETAINER, ETC. :****POTENTIAL TEST DATA:**

OPERATOR'S CERTIFICATION

Printed Name: Rosaline Kinard

Title:

Telephone No.: (918) 551-5168

Date Certified: 05/19/2017

RAILROAD COMMISSION OF TEXAS

Oil and Gas Division

ELECTRIC LOG
STATUS REPORT

FORM L-1

Tracking No.: 171274

This facsimile L-1 was generated electronically from data submitted to the RRC.

Instructions

When to File Form L-1:

- with Forms G-1, W-2, and GT-1 for new and deepened gas, oil, and geothermal wells
- with Form W-3 for plugged dry holes
- when sending in a log which was held under a request for confidentiality and the period for confidentiality has not yet expired.

When is Form L-1 NOT required:

- with Forms W-2, G-1, and GT-1 filed for injection wells, disposal wells, water supply wells, service wells, re-test wells, re-classifications, and plugbacks of oil, gas or geothermal wells
- with Form W-3 for plugging of other than a dry hole

Where to File Form L-1:

- with the appropriate Commission district office

Filling out Form L-1:

- Section I and the signature section must be filled out for all wells
- complete only the appropriate part of Section II

Type of log required:

- any wireline survey run for the purpose of obtaining lithology, porosity, or resistivity information
- no more than one such log is required but it must be of the subject well
- if such log is NOT run on the subject well, do NOT substitute any other type of log; just select Section II, Part A below

SECTION I. IDENTIFICATION

Operator Name: PANTHER EXPLORATION, LLC	District No. 08	Completion Date: 03/13/2017
Field Name PHANTOM (WOLFCAMP)	Drilling Permit No. 820244	
Lease Name FIVER STATE 18	Lease/ID No. 48474	Well No. 1H
County REEVES	API No. 42- 389-35512	

SECTION II. LOG STATUS (Complete either A or B)

☐ A. BASIC ELECTRIC LOG NOT RUN

☒ B. BASIC ELECTRIC LOG RUN. (Select one)

- ☒ 1. Confidentiality is requested and a copy of the header for each log that has been run on the well is attached.
- ☐ 2. Confidentiality already granted on basic electric log covering this interval (applicable to deepened wells only).
- ☐ 3. Basic electric log covering this interval already on file with Commission (applicable to deepened wells only).
- ☐ 4. Log attached to (select one):

☐ (a) Form L-1 (this form). If the company/lease name on log is different from that shown in Section I, please enter name on log here: _____

Check here if attached log is being submitted after being held confidential. ☐

☐ (b) Form P-7, Application for Discovery Allowable and New Field Designation.

☐ (c) Form W-4, Application for Multiple Completion:

Lease or ID No(s). _____

Well No(s). _____

Rosaline Kinard

Signature

PANTHER EXPLORATION, LLC

Name (print)

Title

(918) 551-5168

Phone

04/18/2017

Date

-FOR RAILROAD COMMISSION USE ONLY-

CERTIFICATE OF COMPLIANCE
AND TRANSPORTATION AUTHORITY

P-4

This facsimile P-4 was generated electronically from data submitted to the RRC.
A certification of the automated data is available in the RRC's Austin office.

Tracking No.: 171274

1. Field name exactly as shown on proration schedule PHANTOM (WOLFCAMP)		2. Lease name as shown on proration schedule FIVER STATE 18					
3. Current operator name exactly as shown on P-5 Organization Report PANTHER EXPLORATION, LLC		4. Operator P-5 no. 638506	5. Oil Lsc/Gas ID no 48474	6. County REEVES	7. RRC district 08		
8. Operator address including city, state, and zip code 6100 S YALE SUITE 600 TULSA, OK 74136		9. Well no(s) (see instruction E) 1H					
		10. Classification ☒ Oil ☐ Gas ☐ Other (see instruction A)			11. Effective Date 03/13/2017		
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).							
Gatherer	Purchaser	Name of GAS WELL GAS or CASINGHEAD GAS Gatherer(s) or Purchaser(s) As Indicated in Columns to the Left (Attach an additional sheet in same format if more space is needed)			Purchaser's RRC Assigned System Code	Percent of Take	Full-well stream
X	X	ENERGY TRANSFER COMPANY(252017)			0001	100.0	
14. Authorized OIL or CONDENSATE Gatherer(s). (See instruction G).							
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	
SUNOCO PTNRS. MKTG.&TERMINALS LP(829626)						100.0	
RRC USE ONLY: Reviewer's initials: <u>RRC Staff</u> Approval date: <u>05/19/2017</u>							
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.							
Name of Previous Operator _____ Name (print) _____ Title _____				Signature ☐ Authorized Employee of previous operator ☐ Authorized agent of previous operator (see instruction G) _____ Date _____ 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.							
PANTHER EXPLORATION, LLC Name (print) _____ Title <u>Rosalinek@PantherEnergy.US</u> E-mail Address (optional)				Rosaline Kinard Signature ☒ Authorized Employee of current operator ☐ Authorized agent of current operator (see instruction G) <u>04/18/2017</u> Date _____ Phone with area code <u>(918) 551-5168</u>			



RAILROAD COMMISSION OF TEXAS

1701 N. Congress
P.O. Box 12967
Austin, Texas 78701-2967

Form W-15

Rev. 08/2014

CEMENTING REPORT

Cementer: Fill in shaded areas.
Operator: Fill in other items.

OPERATOR INFORMATION					
Operator Name: PANTHER ENERGY		Operator P-5 No.: 638506			
Cementer Name: O - Tex Pumping, LLC		Cementer P-5 No.: 617021			
WELL INFORMATION					
District No.: 8		County: REEVES			
Well No.: 1H		API No.: 42-389-35512		Drilling Permit No.: 820244	
Lease Name: FIVER STATE 18		Lease No.:			
Field Name: Phantom (Wolfcamp)		Field No.: 71052900			
I. CASING CEMENTING DATA					
Type of Casing:	☐ Conductor	☒ Surface	☐ Intermediate	☐ Liner	☐ Production
Drilled hole size (in.):	12.25	Depth of drilled hole (ft.):	4118	Est. % wash-out or hole enlargement: 1%	
Size of casing in O.D. (in.):	9.625	Casing weight (lbs/ft) and grade:	40H/J-55	No. of centralizers used: 8	
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☒ YES ☐ NO If no for surface casing, explain in Remarks.			Setting depth shoe (ft.):	Top of liner (ft.):	
			Setting depth liner (ft.):		
Hrs. waiting on cement before drill-out:		Calculated top of cement (ft.):	SURFACE	Cementing date: 12/13/2016	
SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1	980	CLASS C	REMARKS	2479	7917
2	470	CLASS C	REMARKS	625	1996
3					
Total	1450			3104	9913
II. CASING CEMENTING DATA					
Type of casing:	☐ Surface	☐ Intermediate	☐ Production	☐ Tapered production	☐ Multi-stage cement shoe ☐ Multiple parallel strings
Drilled hole size (in.):		Depth of drilled hole (ft.):		Est. % wash-out or hole enlargement:	
Size of casing in O.D. (in.):		Casing weight (lbs/ft) and grade:		No. of centralizers used:	
Tapered string drilled hole size (in.)		Tapered string depth of drilled hole (ft.)			
Upper: Lower:		Upper: Lower:			
Tapered string size of casing in O.D. (in.)		Tapered string casing weight (lbs/ft) and grade		Tapered string no. of centralizers used	
Upper: Lower:		Upper: Lower:		Upper: Lower:	
Was cement circulated to ground surface (or bottom of cellar) outside casing? YES ☐ NO ☐			Setting depth shoe (ft.):		
Hrs. waiting on cement before drill-out:		Calculated top of cement (ft.):	Cementing date:		
SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1					
2					
3					
Total					
III. CASING CEMENTING DATA					
Type of casing:	☐ Surface	☐ Intermediate	☐ Production	☐ Tapered production	☐ Multi-stage cement/DV tool ☐ Multiple parallel strings
Drilled hole size (in.):		Depth of drilled hole (ft.):		Est. % wash-out or hole enlargement:	
Size of casing in O.D. (in.):		Casing weight (lbs/ft) and grade:		No. of centralizers used:	
Tapered string drilled hole size (in.)		Tapered string depth of drilled hole (ft.)			
Upper: Lower:		Upper: Lower:			
Tapered string size of casing in O.D. (in.)		Tapered string casing weight (lbs/ft) and grade		Tapered string no. of centralizers used	
Upper: Lower:		Upper: Lower:		Upper: Lower:	
Was cement circulated to ground surface (or bottom of cellar) outside casing? YES ☐ NO ☐			Setting depth shoe (ft.):		
Hrs. waiting on cement before drill-out:		Calculated top of cement (ft.):	Cementing date:		
SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1					
2					
3					
Total					

**RAILROAD COMMISSION OF TEXAS**

1701 N. Congress
P.O. Box 12967
Austin, Texas 78701-2967

CEMENTING REPORT**Form W-15**

Rev. 08/2014

Cementer: Fill in shaded areas.
Operator: Fill in other items.

OPERATOR INFORMATION					
Operator Name: PANTHER ENERGY		Operator P-5 No.: 638506			
Cementer Name: O - Tex Pumping, LLC		Cementer P-5 No.: 617021			
WELL INFORMATION					
District No.: 8		County: REEVES			
Well No.: 1H		API No.: 42-389-35512		Drilling Permit No.: 820244	
Lease Name: FIVER STATE 18		Lease No.:			
Field Name: Phantom (Wolfcamp)		Field No.: 71052900			
I. CASING CEMENTING DATA					
Type of Casing:	☐ Conductor	☐ Surface	☒ Intermediate	☐ Liner	☐ Production
Drilled hole size (in.): 8 3/4	Depth of drilled hole (ft.): 11095		Est. % wash-out or hole enlargement: 20%		
Size of casing in O.D. (in.): 7	Casing weight (lbs/ft) and grade:		No. of centralizers used: 0		
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ YES ☒ NO If no for surface casing, explain in Remarks.			Setting depth shoe (ft.): 11101		Top of liner (ft.):
Hrs. waiting on cement before drill-out:			Calculated top of cement (ft.): 669		Cementing date: 12/24/2016
SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1	595	50:50:H	REMARKS1	1755	11674
2	200	50:50:H	REMARKS2	242	1609
3					
Total	795			1997	13283
II. CASING CEMENTING DATA					
Type of casing:	☐ Surface	☐ Intermediate	☐ Production	☐ Tapered production	☐ Multi-stage cement shoe ☐ Multiple parallel strings
Drilled hole size (in.):	Depth of drilled hole (ft.):		Est. % wash-out or hole enlargement:		
Size of casing in O.D. (in.):	Casing weight (lbs/ft) and grade:		No. of centralizers used:		
Tapered string drilled hole size (in.)		Tapered string depth of drilled hole (ft.)			
Upper: Lower:		Upper: Lower:			
Tapered string size of casing in O.D. (in.)		Tapered string casing weight (lbs/ft) and grade		Tapered string no. of centralizers used	
Upper: Lower:		Upper: Lower:		Upper: Lower:	
Was cement circulated to ground surface (or bottom of cellar) outside casing? YES ☐ NO ☐			Setting depth shoe (ft.):		
Hrs. waiting on cement before drill-out:			Calculated top of cement (ft.):		Cementing date:
SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1					
2					
3					
Total					
III. CASING CEMENTING DATA					
Type of casing:	☐ Surface	☐ Intermediate	☐ Production	☐ Tapered production	☐ Multi-stage cement/DV tool ☐ Multiple parallel strings
Drilled hole size (in.):	Depth of drilled hole (ft.):		Est. % wash-out or hole enlargement:		
Size of casing in O.D. (in.):	Casing weight (lbs/ft) and grade:		No. of centralizers used:		
Tapered string drilled hole size (in.)		Tapered string depth of drilled hole (ft.)			
Upper: Lower:		Upper: Lower:			
Tapered string size of casing in O.D. (in.)		Tapered string casing weight (lbs/ft) and grade		Tapered string no. of centralizers used	
Upper: Lower:		Upper: Lower:		Upper: Lower:	
Was cement circulated to ground surface (or bottom of cellar) outside casing? YES ☐ NO ☐			Setting depth shoe (ft.):		
Hrs. waiting on cement before drill-out:			Calculated top of cement (ft.):		Cementing date:
SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1					
2					
3					
Total					

CEMENTING TO SQUEEZE PLUG BACK OR PLUG AND ABANDON							
	PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7
Cementing Date							
Size of hole or pipe (in.)							
Depth to bottom of tubing or drill pipe (ft.)							
Cement retainer setting depth (ft.)							
CIBP setting depth (ft.)							
Amount of cement on top of CIBP (ft.)							
Sacks of cement used							
Slurry volume pumped (cu. ft.)							
Calculated top of plug (ft.)							
Measured top of plug, if tagged (ft.)							
Slurry weight (lbs/gal)							
Class/type of cement							
Perforate and squeeze (YES/NO)							
REMARKS							
REMARKS1 10% GEL + 6/10% SMS + 3/10% O-TX 20 + 1/4# SX CELLO FLAKE + 3# SX KOLSEAL + 5% SALT							
REMARKS2 2% GEL + 3/10% C-12 + 1/10% O-TX20							

CEMENTER'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that the cementing of casing and/or the placing of cement plugs in this well as shown in the report was performed by me or under my supervision, and that the cementing data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers cementing data only.

JUSTIN SMITH

Name and title of cementer's representative

O-TEX PUMPING

Cementing Company

Signature

2611 E-I-20

Address

MIDLAND TX, 79701

City, State, Zip Code

432-686-8559

Tel: Area Code

Number

12/24/2016

Date: mo. day yr.

OPERATOR'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have knowledge of the well data and information presented in this report, and that data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers all well data.

Fred Peek
Typed or printed name of operator's representative

Consultant
Title

Signature

Address

City, State, Zip Code

Tel: Area Code

Number

Date: mo. day yr.

Instructions for Form W-15, Cementing Report

NOTICE: The Form W-15 must be submitted as an attachment to a Form G-1 (Gas Well Back Pressure Test, Completion or Recompletion Report, and Log), Form W-2 (Oil Well Potential Test, Completion or Recompletion Report, and Log), Form W-3 (Plugging Record), or Form W-4 (Application for Multiple Completion), any time cement is pumped in a wellbore.

A. What to file: An operator should file an original and one copy of the completed Form W-15 for each cementing company used on a well. The cementing of different casing strings on a well by one cementing company may be reported on one form. The Form W-15 should be filed with the Form W-3, Plugging Record, unless the Form W-3 is signed by the cementing company representative. When reporting dry holes, operators must complete Form W-15, in addition to Form W-3, to show any casing cemented in the hole.

B. How to file: An oil and gas completion report and Form W-15 may be filed online using the Commission's Online System

(<https://webapps.rrc.state.tx.us/security/login.do>) or a paper copy of the form may be mailed to the Commission in Austin (P.O. Box 12967, Austin, Texas 78712967).

C. Surface casing: An operator must set and cement sufficient surface casing to protect all usable-quality water strata, as defined by the Groundwater Advisory Unit in Austin. Sufficient cement shall be used to fill the annular space outside the casing from the shoe to the ground surface or to the bottom of the cellar. Before drilling a well, an operator must obtain a letter from the Groundwater Advisory Unit stating the protection depth. Surface casing should not be set deeper than 200 feet below the specified depth without prior approval from the Commission.

To plug and abandon a well, operators must use only cements approved by the Commission's Director of Field Operations in accordance with SWR 14 ([http://info.rrc.state.tx.us/pls/pub/readtac\\$ext.TacPage?sl=R&app=9&p_dir=&p_loc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=16&pt=1&ch=3&ri=14](http://info.rrc.state.tx.us/pls/pub/readtac$ext.TacPage?sl=R&app=9&p_dir=&p_loc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=16&pt=1&ch=3&ri=14)). Cementing companies, service companies, or operators can qualify as approved cementers by demonstrating that they are able to mix and pump cement in compliance with Commission rules and regulations.

D. Estimated % wash-out: If the estimated % wash-out is less than 20% (or 30% along the Gulf Coast), provide supporting documentation such as a caller log to show how the estimated % wash-out was obtained.

E. Multi-stage cement: An operator must report the multi-stage cement shoe in II. Casing Cementing Data section by selecting the type of casing and Multi-stage cement shoe. The operator must report the multi-stage cement tool in III. Casing Cementing Data section by selecting the type of casing and Multi-stage cement/DV tool.

F. Multiple parallel strings: An operator should file the Form W-15 as an attachment to the Form W-4, Application for Multiple Completion. An operator may be required to submit multiple Form W-15s to show all data for multiple parallel strings.

G. Slurry data: If cement job exceeds three slurries, continue the list of slurries in the Slurry table in the subsequent Casing Cementing Data box.



RAILROAD COMMISSION OF TEXAS

1701 N. Congress
P.O. Box 12967
Austin, Texas 78701-2967

CEMENTING REPORT

Form W-15

Rev. 08/2014

Cementer: Fill in shaded areas.
Operator: Fill in other items.

OPERATOR INFORMATION					
Operator Name: Panther Energy			Operator P-5 No.: 638506		
Cementer Name: O - Tex Pumping, LLC			Cementer P-5 No.: 617021		
WELL INFORMATION					
District No.: 8		County: Reeves			
Well No.: 1 H		API No.: 42-389-35512		Drilling Permit No.: 820244	
Lease Name: Fiver State 18		Lease No.:			
Field Name: Phantom (Wolfcamp)		Field No.: 71052900			
I. CASING CEMENTING DATA					
Type of Casing:	☐ Conductor	☐ Surface	☐ Intermediate	☒ Liner	☐ Production
Drilled hole size (in.): 6 1/8	Depth of drilled hole (ft.): 16154		Est. % wash-out or hole enlargement: 1%		
Size of casing in O.D. (in.): 4 1/2	Casing weight (lbs/ft) and grade:		No. of centralizers used: 0		
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☒ YES ☐ NO If no for surface casing, explain in Remarks.			Setting depth shoe (ft.):		Top of liner (ft.): 10344
					Setting depth liner (ft.): 16154
Hrs. waiting on cement before drill-out:		Calculated top of cement (ft.): 10344		Cementing date: 1/2/2017	
SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1	615	H (50:50)	Remarks 1	774	8219
2					
3					
Total	615			774	829
II. CASING CEMENTING DATA					
Type of casing:	☐ Surface	☐ Intermediate	☐ Production	☐ Tapered production	☐ Multi-stage cement shoe ☐ Multiple parallel strings
Drilled hole size (in.):	Depth of drilled hole (ft.):		Est. % wash-out or hole enlargement:		
Size of casing in O.D. (in.):	Casing weight (lbs/ft) and grade:		No. of centralizers used:		
Tapered string drilled hole size (in.)		Tapered string depth of drilled hole (ft.)			
Upper: Lower:		Upper: Lower:		Upper: Lower:	
Tapered string size of casing in O.D. (in.)		Tapered string casing weight (lbs/ft) and grade		Tapered string no. of centralizers used	
Upper: Lower:		Upper: Lower:		Upper: Lower:	
Was cement circulated to ground surface (or bottom of cellar) outside casing? YES ☐ NO ☐			Setting depth shoe (ft.):		
Hrs. waiting on cement before drill-out:		Calculated top of cement (ft.):		Cementing date:	
SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1					
2					
3					
Total					
III. CASING CEMENTING DATA					
Type of casing:	☐ Surface	☐ Intermediate	☐ Production	☐ Tapered production	☐ Multi-stage cement/DV tool ☐ Multiple parallel strings
Drilled hole size (in.):	Depth of drilled hole (ft.):		Est. % wash-out or hole enlargement:		
Size of casing in O.D. (in.):	Casing weight (lbs/ft) and grade:		No. of centralizers used:		
Tapered string drilled hole size (in.)		Tapered string depth of drilled hole (ft.)			
Upper: Lower:		Upper: Lower:		Upper: Lower:	
Tapered string size of casing in O.D. (in.)		Tapered string casing weight (lbs/ft) and grade		Tapered string no. of centralizers used	
Upper: Lower:		Upper: Lower:		Upper: Lower:	
Was cement circulated to ground surface (or bottom of cellar) outside casing? YES ☐ NO ☐			Setting depth shoe (ft.):		
Hrs. waiting on cement before drill-out:		Calculated top of cement (ft.):		Cementing date:	
SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1					
2					
3					
Total					

CEMENTING TO SQUEEZE, PLUG BACK OR PLUG AND ABANDON							
	PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7
Cementing Date							
Size of hole or pipe (in.)							
Depth to bottom of tubing or drill pipe (ft.)							
Cement retainer setting depth (ft.)							
CIBP setting depth (ft.)							
Amount of cement on top of CIBP (ft.)							
Sacks of cement used							
Slurry volume pumped (cu. ft.)							
Calculated top of plug (ft.)							
Measured top of plug, if tagged (ft.)							
Slurry weight (lbs/gal)							
Class/type of cement							
Perforate and squeeze (YES/NO)							
REMARKS							
1) 2% GEL + 2/10%SMS + 1/2% OTX47A + 3/10% OTX20							

CEMENTER'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that the cementing of casing and/or the placing of cement plugs in this well as shown in the report was performed by me or under my supervision, and that the cementing data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers cementing data only.

Sergio Trevino/Service Supervisor
Name and title of cementer's representative

OTEX PUMPING
Cementing Company


Signature

2609 E I-20 Midland Texas 79706
Address City, State, Zip Code

432 686 8559
Tel: Area Code Number

1/2/2017
Date: mo. day yr.

OPERATOR'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have knowledge of the well data and information presented in this report, and that data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers all well data.

Rosaline Kinard
Typed or printed name of operator's representative

Regulatory Analyst
Title


Signature

6100 S Yale Ave., Suite 600, Tulsa OK 74136
Address City, State, Zip Code

918-551-7168
Tel: Area Code Number

04/18/2017
Date: mo. day yr.

Instructions for Form W-15, Cementing Report

NOTICE: The Form W-15 must be submitted as an attachment to a Form G-1 (Gas Well Back Pressure Test, Completion or Recompletion Report, and Log), Form W-2 (Oil Well Potential Test, Completion or Recompletion Report, and Log), Form W-3 (Plugging Record), or Form W-4 (Application for Multiple Completion), any time cement is pumped in a wellbore.

- What to file:** An operator should file an original and one copy of the completed Form W-15 for each cementing company used on a well. The cementing of different casing strings on a well by one cementing company may be reported on one form. The Form W-15 should be filed with the Form W-3, Plugging Record, unless the Form W-3 is signed by the cementing company representative. When reporting dry holes, operators must complete Form W-15, in addition to Form W-3, to show any casing cemented in the hole.
- How to file:** An oil and gas completion report and Form W-15 may be filed online using the Commission's Online System (<https://webapps.rrc.state.tx.us/security/login.do>) or a paper copy of the form may be mailed to the Commission in Austin (P.O. Box 12967, Austin, Texas 787112967).
- Surface casing:** An operator must set and cement sufficient surface casing to protect all usable-quality water strata, as defined by the Groundwater Advisory Unit in Austin. Sufficient cement shall be used to fill the annular space outside the casing from the shoe to the ground surface or to the bottom of the cellar. Before drilling a well, an operator must obtain a letter from the Groundwater Advisory Unit stating the protection depth. Surface casing should not be set deeper than 200 feet below the specified depth without prior approval from the Commission.
- To plug and abandon a well,** operators must use only cements approved by the Commission's Director of Field Operations in accordance with SWR 14 (http://info.sos.state.tx.us/pls/pub/readtac?ext=TacPage7sl=11&app=9&p_dli=&p_slc=&poloc=&p_ploc=&pg=1&tac=&tl=16&pl=1&ch=3&rl=14). Cementing companies, service companies, or operators can qualify as approved cements by demonstrating that they are able to mix and pump cement in compliance with Commission rules and regulations.
- Estimated % wash-out:** If the estimated % wash-out is less than 20% (or 30% along the Gulf Coast), provide supporting documentation such as a caliper log to show how the estimated % wash-out was obtained.
- Multi-stage cement:** An operator must report the multi-stage cement shoe in II, Casing Cementing Data section by selecting the type of casing and Multi-stage cement shoe. The operator must report the multi-stage cement tool in III, Casing Cementing Data section by selecting the type of casing and Multi-stage cement/DV tool.
- Multiple parallel strings:** An operator should file the Form W-15 as an attachment to the Form W-4, Application for Multiple Completion. An operator may be required to submit multiple Form W-15s to show all data for multiple parallel strings.
- Slurry data:** If cement job exceeds three slurries, continue the list of slurries in the Slurry table in the subsequent Casing Cementing Data box.



1" = 100' MD

COMPANY : PANTHER ENERGY COMPANY 11, LLC
WELL : FIVER STATE 18 # 1 H
FIELD : WOLFCAMP
COUNTY : REEVES
STATE : TEXAS
COUNTRY : UNITED STATES
UWI : 42-389-35349

LAT: 31°35'36.757"N LONG: 103°41'9.482"W
N: 716520.00 ft E: 956274.00 ft

SEC:23 TWP:4 S RANGE:

DIRECTIONAL
ROP
SURVEYS
SCI - GAIN

DEPTH REF. : RKB

REF. HEIGHT : 30,000 ft

RKB to Ground Level

GROUND LEVEL : 2825.000 ft

G.L. to MEAN SEA LEVEL

DEVIATION RECORD

HOLE SIZE	IN	FROM	FT	TO	FT	INCLINATION	DEG	FROM	FT	TO	FT
24		0		109		.55 - 63.56		10459		11095	
12 1/4		109		4118		53.58 - 92.05		11095		11943	
8 3/4		4118		11095		92.05 - 88.42		11943		13850	
6 1/8		11095		16154		88.42 - 92.24		13850		14421	
						92.24 - 89.16		14421		16104	
CASING RECORD											
CASING SIZE	IN	FROM	FT	TO	FT						
20		0		109							
9 5/8		0		4118							
7		0		11091							

DRILLING CO. : LAYSHAW

RIG : 15

LOG UNIT NO. : HSD-00292-DISTRICT : MIDLAND

SRVD DATE : 12-16-16

LWD START DATE : 12-21-16 DEPTH : 10359 FT

LWD END DATE : 1-1-17 DEPTH : 16154 FT

TOTAL DEPTH : 5795 FT

GROUNDWATER PROTECTION DETERMINATION

Form GW-2



Groundwater Advisory Unit

Date Issued: 29 November 2016

GAU Number: 163787

Attention: PANTHER EXPLORATION, LLC
6100 S YALE SUITE 600
TULSA, OK 74136

Operator No.: 638506

API Number: 38935512
County: REEVES
Lease Name: FIVER STATE 18
Lease Number:
Well Number: 1H
Total Vertical Depth: 11500
Latitude: 31.593544
Longitude: -103.685967
Datum: NAD27

Purpose: New Drill

Location: Survey-T&P RR CO; Abstract-778; Block-54 ; Township-4; Section-15

To protect usable-quality groundwater at this location, the Groundwater Advisory Unit of the Railroad Commission of Texas recommends:

Water-bearing strata from the land surface to a depth of 1000 feet and the Rustler, which is estimated to occur from 1200 to 1925 feet must be protected.

This recommendation is applicable to all wells within a radius of 200 feet of this location.

Please send Gamma/Porosity log of this well when it is available.

Note: Unless stated otherwise, this recommendation is intended to apply only to the subject well and not for area-wide use. This recommendation is for normal drilling, production, and plugging operations only. It does not apply to saltwater disposal operation into a nonproductive zone (RRC Form W-14).

This determination is based on information provided when the application was submitted on 11/28/2016. If the location information has changed, you must contact the Groundwater Advisory Unit, and submit a new application if necessary. If you have questions, please contact us at 512-463-2741 or gau@rrc.texas.gov.

Groundwater Advisory Unit, Oil and Gas Division

**RAILROAD COMMISSION OF TEXAS**

1701 N. Congress
P.O. Box 12967
Austin, Texas 78701-2967

Status: APPROVED
Date: 11/29/2016
Application ID: 11533
Version No.: 1
Payment Trace No.:
455RM0012FV6AZQ

STATEWIDE RULE 13 EXCEPTION APPLICATION

PREPARER INFORMATION			
Preparer Name:	Rosaline Kinard	Phone Number:	918-551-5168
E-mail	Rosalinek@PantherEnergy.US	Fax Number:	
FILING INFORMATION			
GW-1 Application ID:	163787	GAU Areal Extent:	RADIUS Radius: 200
API Number:	38935512	Drilling Permit Number:	820244 DP Effective Date: 11/18/2016
Is this a Tubing Exception Only	NO	Is this a First Time Tubing	NO
Is this an area-wide	NO	Associated SWR13E application:	
OPERATOR INFORMATION			
Operator Name:	PANTHER EXPLORATION, LLC	Operator No.:	638506
Address Line 1:	6100 S YALE SUITE 600	City:	TULSA
Address Line 2:		Postal Code:	74136
State:	OK		
WELL IDENTIFICATION INFORMATION			
Field Name:	PHANTOM (WOLFCAMP)		
County:	REEVES	District:	08 Well Number: 1H
Lease Name:	FIVER STATE 18		
GPS COORDINATES INFORMATION			
NAD:	NAD27	Format:	State Plane State Plane Zone: Central
Latitude Degrees:		Longitude Degrees:	
Latitude Minutes:		Longitude Minutes:	
Latitude Seconds:		Longitude Seconds:	
Decimal Degrees Latitude:		Decimal Degrees Longitude:	
State Plane X-Coordinate:	956274	State Plane Y-Coordinate:	716520
SURVEY INFORMATION			
Survey Name:	T&P RR CO	Abstract No.:	778
Block:	54	Township:	4 Section: 15
Tract:		Lot:	League:
Labor:		Porcion:	Share:
REFERENCE LINES INFORMATION			
Reference Line:	Survey		
First Distance:	250	First Direction:	South
Second Distance:	500	Second Direction:	west
ADDITIONAL INFORMATION			
Nearest Town:	Pecos	Distance to Nearest Town:	16.4 Direction to Nearest Town: NW
Total Vertical Depth:	11500	Measured Depth:	17000

APPLICATION INFORMATION			
Application ID:	11533	Operator Name:	PANTHER EXPLORATION, LLC
Well Number:	1H	Lease Name:	FIVER STATE 18
REQUEST INFORMATION			
Reason for this Request:			
☐	Economic	☒	Technical
☐			Other
Additional Information for Other Reason for this Request:			
Is this a proposed injection or disposal well?		NO	Is this a Minimum Separation well?
			NO
Are there any water wells within 1/4 mile of this proposed well location?			NO
Are there any INJECTION or DISPOSAL wells within 1/4 mlie of the proposed well location?			NO
Have there been any blowouts within one mile of this wellsite ?			NO

WATER WELLS

INJECTION OR DISPOSAL WELLS

BLOWOUTS

APPLICATION INFORMATION	
Application ID: 11533	Operator Name: PANTHER EXPLORATION, LLC
Well Number: 1H	Lease Name: FIVER STATE 18
REQUEST INFORMATION	
Has the well drilled and completed?	NO
Completion Tracking Number:	
Remarks for the Application:	
GAU INFORMATION	
GAU Areal Extent: RADIUS	Radius Distance: 200
Base of Usable Quality Water (feet. determined by GAU):	1925
Separation Points:	

GAU Recommendation Statements:

Water-bearing strata from the land surface to a depth of 1000 feet and the Rustler, which is estimated to occur from 1200 to 1925 feet must be protected.

This recommendation is applicable to all wells within a radius of 200 feet of this location.

Please send Gamma/Porosity log of this well when it is available.

APPLICATION INFORMATION

Application ID:	11533	Operator Name:	PANTHER EXPLORATION, LLC
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Application ID:	11533	Operator Name:	PANTHER EXPLORATION, LLC
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Well Number:	1H	Lease Name:	FIVER STATE 18
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Well Number:	1H	Lease Name:	FIVER STATE 18
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EXCEPTION INFORMATION	
1	2
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77	78
79	80
81	82
83	84
85	86
87	88
89	90
91	92
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97	98
99	100

Exception Request:

☐ Short Surface Casing ☒ Excess Surface Casing ☐ Single-string ☐ Tubing

☐ Short Surface Casing ☒ Excess Surface Casing ☐ Single-string ☐ Tubing

☐ Short Surface Casing ☒ Excess Surface Casing ☐ Single-string ☐ Tubing

☐ Short Surface Casing ☒ Excess Surface Casing ☐ Single-string ☐ Tubing

☐ Short Surface Casing ☒ Excess Surface Casing ☐ Single-string ☐ Tubing

☐ Short Surface Casing ☒ Excess Surface Casing ☐ Single-string ☐ Tubing

☐ Short Surface Casing ☒ Excess Surface Casing ☐ Single-string ☐ Tubing

☐ Short Surface Casing ☒ Excess Surface Casing ☐ Single-string ☐ Tubing

Alternate Program Request:

☐ Drilling Fluid ☐ Non-API Cement ☐ Other

☐ Drilling Fluid ☐ Non-API Cement ☐ Other

☐ Drilling Fluid ☐ Non-API Cement ☐ Other

☐ Drilling Fluid ☐ Non-API Cement ☐ Other

☐ Drilling Fluid ☐ Non-API Cement ☐ Other

☐ Drilling Fluid ☐ Non-API Cement ☐ Other

Additional Information for Other Alternate Program Request:

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APPLICATION INFORMATION			
Application ID:	11533	Operator Name:	PANTHER EXPLORATION, LLC
Well Number:	1H	Lease Name:	FIVER STATE 18

PROPOSED CASING AND CEMENTING PROGRAM
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Conductor Casing							
Hole Size(in.)	Casing O.D.(in.)	Grade	Weight (lb./ft.)	Shoe Setting Depth(ft.)	Multi-Stage Tool Depth(ft.)	No. of Centralizers	Centralizers Placement

Cementing - Conventional									
Slurry Type	Cement Type	Free Water Content(mL water per 250 mL cement)	No. of Sacks	Yield (cu.ft./sk.)	24Hr Comp Strength (psi)	72Hr Comp Strength (psi)	Cement Height(ft.)	Percent excess Cement	Top of Cement(ft.)
Tail/Critical Cement									
Lead/Filler Cement									

Slurry Type	Cement Additives
Tail/Critical Cement	
Lead/Filler Cement	

APPLICATION INFORMATION

Application ID: 11533	Operator Name: PANTHER EXPLORATION, LLC	
Well Number: 1H	Lease Name: FIVER STATE 18	

PROPOSED CASING AND CEMENTING PROGRAM

Surface Casing

Hole Size(in.)	Casing O.D.(in.)	Grade	Weight (lb./ft.)	Shoe Setting Depth(ft.)	Multi-Stage Tool Depth(ft.)	No. of Centralizers	Centralizers Placement
12.25	9.625	K55	40	3965	2200	20	2 ON 1ST JNT, THEN 1 EVERY 4TH TO SURFACE

Tapered Hole Size(in.)	Tapered Casing O.D.(in.)	Tapered Grade	Tapered Weight (lb./ft.)	Tapered Setting Crossover Depth(ft.)

Cementing - Conventional

Slurry Type	Cement Type	Free Water Content(mL water per 250 mL cement)	No. of Sacks	Yield (cu.ft./sk.)	24Hr Comp Strength (psi)	72Hr Comp Strength (psi)	Cement Height(ft.)	Percent excess Cement	Top of Cement(ft.)
Tail/Critical Cement	CLASS C	1.0	720	1.33	1926	2312	905	50	3060
Lead/Filler Cement	CLASS C	0.0	1130	1.92	1498	1670	860	50	2200

Slurry Type	Cement Additives
Tail/Critical Cement	CLASS C
Lead/Filler Cement	CLASS C, 6% GEL, 5% SALT

Cementing - Multi-Stage Tool

Slurry Type	Cement Type	Free Water Content(mL water per 250 mL cement)	No. of Sacks	Yield (cu.ft./sk.)	24Hr Comp Strength (psi)	72Hr Comp Strength (psi)	Cement Height(ft.)	Percent excess Cement	Top of Cement(ft.)
Tail/Critical Cement	CLASS C	1.0	350	1.33	1926	2312	714	50	1486
Lead/Filler Cement	CLASS C	0	680	1.92	1498	1670	1486	50	0

Slurry Type	Cement Additives
Tail/Critical Cement	CLASS C
Lead/Filler Cement	CLASS C, 6% GEL, 5% SALT

DAVID PORTER, CHAIRMAN
CHRISTI CRADDICK, COMMISSIONER
RYAN SITTON, COMMISSIONER



LORI WROTENBERY
DIRECTOR, OIL AND GAS DIVISION
D. CRAIG PEARSON
DISTRICT DIRECTOR

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

OPERATOR Name: PANTHER EXPLORATION, LLC

RE: Lease: FIVER STATE 18

Address1: 6100 S YALE SUITE 600

Well No: 1H

Address2:

Sec: 15 **Block:** 54

City: TULSA

County: REEVES

State: OK

Survey Name: T&P RR CO

SWR13EX Application Number: 11533

Drilling Permit No: 820244

SWR 13 CASING EXCEPTION APPLICATION/ALTERNATIVE REQUEST APPROVED

The Proposed Casing and Cementing Program submitted for the **LEASE NAME:** FIVER STATE 18 ;
WELL NUMBER: 1H has been approved by the Railroad Commission of Texas District Office.

- a. A copy of this approved letter must be kept on location during all phases of drilling and/or plugging operations. Once approved, changes CANNOT be made to the Proposed Casing Program on the original application without additional approval from the Railroad Commission of Texas District Office.
- b. Any substantive modifications to the cement program require prior approval from the Railroad Commission of Texas District Office, and may require re-submission of the SWR 13 (Statewide Rule 13) Alternate Surface Casing Application. Contact the Railroad Commission of Texas District Office for more information.
- c. The tail slurry must be sufficient to fill the Zone of Critical Cement as described in Statewide Rule 13(b)(1)(H)(i). In addition, all cement slurries must be mixed on location as described in Application for Alternate Surface Casing Program.
- d. The casing and cement program shall adhere to the following specifications:
Set 3965 feet of surface casing with a multistage tool set at a depth of not less than 2200 feet. Circulate cement from the multistage tool to the ground surface. If cement does not circulate to surface during the first stage, the multistage tool MUST be opened and neat cement be circulated from the tool to the surface.

Please notify the Midland District Office immediately if any gas, H2S or otherwise, is encountered before surface casing is set.

IF CEMENT IS NOT CIRCULATED TO THE GROUND SURFACE AS REQUIRED BY THIS EXCEPTION, YOU MUST CONTACT THE RAILROAD COMMISSION OF TEXAS DISTRICT OFFICE IMMEDIATELY AND FOLLOW THE PROCEDURES SET OUT IN RULE 13(b)(1)(H)(iii) OR AS REQUIRED BY THE RAILROAD COMMISSION OF TEXAS DISTRICT OFFICE.

You must comply with all other provisions of SWR 13 (Statewide Rule 13) and a representative of the cementing company who performs the cementing job for the protection of usable quality water strata must sign the Form W-15 attesting to the information regarding cementing operations performed; including circulation of cement. (Note: If surface casing is set below the approved depth, this can result in denial of future Statewide Rule 13(b)(1)(H)(i) requests.) A condition of the approved drilling permit requires notification to the Railroad Commission of Texas District Office eight (8) hours prior to the time casing is to be set/cemented in the well. If your exception request was submitted after the subject well has been drilled and completed, the operator may be referred for enforcement action.

This authorization shall expire within five (5) years from the date the Groundwater Protection Determination was issued, or at the expiration of the drilling permit (if the well is not spudded prior to expiration) for the referenced well, whichever occurs first. Furthermore, this authorization supersedes any prior authorizations issued for the referenced well.

This exception is based on information provided when the application was submitted on 11/29/2016
If any information has changed, you must contact the appropriate Railroad Commission of Texas District Office, and submit a new application if applicable. If you have questions, please contact the appropriate Oil and Gas District office.

RRC APPROVAL BY: Erik Hanson

DATE: 12/01/2016

D. CRAIG PEARSON
DISTRICT DIRECTOR



APPLICATION FOR APPROVAL OF SURFACE CASING > 3500 FEET
Statewide Rule 13(b)(1)(A)
RAILROAD COMMISSION OF TEXAS

Operator's Name and Address: Panther Exploration, LLC
15 E 5th Street, Suite 2100
Tulsa, OK 74103

P5 Number: 638506

Area for review: Well only

Lease Name: FIVER STATE 18-1H

Field Name: PHANTOM (WOLFCAMP) County: Reeves

Survey: SEC 18. BLK 54. T&P RR CO. Abstract: 5785

Drilling Permits: 820244

Note: Attach a map if the request is for more than one pad.

How will the operator maintain well control during drilling operations:

We will have the proper mud weight and employ a rotating head for pressure control.

How will the operator ensure cement is circulated to surface and that there is adequate bonding of cement:

We will run a DV tool in the casing string and pump 150% (or more) excess cement to ensure cement reached surface.

How will the operator prevent the migration of formation fluids thru the annular space:

The pumping of 150% excess cement and the pump rates ensure that >99% of annular space is filled with cement.

Signature: Steve Biddick Name: Steve Biddick Date: 11/29/2016 Phone: (918) 651-7104

RRC District Office Action:

☒ Approved ☐ Approved as Modified ☐ Denied (By: Erik Hanson Date: 12-1-16)

RRC Use Only▶

Remarks/Modifications:

RAILROAD COMMISSION OF TEXAS

1701 N. Congress
P.O. Box 12967
Austin, Texas 78701-2967

Form P-16

Page 1

Rev. 01/2016

Acreage Designation

SECTION I. OPERATOR INFORMATION

Operator Name: Panther Exploration	Operator P-5 No.: 638506
Operator Address: 6100 S Yale Ave., Suite 600, Tulsa OK 74136	

SECTION II. WELL INFORMATION

District No.: 8	County: Reeves	Purpose of Filing: ☐ Drilling Permit Application (Form W-1) ☒ Completion Report (Form G-1/W-2)
Well No.: 1H	API No.: 42-389-35512	
Total Lease Acres: 640	Drilling Permit No.: 820244	
Lease Name: Fiver State 18	Lease No.:	
Field Name: Phantom (Wolfcamp)	Field No.: 71052900	

Filer is the owner or lessee, or has been authorized by the owner or lessee, of all or an undivided portion of the mineral estate under each tract for which filer is listed as operator below. For all leases operated by other entities, the number of assigned acres shown are reflected on current Commission records or the filer has been authorized by the current operator to change the assigned acreage of that operator as shown below.

SECTION III. LISTING OF ALL WELLS IN THE APPLIED-FOR FIELD ON THE SAME ACREAGE AS THE LEASE, POOLED UNIT, OR UNITIZED TRACT DESIGNATED IN SECTION II ABOVE BY FILER

RRC ID No. or Lease No.	Well No.	H-Horizontal D-Directional V-Vertical	Lease Name	API No.	Acres Assigned	SWR 38 Except. (Y/N)	Operator Name and Operator No. (If different from filing operator)
820244	1H	H	Fiver State 18	389-35512	640	N	
Total Well Count >	1	640	< A. Total Assigned Horiz. Acreage		640	< C. Total Assigned Acreage	
			< Total Remaining Horiz. Acreage			< Total Remaining Acreage	
			< B. Total Assigned Vert./Dir. Acreage				
			< Total Remaining Vert./Dir. Acreage				

SECTION IV. REMARKS / PURPOSE OF FILING (see Instructions)

Attach Additional Pages As Needed. ☒ No additional pages ☐ Additional Pages: ____ (No. of additional pages)

CERTIFICATION: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that this report was prepared by me or under my supervision or direction, that I am authorized to make this report, and that the information contained in this report is true, correct, and complete to the best of my knowledge.

Signature _____ Rosaline Kinard, Regulatory Analyst _____ rosaline.k@pantherenergy.us
Name and title (type or print) _____ Email (include email address only) _____

6100 S Yale Ave., Suite 600, Tulsa OK 74136
Address

City, State, Zip Code

918-551-7168		04/18/2017
Tel: Area Code	Number	Date: mo. day yr.

04/18/2017
Date: mo. day yr.

Job Number: 111
 Company: Panther Energy
 Lease/Well: Fiver State 18-1H
 Location: North of Pecos
 Rig Name: Latshaw 15
 RKB:
 G.L. or M.S.L.:

State/Country: Tx/USA
 Declination: 7.15
 Grid: GRID
 File name: D:\WINSERVE\321216-.SVY
 Date/Time: 01-Jan-17 / 10:11
 Curve Name: Fiver State 18 1H

Fiver State 18-1H
 MF-109880D, MF-114285 A-E
 MF-118232 A

Scientific Drilling

WINSERVE SURVEY CALCULATIONS
 Minimum Curvature Method
 Vertical Section Plane 181.64
 Vertical Section Referenced to Wellhead
 Rectangular Coordinates Referenced to Wellhead

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	N-S FT	E-W FT	Vertical Section FT	CLOSURE Distance FT	Direction Deg	Dogleg Severity Deg/100
.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
140.00	.29	306.99	140.00	.21	-.28	-.20	.35	306.99	.21
320.00	.38	254.79	320.00	.33	-1.22	-.30	1.27	285.13	.17
500.00	.83	220.75	499.99	-.81	-2.65	.89	2.77	252.93	.31
680.00	3.57	254.04	679.84	-3.34	-8.89	3.60	9.50	249.39	1.62
861.00	2.59	249.32	860.58	-6.34	-18.13	6.85	19.21	250.74	.56
1043.00	2.27	346.19	1042.47	-4.29	-22.84	4.94	23.24	259.37	2.00
1226.00	1.71	269.43	1225.39	-.80	-26.44	1.55	26.45	268.28	1.37
1408.00	2.24	164.14	1407.33	-4.24	-28.18	5.05	28.50	261.44	1.73
1589.00	2.62	176.28	1588.17	-11.78	-26.95	12.54	29.41	246.40	.35
1774.00	1.85	279.10	1773.08	-15.52	-29.62	16.36	33.44	242.34	1.91
1962.00	3.96	263.53	1960.83	-15.78	-39.07	16.89	42.14	248.01	1.19
2151.00	3.04	302.19	2149.50	-13.84	-49.80	15.26	51.69	254.47	1.31
2340.00	1.55	17.62	2338.38	-8.73	-53.27	10.25	53.98	260.69	1.61
2528.00	2.83	5.26	2526.24	-1.69	-52.07	3.18	52.10	268.14	.72
2717.00	2.09	60.75	2715.09	4.64	-48.64	-3.25	48.86	275.45	1.26
2906.00	1.94	80.27	2903.97	6.87	-42.48	-5.65	43.03	279.18	.37
3095.00	5.30	68.22	3092.57	10.65	-31.21	-9.75	32.98	288.84	1.81
3285.00	6.61	66.44	3281.54	18.28	-13.04	-17.90	22.45	324.49	.70
3380.00	4.78	66.06	3376.07	22.07	-4.41	-21.93	22.50	348.70	1.93
3475.00	4.32	66.51	3470.77	25.10	2.49	-25.16	25.22	5.66	.49
3570.00	3.83	70.87	3565.53	27.57	8.77	-27.81	28.93	17.64	.61
3760.00	4.78	70.79	3754.99	32.25	22.24	-32.87	39.17	34.59	.50
3949.00	5.48	80.18	3943.23	36.38	38.57	-37.47	53.02	46.67	.58
4063.00	5.20	82.25	4056.74	38.01	49.05	-39.39	62.05	52.23	.30
4170.00	1.89	98.35	4163.52	38.40	55.60	-39.98	67.58	55.37	3.20
4233.00	1.32	111.49	4226.50	37.99	57.31	-39.61	68.75	56.46	1.07
4421.00	1.20	117.29	4414.45	36.29	61.07	-38.02	71.04	59.28	.09
4611.00	1.35	120.50	4604.40	34.24	64.77	-36.08	73.26	62.13	.09
4799.00	1.31	134.24	4792.35	31.62	68.21	-33.56	75.19	65.13	.17
4987.00	1.37	140.55	4980.30	28.38	71.18	-30.41	76.63	68.26	.08
5176.00	1.60	158.04	5169.24	24.19	73.60	-26.29	77.48	71.80	.27
5365.00	1.35	165.31	5358.18	19.59	75.16	-21.74	77.67	75.39	.16

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	N-S FT	E-W FT	Vertical Section FT	C L O S U R E		Dogleg Severity Deg/100
							Distance FT	Direction Deg	
5555.00	1.17	180.20	5548.13	15.49	75.72	-17.65	77.28	78.44	.20
5745.00	1.43	162.56	5738.08	11.29	76.42	-13.47	77.25	81.60	.25
5934.00	1.18	173.41	5927.04	7.10	77.35	-9.31	77.68	84.75	.19
6124.00	1.67	186.16	6116.98	2.41	77.28	-4.62	77.32	88.22	.31
6312.00	1.31	148.90	6304.92	-2.16	78.09	-.08	78.12	91.58	.54
6502.00	1.05	148.11	6494.88	-5.50	80.14	3.20	80.32	93.92	.14
6691.00	1.11	161.37	6683.84	-8.70	81.64	6.36	82.10	96.08	.14
6879.00	1.08	199.71	6871.81	-12.09	81.62	9.75	82.51	98.43	.38
7068.00	1.14	211.01	7060.78	-15.38	80.05	13.08	81.51	100.88	.12
7257.00	.96	216.34	7249.74	-18.27	78.14	16.02	80.25	103.16	.11
7447.00	.62	214.11	7439.73	-20.40	76.62	18.20	79.29	104.91	.18
7635.00	.56	212.93	7627.72	-22.02	75.55	19.84	78.70	106.25	.03
7824.00	1.36	255.09	7816.69	-23.37	72.88	21.27	76.54	107.78	.54
8012.00	1.10	268.72	8004.65	-23.98	68.92	22.00	72.98	109.19	.21
8201.00	1.28	320.79	8193.61	-22.39	65.78	20.50	69.48	108.80	.56
8390.00	1.82	269.66	8382.55	-20.77	61.44	19.00	64.86	108.68	.75
8578.00	1.04	253.49	8570.49	-21.27	56.82	19.64	60.67	110.52	.46
8768.00	.97	214.27	8760.46	-23.09	54.26	21.53	58.97	113.05	.36
8957.00	.98	281.04	8949.44	-24.10	51.77	22.61	57.11	114.96	.57
9146.00	.66	297.32	9138.42	-23.29	49.22	21.88	54.45	115.33	.21
9334.00	.76	274.15	9326.41	-22.71	47.01	21.35	52.21	115.78	.16
9523.00	.47	262.69	9515.40	-22.71	44.99	21.42	50.40	116.79	.17
9712.00	.45	216.00	9704.39	-23.41	43.79	22.15	49.66	118.13	.19
9901.00	.75	226.49	9893.38	-24.87	42.46	23.64	49.20	120.36	.17
10090.00	.74	221.97	10082.36	-26.62	40.74	25.45	48.67	123.16	.03
10278.00	.78	218.62	10270.35	-28.53	39.13	27.40	48.43	126.09	.03
10404.00	.55	199.84	10396.34	-29.77	38.39	28.66	48.58	127.79	.25
10467.00	2.89	179.50	10459.31	-31.64	38.30	30.53	49.68	129.56	3.78
10499.00	6.88	174.87	10491.18	-34.36	38.48	33.24	51.59	131.76	12.52
10530.00	9.96	173.16	10521.85	-38.87	38.97	37.74	55.04	134.93	9.97
10561.00	12.72	173.06	10552.24	-44.92	39.70	43.76	59.95	138.53	8.90
10593.00	15.42	174.86	10583.28	-52.65	40.51	51.47	66.43	142.43	8.55
10624.00	18.23	178.16	10612.95	-61.61	41.03	60.41	74.02	146.34	9.57
10656.00	21.27	180.32	10643.06	-72.42	41.16	71.21	83.30	150.39	9.77
10687.00	24.33	181.48	10671.64	-84.43	40.96	83.22	93.84	154.12	9.98
10718.00	27.14	179.90	10699.56	-97.88	40.81	96.68	106.05	157.37	9.33
10750.00	29.97	178.03	10727.66	-113.17	41.10	111.95	120.41	160.04	9.27
10782.00	32.96	176.85	10754.96	-129.86	41.85	128.61	136.44	162.14	9.54
10813.00	37.52	176.16	10780.27	-147.71	42.95	146.42	153.82	163.79	14.77
10844.00	42.29	176.00	10804.04	-167.54	44.31	166.20	173.30	165.19	15.39
10876.00	46.37	176.45	10826.93	-189.85	45.78	188.46	195.29	166.44	12.79
10907.00	49.82	177.57	10847.63	-212.89	46.97	211.45	218.01	167.56	11.45
10938.00	51.04	178.62	10867.38	-236.77	47.77	235.30	241.54	168.59	4.72
10970.00	53.55	178.59	10886.95	-262.08	48.38	260.58	266.50	169.54	7.84
11002.00	58.42	179.86	10904.84	-288.59	48.73	287.08	292.67	170.42	15.57
11040.00	63.58	179.41	10923.26	-321.81	48.95	320.28	325.51	171.35	13.62
11124.00	76.77	178.05	10951.69	-400.64	50.73	399.02	403.84	172.78	15.78
11156.00	82.43	178.38	10957.46	-432.08	51.71	430.43	435.17	173.18	17.72
11187.00	84.43	178.26	10961.01	-462.86	52.62	461.17	465.85	173.51	6.46
11218.00	85.16	178.80	10963.82	-493.73	53.41	492.00	496.61	173.83	2.92
11248.00	86.37	178.65	10966.03	-523.64	54.07	521.87	526.42	174.10	4.06
11280.00	87.75	178.78	10967.68	-555.59	54.79	553.79	558.28	174.37	4.33
11312.00	88.89	179.61	10968.61	-587.57	55.24	585.75	590.16	174.63	4.41
11374.00	89.36	181.99	10969.56	-649.55	54.37	647.73	651.82	175.21	3.91

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	N-S FT	E-W FT	Vertical Section FT	C L O S U R E		Dogleg Severity Deg/100
							Distance FT	Direction Deg	
11469.00	89.77	182.89	10970.28	-744.46	50.33	742.71	746.16	176.13	1.04
11564.00	90.03	183.25	10970.45	-839.32	45.24	837.68	840.54	176.91	.47
11659.00	90.10	184.24	10970.34	-934.12	39.04	932.62	934.93	177.61	1.04
11753.00	91.98	183.28	10968.63	-1027.90	32.87	1026.53	1028.42	178.17	2.25
11848.00	91.44	183.94	10965.80	-1122.66	26.89	1121.44	1122.99	178.63	.90
11943.00	92.05	184.62	10962.91	-1217.35	19.81	1216.29	1217.52	179.07	.96
12037.00	90.23	181.50	10961.04	-1311.19	14.79	1310.23	1311.27	179.35	3.84
12132.00	89.90	180.91	10960.93	-1406.16	12.80	1405.22	1406.22	179.48	.71
12227.00	91.34	180.97	10959.90	-1501.14	11.24	1500.21	1501.19	179.57	1.52
12323.00	91.51	181.01	10957.51	-1597.10	9.58	1596.17	1597.13	179.66	.18
12418.00	91.84	181.27	10954.74	-1692.04	7.69	1691.13	1692.06	179.74	.44
12514.00	91.31	182.12	10952.10	-1787.96	4.85	1787.09	1787.97	179.84	1.04
12610.00	90.84	182.11	10950.30	-1883.88	1.31	1883.07	1883.88	179.96	.49
12706.00	89.63	183.17	10949.90	-1979.77	-3.11	1979.05	1979.78	180.09	1.68
12800.00	89.90	183.06	10950.29	-2073.63	-8.22	2073.02	2073.65	180.23	.31
12896.00	89.66	183.20	10950.66	-2169.49	-13.46	2168.99	2169.53	180.36	.29
12991.00	92.65	184.25	10948.74	-2264.26	-19.63	2263.89	2264.34	180.50	3.34
13087.00	89.87	182.19	10946.63	-2360.07	-25.02	2359.82	2360.20	180.61	3.60
13183.00	90.57	182.44	10946.26	-2455.99	-28.90	2455.81	2456.16	180.67	.77
13279.00	90.84	182.51	10945.08	-2551.89	-33.04	2551.79	2552.10	180.74	.29
13375.00	90.67	182.33	10943.82	-2647.80	-37.10	2647.77	2648.06	180.80	.26
13470.00	91.38	182.45	10942.12	-2742.70	-41.06	2742.75	2743.01	180.86	.76
13565.00	92.38	182.30	10939.00	-2837.56	-44.99	2837.69	2837.92	180.91	1.06
13660.00	91.48	180.66	10935.80	-2932.47	-47.45	2932.63	2932.86	180.93	1.97
13755.00	89.16	183.01	10935.27	-3027.41	-50.49	3027.62	3027.83	180.96	3.48
13850.00	88.42	182.38	10937.28	-3122.28	-54.95	3122.58	3122.77	181.01	1.02
13945.00	90.77	181.69	10937.95	-3217.21	-58.33	3217.57	3217.74	181.04	2.58
14040.00	89.56	181.65	10937.67	-3312.17	-61.09	3312.56	3312.74	181.06	1.27
14135.00	90.10	180.99	10937.96	-3407.15	-63.28	3407.56	3407.73	181.06	.90
14230.00	90.60	181.37	10937.38	-3502.12	-65.24	3502.56	3502.73	181.07	.66
14326.00	91.68	181.00	10935.47	-3598.08	-67.22	3598.53	3598.71	181.07	1.19
14421.00	92.24	181.34	10932.22	-3693.01	-69.16	3693.47	3693.65	181.07	.69
14516.00	90.30	181.53	10930.11	-3787.95	-71.54	3788.44	3788.62	181.08	2.05
14612.00	89.26	181.22	10930.48	-3883.92	-73.84	3884.44	3884.62	181.09	1.13
14706.00	89.70	181.38	10931.33	-3977.89	-75.98	3978.44	3978.62	181.09	.50
14802.00	89.40	181.01	10932.09	-4073.87	-77.98	4074.43	4074.61	181.10	.50
14898.00	90.71	180.09	10931.99	-4169.86	-78.90	4170.41	4170.60	181.08	1.67
14993.00	89.83	179.83	10931.55	-4264.86	-78.83	4265.37	4265.59	181.06	.97
15088.00	89.70	179.04	10931.94	-4359.85	-77.90	4360.29	4360.55	181.02	.84
15184.00	91.24	179.34	10931.15	-4455.83	-76.54	4456.20	4456.49	180.98	1.63
15279.00	92.05	178.83	10928.42	-4550.78	-75.02	4551.07	4551.40	180.94	1.01
15374.00	92.35	182.00	10924.77	-4645.70	-75.71	4645.96	4646.31	180.93	3.35
15469.00	90.87	181.91	10922.10	-4740.60	-78.95	4740.92	4741.26	180.95	1.56
15564.00	90.91	182.09	10920.63	-4835.53	-82.27	4835.91	4836.23	180.97	.19
15659.00	90.40	181.37	10919.54	-4930.48	-85.13	4930.90	4931.22	180.99	.93
15755.00	91.51	181.97	10917.94	-5026.43	-87.93	5026.88	5027.20	181.00	1.31
15849.00	89.93	181.08	10916.76	-5120.38	-90.43	5120.87	5121.18	181.01	1.93
15945.00	89.40	180.87	10917.32	-5216.37	-92.07	5216.86	5217.18	181.01	.59
16040.00	88.82	180.86	10918.80	-5311.34	-93.50	5311.84	5312.17	181.01	.61
16104.00	89.16	181.79	10919.93	-5375.31	-94.98	5375.83	5376.15	181.01	1.55
TD WELL PROJECTION TO BIT									
16154.00	89.16	181.79	10920.66	-5425.29	-96.54	5425.83	5426.14	181.02	.00

**RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION**

Fiver State 18-1H
MF-109880D, MF-114285 A-E
MF-118232 A

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

PERMIT NUMBER 820244	DATE PERMIT ISSUED OR AMENDED Nov 18, 2016	DISTRICT * 08
API NUMBER 42-389-35512	FORM W-1 RECEIVED Nov 10, 2016	COUNTY REEVES
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Horizontal	ACRES 640
OPERATOR PANTHER EXPLORATION, LLC 6100 S YALE SUITE 600 TULSA, OK 74136-0000		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 FIVER STATE 18		WELL NUMBER 1H
LOCATION 16.4 miles NW direction from PECOS		TOTAL DEPTH 11500
Section, Block and/or Survey SECTION ◀ 15 BLOCK ◀ 54 T4S ABSTRACT ◀ 778 SURVEY ◀ T&P RR CO/PSL		
DISTANCE TO SURVEY LINES 250 ft. SOUTH 500 ft. WEST		DISTANCE TO NEAREST LEASE LINE 200 ft.
DISTANCE TO LEASE LINES 250 ft. SOUTH 500 ft. WEST		DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below
FIELD(s) and LIMITATIONS: * SEE FIELD DISTRICT FOR REPORTING PURPOSES *		
FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH NEAREST WE
PHANTOM (WOLFCAMP) FIVER STATE 18	640.00 200	11,500 0
WELLBORE PROFILE(s) FOR FIELD: Horizontal		
RESTRICCTIONS: This is a hydrogen sulfide field. Hydrogen Sulfide Fields with perforations must be isolated and tested per State Wide Rule 36 and a Form H-9 filed with the district office. Fields with SWR 10 authority to downhole commingle must be isolated and tested individually prior to commingling production. Lateral: TH1 Penetration Point Location Lease Lines: 250.0 F NORTH L 500.0 F WEST L Terminus Location BH County: REEVES Section: 18 Block: 54 T4S Abstract: 5785 Survey: T&P RR CO/MARTIN, C Lease Lines: 200.0 F SOUTH L 500.0 F WEST L Survey Lines: 200.0 F SOUTH L 500.0 F WEST L		
THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS		

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 820244	DATE PERMIT ISSUED OR AMENDED Nov 18, 2016	DISTRICT * 08
API NUMBER 42-389-35512	FORM W-1 RECEIVED Nov 10, 2016	COUNTY REEVES
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Horizontal	ACRES 640
OPERATOR PANTHER EXPLORATION, LLC 6100 S YALE SUITE 600 TULSA, OK 74136-0000		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 FIVER STATE 18		WELL NUMBER 1H
LOCATION 16.4 miles NW direction from PECOS		TOTAL DEPTH 11500
Section, Block and/or Survey SECTION ◀ 15 BLOCK ◀ 54 T4S ABSTRACT ◀ 778 SURVEY ◀ T&P RR CO/PSL		
DISTANCE TO SURVEY LINES 250 ft. SOUTH 500 ft. WEST		DISTANCE TO NEAREST LEASE LINE 200 ft.
DISTANCE TO LEASE LINES 250 ft. SOUTH 500 ft. WEST		DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below
FIELD(s) and LIMITATIONS: * SEE FIELD DISTRICT FOR REPORTING PURPOSES *		
FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH NEAREST WE
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. This well must comply to the new SWR 3.13 requirements concerning the isolation of any potential flow zones and zones with corrosive formation fluids. See approved permit for those formations that have been identified for the county in which you are drilling the well in. The designated interval for one or more of the fields approved in this permit appears to overlap with the designated interval of another field or fields in this district. In the case of conflicting designated intervals you will be required to be consistent in field designation on this lease. Further, if the designated interval overlap of wells on this lease results in an actual or potential double assignment of reservoir and the applicant cannot conclusively demonstrate that there is no double assignment, the permitted well may not be assigned an allowable until the conflict is resolved. Because of the overlapping designated intervals in this area, issuance of this permit does not guarantee that the completion of the well will be approved or that the well will receive an allowable in any given field, even if that field is listed on the approved permit application.		

**RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION
SWR #13 Formation Data**

REEVES (389) County

Formation	Shallow Top	Deep Top	Remarks	Geological Order	Effective Date
FORD-DELAWARE	2,500	2,500		1	12/17/2013
CASTILLE	2,800	2,800		2	12/17/2013
BELL CANYON	4,800	5,000		3	12/17/2013
DELAWARE	2,500	5,700		4	12/17/2013
DELAWARE CONSOLIDATED GAS	6,500	6,500		5	12/17/2013
CHERRY CANYON	3,800	7,800		6	12/17/2013
BONE SPRINGS	7,500	9,800		7	12/17/2013
PERMIAN	11,300	11,300		8	12/17/2013
WOLFCAMP	10,000	12,300		9	12/17/2013
PENNSYLVANIAN	11,000	14,900		10	12/17/2013
MISSISSIPPIAN	10,000	16,000		11	12/17/2013
DEVONIAN	13,600	17,800		12	12/17/2013
FUSSELMAN	14,000	17,800		13	12/17/2013
ELLENBURGER	15,000	20,800		14	12/17/2013

The above list may not be all inclusive, and may also include formations that do not intersect all wellbores. Formation "TOP" information listed reflects an estimated range based on geologic variances across the county. To clarify, the "Deep Top" is not the bottom of the formation; it is the deepest depth at which the "TOP" of the formation has been or might be encountered. This is a dynamic list subject to updates and revisions. It is the operator's responsibility to make sure that at the time of spudding the well the most current list is being referenced. Refer to the RRC website at the following address for the most recent information.
<http://www.rrc.texas.gov/oil-gas/compliance-enforcement/rule-13-geologic-formation-info>

API No. <u>42-389-35512</u> Drilling Permit # <u>820244</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: Approved	
1. RRC Operator No. <u>638506</u>		2. Operator's Name (as shown on form P-5, Organization Report) <u>PANTHER EXPLORATION, LLC</u>		3. Operator Address (include street, city, state, zip): <u>6100 S YALE SUITE 600</u> <u>TULSA, OK 74136-0000</u>		
4. Lease Name <u>FIVER STATE 18</u>		5. Well No. <u>1H</u>				
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 <u>11500</u>		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. <u>08</u>		12. County <u>REEVES</u>		13. Surface Location ☒ Land ☐ Bay/Estuary ☐ Inland Waterway ☐ Offshore		
14. This well is to be located <u>16.4</u> miles in a <u>NW</u> direction from <u>Pecos</u> which is the nearest town in the county of the well site.						
15. Section <u>15</u>	16. Block <u>54 T4S</u>	17. Survey <u>T&P RR CO/PSL</u>	18. Abstract No. <u>A-778</u>	19. Distance to nearest lease line: <u>200</u> ft.	20. Number of contiguous acres in lease, pooled unit, or unitized tract: <u>640</u>	
21. Lease Perpendiculars: <u>250</u> ft from the <u>SOUTH</u> line and <u>500</u> ft from the <u>WEST</u> line.		22. Survey Perpendiculars: <u>250</u> ft from the <u>SOUTH</u> line and <u>500</u> ft from the <u>WEST</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	71052900	PHANTOM (WOLFCAMP)	Oil or Gas Well	11500	0.00	
BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment)						
Remarks 			Certificate: I certify that information stated in this application is true and complete, to the best of my knowledge. Lori Greenwood, Regulatory @ Production Analyst Name of filer <u>(918)5517114</u> Phone Nov 10, 2016 Date submitted <u>LoriG@PantherEnergy.US</u> E-mail Address (OPTIONAL)			
RRC Use Only Data Validation Time Stamp: Nov 21, 2016 1:28 PM(Current Version)						

Permit Status: **Approved**

*The RRC has not approved this application.
Duplication or distribution of information is
at the user's own risk.*

**RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION**

APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER

*This facsimile W-1 was generated electronically from data submitted to the RRC.
A certification of the automated data is available in the RRC's Austin office.*

Form W-1H 07/2004
Supplemental Horizontal Well Information

Permit # **820244**

Approved Date: **Nov 18, 2016**

1. RRC Operator No. 638506	2. Operator's Name (exactly as shown on form P-5, Organization Report) PANTHER EXPLORATION, LLC	3. Lease Name FIVER STATE 18	4. Well No. 1H
--------------------------------------	---	--	--------------------------

Lateral Drainhole Location Information

5. Field as shown on Form W-1 **PHANTOM (WOLFCAMP) (Field # 71052900, RRC District 08)**

6. Section 18	7. Block 54 T4S	8. Survey T&P RR CO/MARTIN, C	9. Abstract 5785	10. County of BHL REEVES
-------------------------	---------------------------	---	----------------------------	------------------------------------

11. Terminus Lease Line Perpendiculars
200 ft. from the **South** line. and **500** ft. from the **West** line

12. Terminus Survey Line Perpendiculars
200 ft. from the **South** line. and **500** ft. from the **West** line

13. Penetration Point Lease Line Perpendiculars
250 ft. from the **North** line. and **500** ft. from the **West** line

Railroad Commission of Texas
Oil And Gas Division
Request for Clearance of Storage Tanks
Prior to Potential Test

Form P-8

Reference No. 36985

1. Operator's Name and Address (Exactly as shown on Form P-5 Organization Report) PANTHER EXPLORATION, LLC 6100 S YALE SUITE 600 TULSA, OK 74136-0000 2. RRC Operator Number: <u>638506</u>		3. RRC District No. 08	
		4. County of Well Site REEVES	
		5. API No. 42-389-35512	
6. Field Name (Wildcat or exactly as shown on RRC records) PHANTOM (WOLFCAMP)		7. Drilling Permit No. 820244	8. Rule 37 Case No.
9. Lease Name FIVER STATE 18		10. Oil lease No.	11. Well No. 1H
12. Drilling completed on <u>01/04/2017</u>		13. Completion report--Form W-2 or G-1--will be filed on <u>04/01/2017</u>	
14. Oil or condensate gatherer's name and address SUNOCO PTNRS. MKTG.&TERMINALS LP 3807 WEST CHESTER PIKE NEWTOWN SQ, PA 19073-2304 (215) 977-6164		15. Authorization to transport oil or condensate (mark one) ☒ Form P-4 attached ☒ Form P-4 Filed on <u>03/10/2017</u>	
		17. Amount of oil/condensate in tanks <u>774</u> barrels on <u>03/10/2017</u>	
16. This request is for <u>100000</u> barrels of ☒ crude oil OR ☐ condensate			
18. Storage capacity in bbls. Tank battery <u>4000</u> Test tanks <u>4000</u> Total <u>8000</u>			
19. Previous request for clearance. Amount _____ barrels granted on _____			
20. Reason for current request for clearance (explain briefly) Testing new completion			
Lori Greenwood Name of operator's representative		REGULATORY AND PRODUCTION ANALYST Title of person	
(918) 551-7114 Telephone		03/10/2017 Date	
RRC District Office Action			
Status: Approved		Barrels recommended <u>100000</u>	RRC Staff <u>03/10/2017</u> Date

**CERTIFICATE OF COMPLIANCE
AND TRANSPORTATION AUTHORITY**

P-4
5/02—WWW-1

READ INSTRUCTIONS ON BACK

1. Field name exactly as shown on proration schedule PHANTOM (WOLFCAMP)		2. Lease name as shown on proration schedule FIVER STATE 18			
3. Current operator name exactly as shown on P-5 Organization Report Panther Exploration, LLC		4. Operator P-5 no. 638506	5. Oil Lse/Gas ID no. N/A	6. County REEVES	7. RRC district 08
8. Operator address including city, state, and zip code 6100 S. Yale, Suite 600 Tulsa, OK 74136		9. Well no(s) (see instruction E) 1H			
		10. Classification ☒ Oil ☐ Gas ☐ Other (see instruction A)		11. Effective Date 03/10/2017	
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).					
Gatherer	Purchaser	Name of GAS WELL GAS or CASINGHEAD GAS Gatherer(s) or Purchaser(s) As Indicated in Columns to the Left (Attach an additional sheet in same format if more space is needed)			Full-well stream
X	X	Energy Transfer Company (Oper # 252017)			
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: _____		
Sunoco Ptnrs. Mktg & Terminals LP (operator #829626)		100	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.					
Name of Previous Operator		Signature			
Name (print)		☐ Authorized Employee of previous operator ☐ Authorized agent of previous operator (see instruction G)			
Title		Date		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.					
Lori Greenwood					
Name (print)		Signature			
Regulatory/Production Analyst		☒ Authorized Employee of current operator ☐ Authorized agent of current operator (see instruction G)			
Title		Date		Phone with area code	
lorig@pantherenergy.us		03/10/2017		918-551-7114	
E-mail Address (optional)		Date		Phone with area code	

INSTRUCTIONS

P-4: Certificate of Compliance and Transportation Authority

Reference. Statewide Rule 58, *Oil, Gas or Geothermal Resource Operator's Report*; Statewide Rule 14, *Plugging*; Statewide Rule 78, *Fees, Performance Bonds and Alternate Forms of Financial Security Required To Be Filed*; and Statewide Rule 1, *Organization Reports, Retention of Records, Notice Requirements*.

A. Who Files: operator of the oil lease or gas well (producing or non-producing), or other well (injection/disposal, water source, hydrocarbon storage, observation, brine mining, geothermal, etc.).

B. Purpose of filing: 1) establish the operator of an oil lease, gas well, or other well, 2) certify responsibility for regulatory compliance, including plugging the well(s) in accordance with Statewide Rule 14, *Plugging*, and 3) identify gatherers, purchasers, and purchasers' RRC-assigned system codes authorized for each producing well or lease.

C. When to File: for a 1) new oil lease, gas well, or other well, 2) recompletion, 3) reclassification from oil to gas or gas to oil, 4) consolidation, unitization or subdivision, or 5) change of gatherer, gas purchaser, gas purchaser system, operator, field name or lease name.

D. Where and What to File: original P-4 only with the Commission's Oil and Gas Division in Austin. Additional documents may be required with some P-4 filings.

E. Requirements for Operator Change: signature of previous operator in Item 15 and of new/receiving operator in Item 16. NOTE: regulatory responsibility for wells does not transfer until the P-4 has been approved by the RRC. All entities listed on the P-4 will receive written notification upon approval.

The Commission shall not approve a transfer of operatorship submitted for any well or lease unless the operator acquiring the well or lease has on file with the Commission one of the following approved forms of financial security in an amount sufficient to cover its current operations and the wells being transferred: 1) an individual performance bond, letter of credit or cash deposit; or 2) a blanket performance bond, letter of credit or cash deposit.

H₂S (Hydrogen Sulfide) Certification. The new operator must immediately comply with Statewide 36 if applicable. The Form H-9, *Certificate of Compliance, Statewide Rule 36*, is not transferable.

Oil Lease Change-of-Operator. The new oil lease operator may take responsibility for either:

1) All Wells on Lease. Leave **Item 9** blank or write "all". If you leave this item blank or write "all", you are specifically identifying all wells listed for the lease on the RRC Oil Proration Schedule as of the time the P-4 is approved by the Commission as wells for which you are assuming plugging responsibility. Upon approval of the P-4, the new operator will be responsible for regulatory compliance of each of the wells.

OR

Some Wells on Lease. Indicate the well numbers being

When only some of the wells on an existing lease are being transferred, a Form P-6 *Request for Permission to Subdivide or Consolidate Oil Lease(s)* must be filed with the P-4 along with plats showing the lease and wells before and after the subdivision.

Wells listed for a lease on the Oil Proration Schedule can be viewed through an inquiry at any RRC district office, in the Austin office, or on the web at www.rrc.state.tx.us. Printouts of an inquiry may be obtained through the Commission's Oil and Gas Division Proration Unit at (512) 463-6838. NOTE: information listed on a printout is not protected and could change at any time; therefore, it cannot be used as part of a P-4 change-of-operator, subdivision, or consolidation filing.

F. Revocation. This certification of compliance may be revoked by the Commission at any time for failure to comply with the oil and gas laws of the State of Texas and the rules, regulations, and orders of the Railroad Commission of Texas. Revocation of the certificate will not relieve the designated operator of its responsibility to maintain the leases and wells in compliance with Statewide Rules.

G. Detailed Instructions. NOTE: When filing a P-4 for changes, the form must be completed in its entirety, not just the areas being changed. Failure to include information in items 13 and 14 may result in deletion of gatherer and purchaser information and in loss of allowable.

Items 1 and 2. Field and Lease Name. If the P-4 is being filed to change the field name or lease name, show the proposed new name in Item 1 or 2.

Item 5. A separate P-4 is required for each RRC Oil Lease/ Gas ID Number in a multiple completion.

Item 11. Effective Date. The effective date is the date the change or acquisition actually takes place.

Item 13. Gas Well Gas or Casinghead Gas. List all active gatherers and purchasers. An RRC-assigned system code must be given for each purchaser. If there is a change of system codes under the same purchaser, attach a letter of explanation from the purchaser to the P-4. If selling gas on the spot market, you may list your company as purchaser if the spot market contract is for 60 days or less. An operator that lists itself as purchaser must request, by separate letter, a purchaser's system code number in accordance with Statewide Rule 34. For split connections, percentages of take must be given to no more than two decimal points. Combined percentages for gas gatherers must equal 100 percent. Combined percentages for gas purchasers must equal 100 percent. If gas is going full-well stream to a processing plant, place an "X" in the last column on the line identifying a gatherer. Full-well stream is the combined production of gas and condensate before the condensate has been separated from the gas.

Items 15 and 16. Certifications. A P-4 must be signed by a duly authorized individual in accordance with Statewide Rule 1.

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division
PO Box 12967
Austin TX
78711-2967
www.rrc.texas.gov

**CERTIFICATE OF COMPLIANCE
AND TRANSPORTATION AUTHORITY**

P-4

5/02—WWW-1

Fiver State 18-1H

MF-109880D, MF-114285 A-E *LD INSTRUCTIONS ON BACK*

MF-118232 A

1. Field name exactly as shown on proration schedule PHANTOM (WOLFCAMP)		2. Lease name as shown on proration schedule FIVER STATE 18			
3. Current operator name exactly as shown on P-5 Organization Report RKI EXPLORATION & PRODUCTION LLC		4. Operator P-5 no. 714221	5. Oil Lse/Gas ID no. DP-820244	6. County REEVES	7. RRC district 08
8. Operator address including city, state, and zip code 3500 ONE WILLIAMS CENTER MD 35 TULSA, OK 74172		9. Well no(s) (see instruction E) 1H			
		10. Classification ☒ Oil ☐ Gas ☐ Other (see instruction A)			11. Effective Date 03/10/17

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	X	ENERGY TRANSFER COMPANY (252017)	0001	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: _____	
SUNOCO PTNRS MKTG & TERMINALS LP (829626)	100	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.

PANTHER EXPLORATION, LLC	
Name of Previous Operator	Signature
JAMES R. STONE	☒ Authorized Employee of previous operator ☐ Authorized agent of previous operator (see instruction G)
Name (print)	(918) 551-7106
EXECUTIVE VICE PRESIDENT	Phone with area code
Title	Date

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.

MATTHEW HINSON	
Name (print)	Signature
VP ASSET TEAM, PERMIAN ASSETS	☒ Authorized Employee of current operator ☐ Authorized agent of current operator (see instruction G)
Title	(539) 573-0170
E-mail Address (optional)	Phone with area code
	Date

File No. MF109880 23.
Roores County
Completion Report for API 389-35512 Unit # 8293
Date Filed: 06/28/2017
George P. Bush, Commissioner
By: Jm

STATEWIDE RULE 32 EXCEPTION DATA SHEET

(05/2012)
Revised

(FILING FEE REQUIRED)

*\$ 375.00 PER RRC LEASE NUMBER OR \$375.00 PER RRC GAS ID NUMBER. IF SEVERAL LEASES ARE SURFACE COMMINGLED AND FLARED AT THE BATTERY, FEE IS \$375.00 PER COMMINGLING PERMIT NUMBER. (STATEWIDE RULE 78 AMENDMENT EFFECTIVE MAY 1, 2012)

Operator Number: 714221

Operator Name & Address: RKI EXPLORATION & PRODUCTION, LLC

3500 ONE WILLIAMS CENTER MD 35

TULSA, OK 74172

24 hr Emergency # (800) 667-6958

RRC DISTRICT 08

COUNTY REEVES

Well/Lease/Plant/System Name FIVER STATE 18-2H API 389-35132

Field PHANTOM (WOLFCAMP)

Identification by ID# (Indicate Type):

API# Gas ID# Lease ID# Drilling Permit# 823516 Commingle Permit# Plant ID#

Number(s)

Type of gas to be flared/vented (mark box):



Casinghead Gas



Gas Well Gas

Is this well/lease/plant subject to Statewide Rule 36 (H₂S Area)?

Yes



No

If yes*, Form H-9 Certificate # 094580

H₂S Concentration 25,000 ppm

*Proximity to populated areas-(Highways, Roads, Towns, House or Homes, Etc.) LOCATE ON MAP

Disposition of gas (mark box): ☒ Flare 30' Flare Stack/Height ☐ Flare Pit ☐ Vent

Time period requested (days,months): 90

Effective 08/22/17 Expiration 11/20/17

Volume to be flared/vented during time period requested:

2,000

MCF/D per well or

MCF/D per lease or

MCF/D per plant/system or

MCF total for time period

Method of Measurement: Orifice Meter

Purpose of Filing (circle): No Pipeline ☒ System Upset ☐ Clean Up/Test Well ☐ Size Compressor ☐ Other ☐

*If no, distance to nearest pipeline < 1 mile(s) - attach map showing location of site and nearest pipeline(s).

Explanation: Due to limited capacity. Waiting on right of way to loop in more line to increase capacity.

Before an exception can be granted, the following information must be submitted with this data sheet:

- * Explanation as to why the operations cannot be shut-in and the gas must be vented or flared
See above.
- * If gas is vented, explain why the gas cannot be safely and continuously burned and that the gas can be safely vented
N/A
- * Explanation of how all legal uses for casinghead gas have been investigated and exhausted
See above.
- * Distance to nearest pipeline and operating conditions (e.g. sweet or sour, line pressure etc.)
See above.

OPERATOR'S CERTIFICATION

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

Caitlin O'Hair

Permit Technician II

Typed or printed name of operator's representative

Title

539-573-3527

07/27/2017

Telephone: Area Code - Number

Date

Signature

☐ Does the applicant request to receive all Commission correspondence concerning the administrative review of this application VIA EMAIL ONLY: If yes, indicate email address caitlin.ohair@wpenergy.com

RRC USE ONLY

Administrative action:

Approved

Denied

Permit Number 29997

Effective Date

Expiration Date

ALL PRODUCTION SHOULD BE ACCURATELY MEASURED WITH DISPOSITION OF GAS REPORTED TO CODE 4 ON MONTHLY PR

Return to:

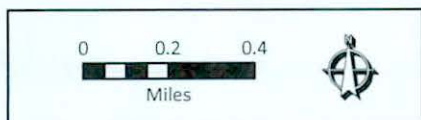
RAILROAD COMMISSION OF TEXAS
TERRY EDWARDS
PO BOX 12967
AUSTIN TX 78711



WPXENERGY

Sarge 17-1H Flare Map
Permian Basin

Date: 5/15/2017
Map Scale (at 8.5" x 11"): 1:27,293
Projection: NAD 1927 UTM Zone 13N
Created By: Sarah Harrison
Geospatial Data Tech II
3800 One Williams Center
Tulsa, OK 74172



Map Symbolology

Well SHL

WPX In Service Pipelines

COMMODITY

CRUDE

NATURAL GAS

Roads



File No. MF109880Reeves CountySWR 32-Exception Data SheetDate Filed: 09/28/2017By Jm George P. Bush, Commissioner

MF104880
MF114285
MF115997
MF118232
Your Copy

Anadarko E&P Onshore LLC

Division Order

STATE OF TEXAS
OFFICE
1700 N CONGRESS AVENUE
STEPHEN F AUSTIN BLDG
AUSTIN, TX 78701-1436

See reverse for list of
Properties and Interests.

Effective Date: Date of First Sales

The undersigned certifies the ownership of their decimal interest in production as described above payable by Anadarko E&P Onshore LLC (Payor).

Payor shall be notified, in writing, of any change in ownership, decimal interest, or payment address. All such changes shall be effective the first day of the month following receipt of such notice.

Payor is authorized to withhold payment pending resolution of a title dispute or adverse claim asserted regarding the interest in production claimed herein by the undersigned. The undersigned agrees to indemnify and reimburse Payor any amount attributable to an interest to which the undersigned is not entitled.

Payor may accrue proceeds until the total amount equals \$100, or Sept. 30 whichever occurs first, or as required by applicable state statute.

This Division Order does not amend any lease or operating agreement between the undersigned and the lessee or operator or any other contracts for the purchase of oil or gas.

In addition to the terms and conditions of this Division Order, the undersigned and Payor may have certain statutory rights under the laws of the state in which the property is located.

Note: NADOA Model Form Division Order (Adopted 9/95)

Special Clause(s): Payee agrees that by execution of this DO and returning the signature page to Payor that the signature page will be attached to Payor's duplicate original of this instrument and treated as an original for all purposes.

RV45678204
STATE OF TEXAS
OFFICE



Signature of Witness

Owner Signature/Corporate Title

Owner Address (if different from above)

Signature of Witness

Owner Signature/Corporate Title

City, State Zip Code

Owner Daytime Phone

Email Address

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

** All individual parties must complete and return the enclosed W9 to ensure proper payment. Additional forms may be obtained at www.irs.gov

Please return to:
Anadarko E&P Onshore LLC
P.O. BOX 1330
HOUSTON, TX 77251-9874
1-800-359-1692

Date Prepared: August 25, 2017
Prepared By: MASON PAYNE
Suspense Flag: N

<u>Property</u>	<u>Property Name</u>	<u>Product</u>	<u>State/County</u>	<u>Int Type</u>	<u>Int Seq</u>	<u>Interest</u>
407365	FIVER STATE 18 1H	All Products	TX/REEVES	RI	1	0.00634063

Legal Description:

640 ACRES MORE OR LESS BEING SECTION 18, BLOCK 54, T-4S, T&P RR CO SVY, REEVES COUNTY, TX,
COMPRISED OF THE FOLLOWING TRACTS:

TR 1 (320 ACRES): NE/4 AND SW/4 OF SECTION 18, BLOCK 54, A-5785, REEVES COUNTY, TX
TR 2 (320 ACRES): SE/4 AND NW/4 OF SECTION 18, BLOCK 54, A-1997, REEVES COUNTY, TX.



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

** All individual parties must complete and return the enclosed W9 to ensure proper payment. Additional forms may be obtained at www.irs.gov

Please return to:
Anadarko E&P Onshore LLC
P.O. BOX 1330
HOUSTON, TX 77251-9874
1-800-359-1692

Date Prepared: August 25, 2017
Prepared By: MASON PAYNE
Suspense Flag: N



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

November 9, 2017

Mason Payne
Division Order Analyst
Anadarko E&P Onshore LLC
P.O. Box 1330
Houston, TX 77251-9874

Re: State Lease Nos. ✓ MF109880, MF114285, MF115997 and MF118232 Fiver State 18 1H

Dear Mr. Payne:

The Texas General Land Office (GLO) has received your Division Order for the referenced unit. This Division Order has been filed in the appropriate mineral file(s).

The payment of royalties attributable to state-owned mineral and royalty interests is set by contract and applicable statutes and rules. The execution of division orders may, in some cases, affect the manner in which such payments are made or calculated. Therefore, Title 31, §9.32, of the Texas Administrative Code specifies that GLO staff cannot execute a division order or bind the state to any terms contained within it.

Subject to applicable state law and the state's right to take its production in-kind, the GLO acquiesces to the sale of oil and gas in accordance with the terms and conditions set out in the oil and gas leases. If you have questions concerning this matter, please feel free to e-mail me at the address below my signature.

We look forward to being put on pay status as soon as you are able to set up the wells in our RRAC system.

Thank you,

Vivian Hernandez
Landman, Energy Resources
512-475-0428
512-475-1543 (fax)
vivian.hernandez@glo.texas.gov

File No. MF109880

____ County

Division Order

Date Filed: 11-9-17

George P. Bush, Commissioner
By V.H.

By V.H.

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

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®

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

MF 109880

MF 114285

Postmark

Here

MF 115997

MF 118232

ATTN: Lou Ann Gruber

RKI Exploration & Production, LLC

3500 One Williams Ctr

Tulsa, OK 74172-0135

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 7595 20

United States
Postal Service



Texas General Land Office

George P. Bush, Commissioner

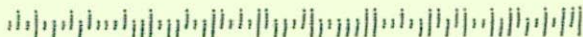
P.O. Box 12873

Austin, Texas 78711-2873

ATTN: Aurora Jordan 7th Energy
MF 109880



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



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:

RKI Exploration & Production,
ATTN: Lou Ann Gruber LLC
3500 One Williams Ctr
Tulsa, OK 74172-0135



9590 9402 1749 6074 7595 20

7016 2070 0000 7390 6301

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

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

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

Mail
Mail Restricted Delivery

(over \$500)



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

RKI Exploration & Production, LLC
Attn: Lou Ann Gruber
3500 One Williams Ctr
Tulsa, OK 74172-0135

COPY

Billing Date: 4/5/2018
Billing Due Date: 5/5/2018
Customer Number: C000048105

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
18I00402	MF109880	\$3,286.90	\$0.00	\$344.11	\$87.39	\$3,718.40
18I00403	MF109880	\$0.00	\$21,513.03	\$2,151.31	\$596.86	\$24,261.20
18I00404	MF114285	\$6,762.75	\$0.00	\$688.18	\$181.58	\$7,632.51
18I00405	MF114285	\$0.00	\$44,586.77	\$4,458.67	\$1,236.69	\$50,282.13
18I00406	MF115997	\$1,644.00	\$0.00	\$184.61	\$43.71	\$1,872.32
18I00407	MF115997	\$0.00	\$11,770.25	\$1,177.02	\$328.65	\$13,275.92
18I00408	MF118232	\$1,692.07	\$0.00	\$209.61	\$45.53	\$1,947.21
18I00409	MF118232	\$0.00	\$10,626.00	\$1,062.60	\$294.07	\$11,982.67
Total Due		\$13,385.72	\$88,496.05	\$10,276.11	\$2,814.48	\$114,972.36

Penalty and interest have been calculated thru 4/30/2018. Payment remitted after 4/30/2018 will result in additional penalty and interest charges.

Contact Info: Andrea Charlton (512) 463-5190 or Andrea.Charlton@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

RKI Exploration & Production, LLC

Billing Date: 4/5/2018

Billing Due Date: 5/5/2018

Customer Number: C000048105

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
18I00402	MF109880	\$3,286.90	\$0.00	\$344.11	\$87.39	\$3,718.40
18I00403	MF109880	\$0.00	\$21,513.03	\$2,151.31	\$596.86	\$24,261.20
18I00404	MF114285	\$6,762.75	\$0.00	\$688.18	\$181.58	\$7,632.51



Texas General Land Office

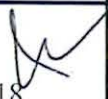
George P. Bush, Commissioner

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

18I00405	MF114285	\$0.00	\$44,586.77	\$4,458.67	\$1,236.69	\$50,282.13
18I00406	MF115997	\$1,644.00	\$0.00	\$184.61	\$43.71	\$1,872.32
18I00407	MF115997	\$0.00	\$11,770.25	\$1,177.02	\$328.65	\$13,275.92
18I00408	MF118232	\$1,692.07	\$0.00	\$209.61	\$45.53	\$1,947.21
18I00409	MF118232	\$0.00	\$10,626.00	\$1,062.60	\$294.07	\$11,982.67
Total Due		\$13,385.72	\$88,496.05	\$10,276.11	\$2,814.48	\$114,972.36
Amt. Paid						

Energy Financial Management
SMAR Activity / Invoicing Approval

Auditor/Account Examiner: Andrea Charlton
Company Name: RKI EXPLORATION & PRODUCTION LLC
Customer Number: C000048105
Mineral File #: MF109880
Transaction Type: Volume Reconciliation
Other / Invoice #:

Previous Amount	Current Amount	Date	AE / Reviewer's Notes	Reviewer's Signature	AR Notes
	\$3,718.40	04/02/18	Under reported/paid sales volumes	 MM 4/3/2018	

All original invoices must be approved.

All reductions in billing of more than \$1000 must be approved.

Customer ID: C000048105
 Invoice Number:
 GLO Lease: MF109880
 GLO Review: RKI Exploration & Production LLC
 Review Period: SEPT 2016 Through AUG 2017

Category: Gas
 Auditor/AE: Acharlto
 Billing Date: 4/2/2018
 P&I Calculation Date: 4/30/2018
 Royalty Rate: 12.50%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	RRC Number	Gas/Oil Volume	Tract Particip	Price	BTU	Gross Value	Royalty Due	Royalty Paid	Additional Ro	Number of Da	Interest Rate For	Penalty Rate For	Interest Rate For	Revenue Due
Apr-17	08-48474	3,021	1.00000000	2.685726	1.054896	\$8,558.98	\$1,069.87	\$0.00	\$1,069.87	319	4.75%	\$106.99	\$36.20	\$1,213.06
May-17	08-48474	1,581	1.00000000	2.727366	1.057134	\$4,558.33	\$569.79	\$0.00	\$569.79	289	4.75%	\$56.98	\$17.05	\$643.82
Jun-17	08-48474	1,540	1.00000000	2.593002	1.054484	\$4,210.79	\$526.35	\$0.00	\$526.35	258	4.75%	\$52.64	\$13.63	\$592.62
Jul-17	08-48474	281	1.00000000	2.580231	1.058195	\$767.24	\$95.90	\$0.00	\$95.90	227	4.75%	\$25.00	\$2.10	\$123.00
Aug-17	08-48474	2,998	1.00000000	2.586005	1.057671	\$8,199.96	\$1,024.99	\$0.00	\$1,024.99	197	4.75%	\$102.50	\$18.41	\$1,145.90
TOTALS		9,421				\$26,295.29	\$3,286.90	\$0.00	\$3,286.90			\$344.11	\$87.39	\$3,718.40

ATTN: Dan Eberly
 CERTIFIED MAIL: 7016 2070 0000 7390 6301

COMMENTS: SALES VOLUMES REPORTED TO THE GLO WERE COMPARED TO VOLUMES REPORTED TO THE RRC.
 IT HAS BEEN DETERMINED THAT THE SALES VOLUMES HAVE BEEN UNDER PAID.

COLUMN (3) RRC VOLUME - REPRESENTS UNDER REPORTED SALES VOLUMES TO THE GLO FROM RRC WELL ID# 08-48474 08-283260

COLUMN (5) PRICE - TAKEN FROM PRODUCTION ROYALTY REPORTS SUBMITTED TO THE TEXAS GENERAL LAND OFFICE

COLUMN (6) BTU - TAKEN FROM PRODUCTION ROYALTY REPORTS SUBMITTED TO THE TEXAS GENERAL LAND OFFICE

COLUMN (13)(14)(15) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENT:

<http://www.glo.texas.gov/energy-business/oil-gas/rac/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.

Energy Financial Management
SMAR Activity / Invoicing Approval

Auditor/Account Examiner: Andrea Charlton
Company Name: RKI EXPLORATION & PRODUCTION LLC
Customer Number: C000048105
Mineral File #: MF109880
Transaction Type: Volume Reconciliation
Other / Invoice #:

Previous Amount	Current Amount	Date	AE / Reviewer's Notes	Reviewer's Signature	AR Notes
	\$24,261.20	04/02/18	Under reported/paid sales volumes	MM 4/3/2018 	

All original invoices must be approved.
All reductions in billing of more than \$1000 must be approved.

Customer ID: C000048105
 Invoice Number:
 GLO Lease: MF109880
 GLO Review: RKI Exploration & Production LLC
 Review Period: SEPT 2016 Through AUG 2017

Category: Oil
 Auditor/AE: Acharito
 Billing Date: 4/2/2018
 P&I Calculation Date: 4/30/2018
 Royalty Rate: 12.50%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	RRC Number	Gas/Oil Volume	Tract Particip	Price	BTU	Gross Value	Royalty Due	Royalty Paid	Additional Ro	Number of Da	Interest Rate For	Penalty Rate For	Interest Rate For	Revenue Due
Apr-17	08-48474	1,105	1.00000000	46.779800	1.000000	\$51,691.68	\$6,461.46	\$0.00	\$6,461.46	329	4.75%	\$646.15	\$227.04	\$7,334.65
May-17	08-48474	674	1.00000000	44.044600	1.000000	\$29,686.06	\$3,710.76	\$0.00	\$3,710.76	299	4.75%	\$371.08	\$115.90	\$4,197.74
Jun-17	08-48474	469	1.00000000	41.291200	1.000000	\$19,365.57	\$2,420.70	\$0.00	\$2,420.70	268	4.75%	\$242.07	\$85.84	\$2,728.61
Jul-17	08-48474	765	1.00000000	43.596500	1.000000	\$33,351.32	\$4,168.92	\$0.00	\$4,168.92	237	4.75%	\$416.89	\$96.57	\$4,682.38
Aug-17	08-48474	850	1.00000000	44.717100	1.000000	\$38,009.54	\$4,751.19	\$0.00	\$4,751.19	207	4.75%	\$475.12	\$91.51	\$5,317.82
TOTALS		3,863				\$172,104.17	\$21,513.03	\$0.00	\$21,513.03			\$2,151.31	\$596.86	\$24,261.20

ATTENTION: Dan Eberly
 CERTIFIED MAIL : 7016 2070 0000 7390 6301

COMMENTS: SALES VOLUMES REPORTED TO THE GLO WERE COMPARED TO VOLUMES REPORTED TO THE RRC.
 IT HAS BEEN DETERMINED THAT THE SALES VOLUMES HAVE BEEN UNDER PAID.

COLUMN (3) RRC VOLUME - REPRESENTS UNDER REPORTED SALES VOLUMES TO THE GLO FROM RRC WELL ID# 08-48474 08-283260

COLUMN (5) PRICE - TAKEN FROM PRODUCTION ROYALTY REPORTS SUBMITTED TO THE TEXAS GENERAL LAND OFFICE

COLUMN (13)(14)(15) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENT:
<http://www.glo.texas.gov/energy-business/oil-gas/rac/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.

26

File No. MF 109880

Recon Billing County

Date Filed: 4/11/18

George P. Bush, Commissioner

By AT

WI ✓
ALAMO ✓

MF 109880
Unit 8293
42-389-35732

STATEWIDE RULE 32 EXCEPTION DATA SHEET

(05/2012)
Revised

(FILING FEE REQUIRED)

*\$375.00 PER RRC LEASE NUMBER OR \$375.00 PER RRC GAS ID NUMBER. IF SEVERAL LEASES ARE SURFACE COMMINGLED AND FLARED AT THE BATTERY, FEE IS \$375.00 PER COMMINGLING PERMIT NUMBER. (STATEWIDE RULE 78 AMENDMENT EFFECTIVE MAY 1, 2012)

Operator Number: 714221

Operator Name & Address: RRI EXPLORATION & PRODUCTION, LLC

3500 ONE WILLIAMS CENTER MD 35

TULSA, OK 74172

24 hr Emergency # (800) 667-6958

RRC DISTRICT 08

COUNTY REEVES

Well/Lease/Plant/System Name FIVER STATE 18-2H

Field PHANTOM (WOLF CAMP)

Identification by ID# (Indicate Type):

API# Gas ID# Lease ID# Drilling Permit# 823516 Commingle Permit# Plant ID#
Number(s)

Type of gas to be flared/vented (mark box):



Casinghead Gas



Gas Well Gas

Is this well/lease/plant subject to Statewide Rule 36 (H₂S Area)?

☐ Yes



No

If yes*, Form H-9 Certificate #

N/A

H₂S Concentration

N/A

ppm

*Proximity to populated areas-(Highways, Roads, Towns, House or Homes, Etc.) LOCATE ON MAP

Disposition of gas (mark box):



Flare 30'

Flare Stack/ Height



Flare Pit



Vent

Time period requested (days, months):

90 days

Effective 05/23/17

Expiration 08/21/17

Volume to be flared/vented during time period requested:

2,000

MCF/D per well or

MCF/D per lease or

MCF/D per plant/system or

MCF total for time period

Method of Measurement: Orifice Meter

Purpose of Filing (circle):

No Pipeline



System Upset



Clean Up/Test Well



Size Compressor



Other

*If no, distance to nearest pipeline < 1 mile(s) - attach map showing location of site and nearest pipeline(s).

Explanation: Due to limited capacity. Waiting on right of way to loop in more line to increase capacity.

Before an exception can be granted, the following information must be submitted with this data sheet:

* Explanation as to why the operations cannot be shut-in and the gas must be vented or flared

See above explanation.

* If gas is vented, explain why the gas cannot be safely and continuously burned and that the gas can be safely vented

N/A

* Explanation of how all legal uses for casinghead gas have been investigated and exhausted

See above explanation.

* Distance to nearest pipeline and operating conditions (e.g. sweet or sour, line pressure etc.)

See above explanation.

OPERATOR'S CERTIFICATION

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

Caitlin O'Hair

Permit Technician II

Typed or printed name of operator's representative

Title

539-573-3527

5/15/2017

Caitlin O'Hair

Telephone: Area Code - Number

Date

Signature

☐ Does the applicant request to receive all Commission correspondence concerning the administrative review of this application VIA EMAIL ONLY? If yes, indicate email address caitlin.ohair@wpenergy.com

RRC USE ONLY

Administrative action:

Approved

Denied

Permit Number

Effective Date

Expiration Date

ALL PRODUCTION SHOULD BE ACCURATELY MEASURED WITH DISPOSITION OF GAS REPORTED TO CODE 4 ON MONTHLY PR

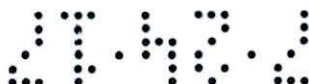
Return to:

RAILROAD COMMISSION OF TEXAS

TERRY EDWARDS

PO BOX 12967

AUSTIN TX 78711

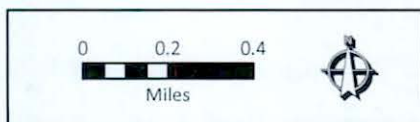




Sarge 17-1H Flare Map
Permian Basin

WPXENERGY

Date: 5/15/2017
Map Scale (at 8.5" x 11"): 1:27,293
Projection: NAD 1927 UTM Zone 13N
Created By: Sarah Harrison
Geospatial Data Tech II
3800 One Williams Center
Tulsa, OK 74172



Map Symbolology

Well SHL

WPX In Service Pipelines

COMMODITY

CRUDE

NATURAL GAS

Roads



CERTIFICATE OF COMPLIANCE
AND TRANSPORTATION AUTHORITY

READ INSTRUCTIONS ON BACK

P-4
5/02—www-1

1. Field name exactly as shown on proration schedule PHANTOM (WOLFCAMP)		2. Lease name as shown on proration schedule FIVER STATE 18					
3. Current operator name exactly as shown on P-5 Organization Report RKI EXPLORATION & PRODUCTION, LLC		4. Operator P-5 no. 714221	5. Oil Lse/Gas ID no.	6. County REEVES	7. RRC district 08		
8. Operator address including city, state, and zip code 3500 ONE WILLIAMS CENTER MD 35 TULSA, OK 74172		9. Well no(s) (see instruction E) 2H					
		10. Classification ☒ Oil ☐ Gas ☐ Other (see instruction A)			11. Effective Date 04/01/2017		
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).							
Gatherer	Purchaser	Name of GAS WELL GAS or CASINGHEAD GAS Gatherer(s) or Purchaser(s) As Indicated in Columns to the Left (Attach an additional sheet in same format if more space is needed)			Purchaser's RRC Assigned System Code	Percent of Take	Full-well stream
☒		STATELINE GATHERING, LLC (816094)				100	
	☒	DELAWARE BASIN MIDSTREAM, LLC (211476)			001	86	
	☒	MEDALLION DELAWARE BASIN, LLC (558223)			001	10	
	☒	ETC PIPELINE, LTD (252017)			001	4	
14. Authorized OIL or CONDENSATE Gatherer(s). (See instruction G).							
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	RRC USE ONLY	
SUNOCO PTNRS. MKTG.&TERMINALS LP (829626)					100	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.							
Name of Previous Operator		Signature					
Name (print)		☐ Authorized Employee of previous operator ☐ Authorized agent of previous operator (see instruction G)					
Title		Date		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.							
Caitlin O'Hair		Signature <i>Caitlin O'Hair</i>					
Name (print)		☒ Authorized Employee of current operator ☐ Authorized agent of current operator (see instruction G)					
Permit Technician II		5/12/2017		539-573-3527			
Title		Date		Phone with area code			
caitlin.ohair@wpenergy.com							
E-mail Address (optional)							



Railroad Commission of Texas

Oil And Gas Division

Form P-8

Request for Clearance of Storage Tanks

Prior to Potential Test

Reference No. 37751

1. Operator's Name and Address (Exactly as shown on Form P-5 Organization Report) RKI EXPLORATION & PRODUCTION LLC 3500 ONE WILLIAMS CENTER MD 35 TULSA, OK 74172-0000		3. RRC District No. 08
2. RRC Operator Number: <u>714221</u>		4. County of Well Site REEVES
5. API No. 42-389-35732		
6. Field Name (Wildcat or exactly as shown on RRC records) PHANTOM (WOLFCAMP)	7. Drilling Permit No. 823516	8. Rule 37 Case No.
9. Lease Name FIVER STATE 18	10. Oil lease No.	11. Well No. 2H
12. Drilling completed on <u>04/13/2017</u>	13. Completion report--Form W-2 or G-1--will be filed on <u>07/19/2017</u>	
14. Oil or condensate gatherer's name and address SUNOCO PTNRS. MKTG.&TERMINALS LP 3807 WEST CHESTER PIKE NEWTOWN SQ, PA 19073-2304 (215) 977-6164	15. Authorization to transport oil or condensate (mark one) ☒ Form P-4 attached ☒ Form P-4 Filed on <u>05/12/2017</u>	
16. This request is for <u>40000</u> barrels of ☒ crude oil OR ☐ condensate	17. Amount of oil/condensate in tanks <u>0</u> barrels on <u>05/12/2017</u>	
18. Storage capacity in bbls. Tank battery <u>3000</u> Test tanks <u>0</u> Total <u>3000</u>		
19. Previous request for clearance. Amount _____ barrels granted on _____		
20. Reason for current request for clearance (explain briefly) New well completion.		
Caitlin OHair Name of operator's representative		PERMIT TECHNICIAN II Title of person
(539) 573-3527 Telephone	<u>05/12/2017</u> Date	
RRC District Office Action		
Status: Approved	Barrels recommended <u>40000</u>	RRC Staff <u>05/15/2017</u> Date

21401

RECEIVED
RRC OF TEXAS

MAR 16 2017

FORM H-9
12/12/77

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

CERTIFICATE OF COMPLIANCE STATEWIDE RULE

O&G
Midland

FILE WITH
DISTRICT OFFICE
IN TRIPLICATE

1. Operator RKI Exploration & Prod, LLC		2. Operator Number (See Instruction 13) 714221		3. RRC Dist. 8	
4. Street or P. O. Box No. 3500 Williams Center MD-35		5. City Tulsa		6. State OK	
8. Name of Lease, Facility or Operation FIVER STATE 18		9. Field or Area Name Phantom (Wolfcamp) #71052900		7. Zip Code 74172	
11. General Operation Type - Circle One: A - Oil Field Production B - Gas Field Production C - Pipeline or Gathering Sys. D - Gasoline Plant E - Drilling or Workover F - Sweetening Unit G - Combination (explain) H - Other (explain)		Other Explanation Covering 1 drilling permit			
12. RRC ID# of Operation(s) to be Covered by This Certificate 823516		Type ID Code (See Instruction 12) 5		Indicate if Filing for Storage Facility Only YES NO ✓	
13. Hydrogen Sulfide Concentration 25000 PPM		14. Maximum Escape Volume 20 MCF/Day			
15. 100 PPM Radius of Exposure (ROE) 65 Ft.		16. 500 PPM Radius of Exposure (ROE) 30 Ft.			
17. Operation is Existing New ☐ ☒		18. Modification Resulting in Certificate Change ☐ ☒		Yes No ☐ ☒	
19. Workover or Drilling Well with 100 PPM ROE Greater than 3000' feet on Rule 36 Certified Well/Lease ☐ ☒		Yes No ☐ ☒			
20. Previous Certificate Number if Available (For Amended Certificates)					
21. The 100 PPM ROE includes any part of a public area except a public road ☐ ☒					
22. The 500 PPM ROE includes any part of a public road ☐ ☒					
23. Injection of fluid containing Hydrogen Sulfide (See Instruction 14) ☐ ☒					
24. Date (or Depth) of Compliance with all applicable provisions of Rule 36 03/16/2017 Mo Day Year 3,500' Ft. from Surface					
25. Contingency Plan Location of Plan (See Instruction 15) N/A Has been prepared Yes No ☐ ☒					
26. Location of data used to prepare this certificate (See Instruction 15) WPX Energy Inc, 3500 Williams Center MD-35, Tulsa, OK 74172					

CERTIFICATE

I declare under penalties prescribed in Section 91.143, Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision, and that I am qualified to make this certification by virtue of my training and experience, and by my analysis of the operation being certified, or by the analysis of qualified person working under my supervision, and that the data and facts stated therein are true, correct, and complete, to the best of my knowledge.

Regulatory Specialist (539) 573-2651 03/13/17
Representative of Company Title Phone No. Date

RAILROAD COMMISSION USE ONLY

This operation and the equipment used therein is approved on the basis of the above certification and is subject to further Commission audit for compliance with the required provisions of Statewide Rule 36. This approval may be cancelled if investigation determines that the operation does not comply with the provisions of Statewide Rule 36.

APPROVED BY: Tom Ford

DATE: 3/17/17

REMARKS:

CERTIFICATION NUMBER: 094580

This H-9 is for the above drilling permits. An amended H-9 will be filed once these wells are on production and we can conduct sampling.

COPY

41434

File No. MF 109880

Reeves County

SW Rule 32 Data Sheet

Date Filed: 5/7/18

George P. Bush, Commissioner

By MB Barnster

5
3
7
4

**RAILROAD COMMISSION OF TEXAS****Form G-1**

1701 N. Congress
P.O. Box 12967
Austin, Texas 78701-2967

Status: Submitted
Date: 09/25/2017
Tracking No.: 179781

GAS WELL BACK PRESSURE TEST, COMPLETION OR RECOMPLETION REPORT, AND LOG

OPERATOR INFORMATION			
Operator Name: RKI EXPLORATION & PRODUCTION LLC		Operator No.: 714221	
Operator Address: 3500 ONE WILLIAMS CENTER MD 35 TULSA, OK 74172-0000			

WELL INFORMATION			
API No.: 42-389-35732		County: REEVES	
Well No.: 2H		RRC District No.: 08	
Lease Name: FIVER STATE 18		Field Name: PHANTOM (WOLFCAMP)	
RRC Gas ID No.:		Field No.: 71052900	
Location: Section: 18, Block: 54 T4S, Survey: T&P RR CO/MARTIN, C, Abstract: 5785			
Latitude: 31.59177		Longitude: -103.67222	
This well is located 15.75 miles in a NORTHWEST direction from PECOS, which is the nearest town in the county.			

FILING INFORMATION			
Purpose of filing: Initial Potential			
Type of completion: New Well			
Well Type: Producing		Completion or Recompletion Date: 05/21/2017	
Type of Permit		Date	Permit No.
Permit to Drill, Plug Back, or Deepen		03/13/2017	823516
Rule 37 Exception			
Fluid Injection Permit			
O&G Waste Disposal Permit			
Other:			

COMPLETION INFORMATION			
Spud date: 03/13/2017		Date of first production after rig released: 05/21/2017	
Date plug back, deepening, recompletion, or drilling operation commenced: 03/13/2017		Date plug back, deepening, recompletion, or drilling operation ended: 04/13/2017	
Number of producing wells on this lease in this field (reservoir) including this well: 2		Distance to nearest well in lease & reservoir (ft.): 4385.0	
Total number of acres in lease: 640.00		Elevation (ft.): 2800 GL	
Total depth TVD (ft.): 14404		Total depth MD (ft.): 16421	
Plug back depth TVD (ft.): 14404		Plug back depth MD (ft.): 16373	
Was directional survey made other than inclination (Form W-12)? Yes		Rotation time within surface casing (hours): 46.0	
Recompletion or reclass? No		Is Cementing Affidavit (Form W-15) attached? Yes	
Type(s) of electric or other log(s) run: Gamma Ray (MWD)		Multiple completion? No	
Electric Log Other Description:			
Location of well, relative to nearest lease boundaries of lease on which this well is located:		Off Lease: No	
400.0 Feet from the North Line and			
500.0 Feet from the East Line of the			
		FIVER STATE 18 Lease.	

FORMER FIELD (WITH RESERVOIR) & GAS ID OR OIL LEASE NO.			
Field & Reservoir	Gas ID or Oil Lease No.	Well No.	Prior Service Type
[Barcode]			

G1: N/A
 PACKET: N/A

FOR NEW DRILL OR RE-ENTRY, SURFACE CASING DEPTH DETERMINED BY:

GAU Groundwater Protection Determination Depth (ft.): 1900.0 Date: 03/02/2017
 SWR 13 Exception Depth (ft.):

GAS MEASUREMENT DATA

Date of test: 09/04/2017 Gas measurement method(s):

Gas production during test (MCF): 1294 Orifice Meter

Was the well preflowed for 48 hours? Yes

Run No.	Line size	Orif. or Choke Size (in.)	24 hr. Coeff. Orif. Or Choke (in.)	Static Pm or Choke (in.)	Diff (hw)	Flow Temp (°F)	Temp. (Ftf)	Gravity (Fg)	Compress (Fpv)	Volume (MCF/day)
1	4.027	1.8750	24127.25	129.6	29.6	111.3	0.9540	0.8960	1.013	1294.0

FIELD DATA AND PRESSURE CALCULATIONS

Gravity (dry gas): 0.747 Gravity (liquid hydrocarbons) (Deg. API): 49.1
 Gas-Liquid Hydro Ratio (CF/Bbl): 7188 Gravity (mixture): Gmix= 0.693
 Avg. shut in temp. (°F): 124.0 Bottom hole temp. and depth: 174.0 °F@ 10000.0 FT

Run No.	Time of Run (Min.)	Choke Size (in.)	Wellhead Pressure (PSIA)	Wellhead Flow Temp (°F)
SHUT-IN	1440	31/64	4300	210.0
1	4320	31/64	1750	150.0

CASING RECORD

Row	Type of Casing	Casing Size (in.)	Hole Size (in.)	Setting Depth (ft.)	Multi - Stage Tool Depth (ft.)	Multi - Stage Shoe Cement Class	Cement Amount (sacks)	Slurry Volume (cu. ft.)	Top of Cement (ft.)	TOC Determined By
1	Surface	13 3/8	17 1/2	1927		C	2471	4210.0	0	Circulated to Surface
2	Intermediate	9 5/8	12 1/4	4214		50:50 / C	710	1549.0	2034	Calculation
3	Intermediate	9 5/8	12 1/4	4214	4214	C	635	1137.0	0	Circulated to Surface
4	Intermediate	7	8 3/4	11581		50:50 C / H	900	2649.0	3714	Calculation

LINER RECORD

Row	Liner Size (in.)	Hole Size (in.)	Liner Top (ft.)	Liner Bottom (ft.)	Cement Class	Cement Amount (sacks)	Slurry Volume (cu. ft.)	Top of Cement (ft.)	TOC Determined By
1	4 1/2	6 1/8	10867	16421	H	595	598.0	10867	Calculation

TUBING RECORD

Row	Size (in.)	Depth Size (ft.)	Packer Depth (ft.)/Type
N/A			

PRODUCING/INJECTION/DISPOSAL INTERVAL

Row	Open hole?	From (ft.)	To (ft.)
1	No	L1 11719	16227

01.00.1

ACID, FRACTURE, CEMENT SQUEEZE, CAST IRON BRIDGE PLUG, RETAINER, ETC.

Was hydraulic fracturing treatment performed?

Yes

Is well equipped with a downhole actuation sleeve? No

If yes, actuation pressure (PSIG):

Production casing test pressure (PSIG) prior to hydraulic fracturing treatment: 11042

Actual maximum pressure (PSIG) during hydraulic fracturing: 11000

Has the hydraulic fracturing fluid disclosure been reported to FracFocus disclosure registry (SWR29)?

Yes

Row	Type of Operation	Amount and Kind of Material Used	Depth Interval (ft.)
1	Fracture	12,731,157 TOTAL FLUID; 12,928,680 TOTAL PROPPANT	11719.0 16227.0

FORMATION RECORD

Formations	Encountered	Depth TVD (ft.)	Depth MD (ft.)	Is formation isolated?	Remarks
FORD-DELAWARE	No			No	NOT GEOLOGICALLY PRESENT
CASTILLE	No			No	NOT GEOLOGICALLY PRESENT
BELL CANYON	Yes	4199.0	4199.0	Yes	
DELAWARE	No			No	NOT GEOLOGICALLY PRESENT
DELAWARE CONSOLIDATED GAS	No			No	NOT GEOLOGICALLY PRESENT
CHERRY CANYON	Yes	5186.0	5191.0	Yes	
BONE SPRINGS	Yes	7665.0	7690.0	Yes	
PERMIAN	No			No	NOT GEOLOGICALLY PRESENT
WOLFCAMP	Yes	10486.0	10511.0	Yes	
PENNSYLVANIAN	No			No	DID NOT DRILL INTO THIS FORMATION
MISSISSIPPIAN	No			No	DID NOT DRILL INTO THIS FORMATION
DEVONIAN	No			No	DID NOT DRILL INTO THIS FORMATION
FUSSELMAN	No			No	DID NOT DRILL INTO THIS FORMATION
ELLENBURGER	No			No	DID NOT DRILL INTO THIS FORMATION

Do the producing interval of this well produce H2S with a concentration in excess of 100 ppm (SWR 36)?

No

Is the completion being downhole commingled (SWR 10)?

No

REMARKS

KOP (11,005' MD)

01.00.1

RRC REMARKS

PUBLIC COMMENTS:

CASING RECORD :

TUBING RECORD:

APPROVED SWR 13

PRODUCING/INJECTION/DISPOSAL INTERVAL :

ACID, FRACTURE, CEMENT SQUEEZE, CAST IRON BRIDGE PLUG, RETAINER, ETC. :

GAS MEASUREMENT DATE REMARK:

OPERATOR'S CERTIFICATION

Printed Name: Jessica DeMarce

Title: Regulatory Technician

Telephone No.: (539) 573-3521

Date Certified: 09/25/2017

01-00-1

RAILROAD COMMISSION OF TEXAS

Oil and Gas Division

ELECTRIC LOG
STATUS REPORT

FORM L-1

Tracking No.: 179781

This facsimile L-1 was generated electronically from data submitted to the RRC.

Instructions

When to File Form L-1:

- with Forms G-1, W-2, and GT-1 for new and deepened gas, oil, and geothermal wells
- with Form W-3 for plugged dry holes
- when sending in a log which was held under a request for confidentiality and the period for confidentiality has not yet expired.

When is Form L-1 NOT required:

- with Forms W-2, G-1, and GT-1 filed for injection wells, disposal wells, water supply wells, service wells, re-test wells, re-classifications, and plugbacks of oil, gas or geothermal wells
- with Form W-3 for plugging of other than a dry hole

Where to File Form L-1:

- with the appropriate Commission district office

Filling out Form L-1:

- Section I and the signature section must be filled out for all wells
- complete only the appropriate part of Section II

Type of log required:

- any wireline survey run for the purpose of obtaining lithology, porosity, or resistivity information
- no more than one such log is required but it must be of the subject well
- if such log is NOT run on the subject well, do NOT substitute any other type of log; just select Section II, Part A below

SECTION I. IDENTIFICATION

Operator Name: RKI EXPLORATION & PRODUCTION LLC	District No. 08	Completion Date: 05/21/2017
Field Name PHANTOM (WOLFCAMP)	Drilling Permit No. 823516	
Lease Name FIVER STATE 18	Lease/ID No.	Well No. 2H
County REEVES	API No. 42- 389-35732	

SECTION II. LOG STATUS (Complete either A or B)

☐ A. BASIC ELECTRIC LOG NOT RUN

☒ B. BASIC ELECTRIC LOG RUN. (Select one)

- ☒ 1. Confidentiality is requested and a copy of the header for each log that has been run on the well is attached.
- ☐ 2. Confidentiality already granted on basic electric log covering this interval (applicable to deepened wells only).
- ☐ 3. Basic electric log covering this interval already on file with Commission (applicable to deepened wells only).
- ☐ 4. Log attached to (select one):
- ☐ (a) Form L-1 (this form). If the company/lease name on log is different from that shown in Section I, please enter name on log here: _____
- Check here if attached log is being submitted after being held confidential. ☐
- ☐ (b) Form P-7, Application for Discovery Allowable and New Field Designation.
- ☐ (c) Form W-4, Application for Multiple Completion:
- Lease or ID No(s). _____
- Well No(s). _____

Jessica DeMarce

Signature

RKI EXPLORATION & PRODUCTION LLC

Name (print)

Regulatory Technician

Title

(539) 573-3521

Phone

09/25/2017

Date

-FOR RAILROAD COMMISSION USE ONLY-

01.00.1

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

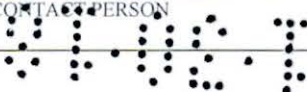
GAS WELL
CLASSIFICATION REPORT

Form G-5

Tracking No.: 179781

This facsimile G-5 was generated electronically from data submitted to the RRC.

1. OPERATOR NAME (Exactly as shown on Form P5 Organization Report) RKI EXPLORATION & PRODUCTION LLC		3. RRC DISTRICT NO. 08	4. OIL LEASE NO OR GAS WELL ID NO.																																								
2. MAILING ADDRESS 3500 ONE WILLIAMS CENTER MD 35 TULSA, OK 74172		5. WELL NO. 2H	6. API NO. 42- 389-35732																																								
		7. COUNTY OF WELL SITE REEVES																																									
8. FIELD NAME (as per RRC Records) PHANTOM (WOLFCAMP)		9. LEASE NAME FIVER STATE 18																																									
10. LOCATION (Section, Block and Survey) 18 , 54 T4S , T&P RR CO/MARTIN, C , A-5785		11. PIPELINE CONNECTION OR USE OF GAS																																									
PRODUCTION TEST AT RATE ELECTED BY OPERATOR (data on 24-hour basis)		A.S.T.M. DISTILLATION OF LIQUID SAMPLE. Distillation test is required for gas wells ONLY if the producing gas-liquid hydrocarbon ratio is less than 100,000 CF/barrel.																																									
A. Date of Test <u>09/04/2017</u> B. Gas Volume <u>1294.0</u> (Mcf) C. Oil or Condensate Volume <u>180.0</u> (Bbl) D. Water Volume <u>1278.0</u> (Bbl) E. Gas/Liquid Hydrocarbon Ratio <u>7188</u> (Cf/Bbl) F. Flowing Tubing Pressure <u>0</u> (psia) G. Choke Size <u>31/64</u> (in.) H. Casing Pressure <u>1750.0</u> (psia) I. Shut-in Wellhead Pressure-- Tubing <u>4300</u> (psia) J. Separator Operating Pressure <u>120.0</u> (psia) K. Color of Stock Tank Liquid <u>Straw</u> L. Gravity of Separator Liquid <u>48.4</u> ° API M. Gravity of Stock Tank Liquid <u>49.1</u> ° API N. Specific Gravity of the Gas (Air = 1) <u>0.747</u>		Date Liquid Sample Obtained <u>09/04/2017</u> Where Obtained: ☐ Separator ☒ Stock Tank <table style="width:100%;"> <thead> <tr> <th colspan="2">% Over Temp. (deg. F)</th> <th colspan="2">% Over Temp. (deg. F)</th> </tr> </thead> <tbody> <tr> <td>Initial Boiling Temp.</td> <td><u>108.0</u></td> <td>60</td> <td><u>490.0</u></td> </tr> <tr> <td>10</td> <td><u>158.0</u></td> <td>70</td> <td><u>564.0</u></td> </tr> <tr> <td>20</td> <td><u>218.0</u></td> <td>80</td> <td><u>606.0</u></td> </tr> <tr> <td>30</td> <td><u>271.0</u></td> <td>90</td> <td><u>654.0</u></td> </tr> <tr> <td>40</td> <td><u>332.0</u></td> <td>95</td> <td><u>691.0</u></td> </tr> <tr> <td>50</td> <td><u>396.0</u></td> <td>End Point</td> <td><u>713.0</u></td> </tr> <tr> <td colspan="2">Total Recovery <u>98.0</u></td> <td colspan="2">percent</td> </tr> <tr> <td colspan="2">Residue <u>1.0</u></td> <td colspan="2">percent</td> </tr> <tr> <td colspan="2">Loss <u>1.0</u></td> <td colspan="2">percent</td> </tr> </tbody> </table>		% Over Temp. (deg. F)		% Over Temp. (deg. F)		Initial Boiling Temp.	<u>108.0</u>	60	<u>490.0</u>	10	<u>158.0</u>	70	<u>564.0</u>	20	<u>218.0</u>	80	<u>606.0</u>	30	<u>271.0</u>	90	<u>654.0</u>	40	<u>332.0</u>	95	<u>691.0</u>	50	<u>396.0</u>	End Point	<u>713.0</u>	Total Recovery <u>98.0</u>		percent		Residue <u>1.0</u>		percent		Loss <u>1.0</u>		percent	
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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. <u>09/25/2017</u> DATE		RRC USE ONLY																																									
RKI EXPLORATION & PRODUCTION LLC NAME (Type or Print) <u>Jessica DeMarce</u> SIGNATURE <u>Regulatory Technician</u> TITLE <u>(539) 573-3521</u> CONTACT PERSON PHONE NUMBER																																											



Tracking No.: 179781

OPERATOR NAME AND ADDRESS including city, state and zip
 RKI EXPLORATION & PRODUCTION LLC
 3500 ONE WILLIAMS CENTER MD 35
 TULSA, OK 74172

GAS WELL STATUS REPORT

RAILROAD COMMISSION OF TEXAS
 Oil and Gas Division
 P.O. Box 12967
 Austin, Texas 78711-2967

*This facsimile G-10 was generated electronically
 from data submitted to the RRC.*

Reason for Filing

☐
 Survey

☐
 Retest

☒

Initial Test

☐

Correction

Operator P-5 Organization No.

714221

RRC Dist. No.

08

G-10

Test Period:

Due Date:

Effective Date:

FIELD NAME * LEASE NAME	RRC IDENT NO.	DATE TESTED MO/DAY/YR	GAS PRODUCED MCF/DAY **	CONDENSATE PRODUCED	WATER PROD BBL/DAY	***SIWH PRESSURE PSIA
	WELL NO.	MARK X FOR SHUT-IN WELL	GAS SPEC. GRAVITY	CONDENSATE GRAVITY (API)	X BOTTOMHOLE PRESSURE PSIA	***FLOWING PRESSURE PSIA
PHANTOM (WOLFCAMP)		09/04/2017	1294 MCF	180.0 BBL	1278.0 BBL	4300
FIVER STATE 18	2H		0.747	49.1	5638	1750
			MCF	BBL	BBL	
			MCF	BBL	BBL	
			MCF	BBL	BBL	
			MCF	BBL	BBL	
			MCF	BBL	BBL	
			MCF	BBL	BBL	
			MCF	BBL	BBL	
			MCF	BBL	BBL	
			MCF	BBL	BBL	
			MCF	BBL	BBL	

CERTIFICATION: I declare under penalties prescribed in Texas Natural Resources Code, Sec. 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 data and facts stated herein are true, correct, and complete to the best of my knowledge.

ENERGY PRECISION TESTING

Signature: DAVID MONTOYA

Title:

Phone: (806) 665-0750

Date: 09/25/2017

* AN ASTERISK PREPRINTED ON A SURVEY IDENTIFIES WELL SUBJECT TO COMMINGLING TEST REQUIREMENT

** GAS PRODUCTION RATE, IN MCF, IS TO BE REPORTED FULL-WELL STREAM, INCLUDING
 CONDENSATE *** PRESSURE FOR THE TEXAS HUGOTON FIELD IS REPORTED IN PSIG

X AN 'X' PREPRINTED ON A SURVEY IN THE BOTTOMHOLE PRESSURE BOX INDICATES A BOTTOMHOLE PRESSURE MUST BE REPORTED FOR THE WELL

CERTIFICATE OF COMPLIANCE
AND TRANSPORTATION AUTHORITY

P-4

This facsimile P-4 was generated electronically from data submitted to the RRC.
A certification of the automated data is available in the RRC's Austin office.

Tracking No.: 179781

1. Field name exactly as shown on proration schedule PHANTOM (WOLFCAMP)		2. Lease name as shown on proration schedule FIVER STATE 18					
3. Current operator name exactly as shown on P-5 Organization Report RKI EXPLORATION & PRODUCTION LLC		4. Operator P-5 no. 714221	5. Oil Lse/Gas ID no	6. County REEVES	7. RRC district 08		
8. Operator address including city, state, and zip code 3500 ONE WILLIAMS CENTER MD 35 TULSA, OK 74172		9. Well no(s) (see instruction E) 2H					
		10. Classification ☐ Oil ☒ Gas ☐ Other (see instruction A)			11. Effective Date 05/21/2017		
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 Due to: ☒ new completion or recompletion ☐ reclass oil to gas ☐ reclass gas to oil ☐ other well (specify) _____ ☐ consolidation, unitization, or subdivision (oil lease only)							
13. Authorized GAS WELL GAS or CASINGHEAD GAS Gatherer(s) and/or Purchaser(s). (See instruction G).							
Gatherer	Purchaser	Name of GAS WELL GAS or CASINGHEAD GAS Gatherer(s) or Purchaser(s) As Indicated in Columns to the Left (Attach an additional sheet in same format if more space is needed)			Purchaser's RRC Assigned System Code	Percent of Take	Full-well stream
X		STATELINE GATHERING, LLC(816094)				100.0	
	X	DELAWARE BASIN MIDSTREAM, LLC(211476)			0001	86.0	
	X	MEDALLION DELAWARE BASIN, LLC(558223)			0001	10.0	
	X	ENERGY TRANSFER COMPANY(252017)			0001	4.0	
14. Authorized OIL or CONDENSATE Gatherer(s). (See instruction G).							
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	
SUNOCO PTNRS. MKTG.&TERMINALS LP(829626)						100.0	
RRC USE ONLY: 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.							
Name of Previous Operator Name (print) Title				Signature ☐ Authorized Employee of previous operator ☐ Authorized agent of previous operator (see instruction G) Date 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.							
RKI EXPLORATION & PRODUCTION LLC Name (print) Regulatory Technician Title jessica.demarce@wpenergy.com E-mail Address (optional)				Jessica DeMarce Signature ☒ Authorized Employee of current operator ☐ Authorized agent of current operator (see instruction G) 09/25/2017 Date (539) 573-3521 Phone with area code			

01.00.1



Gamma

5 In MD Log

Company: WPX Energy
Well: Fiver State 18-2H
Field: Reeves County, Texas
County: Reeves
State: Texas
Country: USA
API Well #: 42-389-35732

Company: WPX Energy
Well: Fiver State 18-2H
Field: Reeves County, Texas
County: Reeves
State: Texas
Country: USA
API Well #: 42-389-35732

Well Location
Latitude: 31.59191 Longitude: -103.67268
Sec: Twp: Rng:

Depth Ref: Rotary Table
Elevation: 26.00 (ft) (Rotary Table - Ground Level)
Altitude: 2800.00 (ft) (Ground Level - Mean Sea Level)

Hole Data			Casing Record		
Size (in)	From (ft)	To (ft)	Size (in)	From (ft)	To (ft)
17.500	220	1927	9.630	0	4200
12.250	1927	4230	7.000	0	11583
8.750	4230	11596			
6.000	11596				

Drilling Contractor: Latshaw
Start Date: 03/13/2017 12:05
End Date:
Drill Site Manager: James Butler
Rig #: 11
Start Depth: 220
End Depth:
Job No: FD0317DPM112

Run Data

Run	Run #1	Run #2	Run #3	Run #4	Run #5
Start Date	03/13/2017	03/14/2017	03/19/2017	03/22/2017	03/25/2017
Start Time	12:05	20:00	11:32	06:28	23:00
End Date	03/14/2017	03/16/2017	03/21/2017	03/25/2017	03/28/2017
End Time	19:00	04:15	12:00	22:00	07:00
Depth In (ft)	220	1095	1927	4230	8513
Depth Out (ft)	1053	1927	4230	8513	10970
Log Top (ft)			4101	4187	8469
Log Bottom (ft)			4187	8469	10927
Hole Size (in)	17.50	17.50	12.25	8.75	8.75
Mud Data @	03/13/2017	03/14/2017	03/19/2017	03/22/2017	03/25/2017
Mud Type	Water	Water	Water	Water	Water
Density (lb/gal)	9.2000	9.3000	10.0000	8.8000	10.0000
Viscosity (s/qt)	27	27	28		
Ph					
Fluid Loss (cm3/30)					
Chlorides (ppm)					
Max Rec Temp°F	76.00	94.00			

ity, State, Zip Code



RAILROAD COMMISSION OF TEXAS

1701 N. Congress
P.O. Box 12967
Austin, Texas 78701-2967

CEMENTING REPORT

Form W-15

Rev. 08/2014

Cementor: Fill in shaded areas.
Operator: Fill in other items.

OPERATOR INFORMATION					
Operator Name: RKI Exploration & Production, LLC			Operator P-5 No.: 714221		
Cementor Name: O-Tex Pumping, LLC			Cementor P-5 No.: 617021		
WELL INFORMATION					
District No.: 08		County: REEVES			
Well No.: 18-2H		API No.: 42-389-35732		Drilling Permit No.: 823516	
Lease Name: FIVER STATE		Lease No.: 48474			
Field Name: Phantom (Wolfcamp)		Field No.: 71052900			
CEMENTING DATA					
Type of Casing:	☐ Conductor	☒ Surface	☐ Intermediate	☐ Liner	☐ Production
Drilled hole size (in.):	17.5	Depth of drilled hole (ft.):	1927	Est. % wash-out or hole enlargement: 25%	
Size of casing in O.D. (in.):	13.375	Casing weight (lbs/ft) and grade:	54.5# J55	No. of centralizers used: 16	
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☒ YES ☐ NO If no for surface casing, explain in Remarks.			Setting depth shoe (ft.):	Top of liner (ft.):	
			1927	Setting depth liner (ft.):	
Hrs. waiting on cement before drill-out: 61		Calculated top of cement (ft.): SURFACE		Cementing date: 9/18/2017	
SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1	1560	65:35 C	REMARKS 1	2980	4290
2	911	C	REMARKS 2	1230	1717
3					
Total	2471			4210	6007
TAPERED STRING CEMENTING DATA					
Type of casing:	☐ Surface	☐ Intermediate	☐ Production	☐ Tapered production	☐ Multi-stage cement shoe ☐ Multiple parallel strings
Drilled hole size (in.):		Depth of drilled hole (ft.):		Est. % wash-out or hole enlargement:	
Size of casing in O.D. (in.):		Casing weight (lbs/ft) and grade:		No. of centralizers used:	
Tapered string drilled hole size (in.)		Tapered string depth of drilled hole (ft.)			
Upper:	Lower:	Upper:	Lower:		
Tapered string size of casing in O.D. (in.)		Tapered string casing weight (lbs/ft) and grade		Tapered string no. of centralizers used	
Upper:	Lower:	Upper:	Lower:	Upper:	Lower:
Was cement circulated to ground surface (or bottom of cellar) outside casing? YES ☐ NO ☐			Setting depth shoe (ft.):		
Hrs. waiting on cement before drill-out:		Calculated top of cement (ft.):		Cementing date:	
SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1					
2					
3					
Total					
TAPERED STRING CEMENTING DATA					
Type of casing:	☐ Surface	☐ Intermediate	☐ Production	☐ Tapered production	☐ Multi-stage cement/DV tool ☐ Multiple parallel strings
Drilled hole size (in.):		Depth of drilled hole (ft.):		Est. % wash-out or hole enlargement:	
Size of casing in O.D. (in.):		Casing weight (lbs/ft) and grade:		No. of centralizers used:	
Tapered string drilled hole size (in.)		Tapered string depth of drilled hole (ft.)			
Upper:	Lower:	Upper:	Lower:		
Tapered string size of casing in O.D. (in.)		Tapered string casing weight (lbs/ft) and grade		Tapered string no. of centralizers used	
Upper:	Lower:	Upper:	Lower:	Upper:	Lower:
Was cement circulated to ground surface (or bottom of cellar) outside casing? YES ☐ NO ☐			Setting depth shoe (ft.):		
Hrs. waiting on cement before drill-out:		Calculated top of cement (ft.):		Cementing date:	
SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1					
2					
3					
Total					

01.00.1

CEMENTING TO SET PLUG BACK OR PLUG AHEAD ABANDON							
	PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7
Cementing Date							
Size of hole or pipe (in.)							
Depth to bottom of tubing or drill pipe (ft.)							
Cement retainer setting depth (ft.)							
CIBP setting depth (ft.)							
Amount of cement on top of CIBP (ft.)							
Sacks of cement used							
Slurry volume pumped (cu. ft.)							
Calculated top of plug (ft.)							
Measured top of plug, if tagged (ft.)							
Slurry weight (lbs/gal)							
Class/type of cement							
Perforate and squeeze (YES/NO)							
1) 6% GEL-1/4 SX PLEXIFIER-A+3H/SX KOLSEAL+5% SALT 2) 2% CACL2							

CEMENTER'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that the cementing of casing and/or the placing of cement plugs in this well as shown in the report was performed by me or under my supervision, and that the cementing data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers cementing data only.

EDWARD SALDANA SERVICE SUPERVISOR
Name and title of cementer's representative

O-TEX PUMPING
Cementing Company

Edward Saldana
Signature

2609 E I-20

Midland TX 79706

432-686-8559

3/18/2017

Address

City, State, Zip Code

Tel: Area Code

Number

Date: mo. day yr.

OPERATOR'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have knowledge of the well data and information presented in this report, and that data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers all well data.

Keith Allen
Typed or printed name of operator's representative

Eng Tech
Title

Keith Allen
Signature

One Williams Center Tulsa, OK 74103
Address

City, State, Zip Code

539-573-0161
Tel: Area Code

Number

4/24/2017
Date: mo. day yr.

Instructions for Form W-15, Cementing Report

NOTICE: The Form W-15 must be submitted as an attachment to a Form G-1 (Gas Well Back Pressure Test, Completion or Recompletion Report, and Log), Form W-2 (Oil Well Potential Test, Completion or Recompletion Report, and Log), Form W-3 (Plugging Record), or Form W-4 (Application for Multiple Completion), any time cement is pumped in a wellbore.

A. **What to file:** An operator should file an original and one copy of the completed Form W-15 for each cementing company used on a well. The cementing of different casing strings on a well by one cementing company may be reported on one form.

The Form W-15 should be filed with the Form W-3, Plugging Record, unless the Form W-3 is signed by the cementing company representative. When reporting dry holes, operators must complete Form W-15, in addition to Form W-3, to show any casing cemented in the hole.

B. **How to file:** An oil and gas completion report and Form W-15 may be filed online using the Commission's Online System

(<https://webapps.rrc.state.tx.us/security/login.do>) or a paper copy of the form may be mailed to the Commission in Austin (P.O. Box 12967, Austin, Texas 78712-967).

C. **Surface casing:** An operator must set and cement sufficient surface casing to protect all usable-quality water strata, as defined by the Groundwater Advisory Unit in Austin. Sufficient cement shall be used to fill the annular space outside the casing from the shoe to the ground surface or to the bottom of the cellar. Before drilling a well, an operator must obtain a letter from the Groundwater Advisory Unit stating the protection depth. Surface casing should not be set deeper than 200 feet below the specified depth without prior approval from the Commission.

To plug and abandon a well, operators must use only cements approved by the Commission's Director of Field Operations in accordance with SWR 14

(http://info.sos.state.tx.us/pls/pub/readDocSet.TacPage?tbl=1&app=9&dir=&p_rtc=&p_loc=&p_loc=&p_pg=1&p_tac=&il=1&ch=3&ri=14). Cementing companies, service companies, or operators can qualify as approved cementers by demonstrating that they are able to mix and pump cement in compliance with Commission rules and regulations.

D. **Estimated % wash-out:** If the estimated % wash-out is less than 20% (or 30% along the Gulf Coast), provide supporting documentation such as a capter log to show how the estimated % wash-out was obtained.

E. **Multi-stage cement:** An operator must report the multi-stage cement shoe in II, Casing Cementing Data section by selecting the type of casing and Multi-stage cement shoe. The operator must report the multi-stage cement tool in III, Casing Cementing Data section by selecting the type of casing and Multi-stage cement/DV tool.

F. **Multiple parallel strings:** An operator should file the Form W-15 as an attachment to the Form W-4, Application for Multiple Completion. An operator may be required to submit multiple Form W-15s to show all data for multiple parallel strings.

G. **Slurry data:** If cement job exceeds three slurries, continue the list of slurries in the Slurry table in the subsequent Casing Cementing Data box.

07.05.17



RAILROAD COMMISSION OF TEXAS

1701 N. Congress
P. O. Box 12967
Austin, Texas 78701-2967

CEMENTING REPORT

Form W-15

Rev. 08/2014

Cementor: Fill in shaded areas.
Operator: Fill in other items.

OPERATOR INFORMATION						
Operator Name: RKI Exploration & Production, LLC			Operator P-S No.: 714221			
Cementor Name: O-Tex Pumping, LLC			Cementor P-S No.: 617021			
WELL INFORMATION						
District No.: 08		County: REEVES				
Well No.: 2 H		API No.: 42-389-35732		Drilling Permit No.: 823616		
Lease Name: FIVER STATE 18		Lease No.: 48474				
Field Name: Phantom (Wolfcamp)		Field No.: 71052900				
CEMENTING DATA						
Type of casing:	Conductor	Surface	Intermediate	Liner	Production	
Drilled hole size (in.):	Depth of drilled hole (ft.):		Est. % wash-out or hole enlargement: 15%			
Size of casing in O.D. (in.):	Casing weight (lbs/ft) and grade:		No. of centralizers used:			
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ YES ☐ NO If no for surface casing, explain in Remarks.		Setting depth shoe (ft.):		Top of liner (ft.):		
Hrs. waiting on cement before drill-out:		Calculated top of cement (ft.):		Cementing date:		
SLURRY						
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)	
1						
2						
3						
Total						
B. CASING & CEMENTING DATA						
Type of casing:	Surface	☒ Intermediate	Production	☒ Tapered production	☐ Multi-stage cement shoe ☐ Multiple parallel strings	
Drilled hole size (in.):	12 1/4	Depth of drilled hole (ft.):		4215	Est. % wash-out or hole enlargement:	
Size of casing in O.D. (in.):	9 5/8	Casing weight (lbs/ft) and grade:		40H/J-55	No. of centralizers used:	
Tapered string drilled hole size (in.)		Tapered string depth of drilled hole (ft.)				
Upper:		Lower:		Upper:		Lower:
Tapered string size of casing in O.D. (in.)		Tapered string casing weight (lbs/ft) and grade		Tapered string no. of centralizers used		
Upper:		Lower:		Upper:		Lower:
Was cement circulated to ground surface (or bottom of cellar) outside casing? YES ☐ NO ☒		Setting depth shoe (ft.):		4214		
Hrs. waiting on cement before drill-out:		Calculated top of cement (ft.):		2034 Cementing date: 3/21/2017		
SLURRY						
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)	
1	375	50:50 CLASS C	REMARKS	1103	8520	
2	335	CLASS C	REMARKS	446	1423	
3						
Total	710			1549	4943	
III. A. INJECTION DATA						
Type of casing:	Surface	☒ Intermediate	Production	☒ Tapered production	☐ Multi-stage cement/DV tool ☐ Multiple parallel strings	
Drilled hole size (in.):	12 1/4	Depth of drilled hole (ft.):		4215	Est. % wash-out or hole enlargement:	
Size of casing in O.D. (in.):	9 5/8	Casing weight (lbs/ft) and grade:		40H/J-55	No. of centralizers used:	
Tapered string drilled hole size (in.)		Tapered string depth of drilled hole (ft.)				
Upper:		Lower:		Upper:		Lower:
Tapered string size of casing in O.D. (in.)		Tapered string casing weight (lbs/ft) and grade		Tapered string no. of centralizers used		
Upper:		Lower:		Upper:		Lower:
Was cement circulated to ground surface (or bottom of cellar) outside casing? YES ☒ NO ☐		Setting depth shoe (ft.):		4214		
Hrs. waiting on cement before drill-out: 20		Calculated top of cement (ft.):		SURFACE Cementing date: 3/22/2017		
SLURRY						
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)	
1	635	CLASS C	REMARKS	1137	3629	
2						
3						
Total	635			1137	3629	

01.05.17

97-02-1



RAILROAD COMMISSION OF TEXAS

1701 N. Congress
P.O. Box 12967
Austin, Texas 78701-2967

CEMENTING REPORT

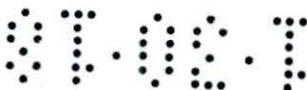
Form W-15

Rev 08/2014

Cementer: Fill in shaded areas
Operator: Fill in other items.

OPERATOR INFORMATION					
Operator Name: RKI Exploration & Production, LLC			Operator P-5 No.: 714221		
Cementer Name: O - Tex Pumping, LLC			Cementer P-5 No.: 617021		
WELL INFORMATION					
District No.: 08		County: REEVES			
Well No.: 2 H		API No.: 42-389-35732		Drilling Permit No.: 823516	
Lease Name: FIVER STATE 18		Lease No.: 48474			
Field Name: Phantom (Wolfcamp)		Field No.: 71052900			
CASING CEMENTING DATA					
Type of casing:	Conductor	Surface	☒ Intermediate	Liner	Production
Drilled hole size (in.):	8 9/4	Depth of drilled hole (ft.):		11596	Est. % wash-out or hole enlargement: 15%
Size of casing in O.D. (in.):	7	Casing weight (lbs/ft) and grade:		32 III/P-110	No. of centralizers used:
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ YES ☒ NO If no for surface casing, explain in Remarks.			Setting depth shoe (ft.):		Top of liner (ft.):
Hrs. waiting on cement before drill-out: 40			Calculated top of cement (ft.): 3,714		Cementing date: 3/30/2017
SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1	690	50.50 CLASS C	REMARKS	2401	15973
2	210	CLASS II	REMARKS	248	1648
3					
Total	900			2649	17621
II. CASING CEMENTING DATA					
Type of casing:	☐ Surface	☐ Intermediate	☐ Production	☐ Tapered production	☐ Multi-stage cement shoe ☐ Multiple parallel strings
Drilled hole size (in.):	Depth of drilled hole (ft.):		Est. % wash-out or hole enlargement:		
Size of casing in O.D. (in.):	Casing weight (lbs/ft) and grade:		No. of centralizers used:		
Tapered string drilled hole size (in.)		Tapered string depth of drilled hole (ft.)			
Upper:	Lower:	Upper:	Lower:		
Tapered string size of casing in O.D. (in.)		Tapered string casing weight (lbs/ft) and grade		Tapered string no. of centralizers used	
Upper:	Lower:	Upper:	Lower:	Upper:	Lower:
Was cement circulated to ground surface (or bottom of cellar) outside casing? YES ☐ NO ☐			Setting depth shoe (ft.):		
Hrs. waiting on cement before drill-out:		Calculated top of cement (ft.):		Cementing date:	
SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1					
2					
3					
Total					
III. CASING CEMENTING DATA					
Type of casing:	☐ Surface	☐ Intermediate	☐ Production	☐ Tapered production	☐ Multi-stage cement/OV tool ☐ Multiple parallel strings
Drilled hole size (in.):	Depth of drilled hole (ft.):		Est. % wash-out or hole enlargement:		
Size of casing in O.D. (in.):	Casing weight (lbs/ft) and grade:		No. of centralizers used:		
Tapered string drilled hole size (in.)		Tapered string depth of drilled hole (ft.)			
Upper:	Lower:	Upper:	Lower:		
Tapered string size of casing in O.D. (in.)		Tapered string casing weight (lbs/ft) and grade		Tapered string no. of centralizers used	
Upper:	Lower:	Upper:	Lower:	Upper:	Lower:
Was cement circulated to ground surface (or bottom of cellar) outside casing? YES ☐ NO ☐			Setting depth shoe (ft.):		
Hrs. waiting on cement before drill-out:		Calculated top of cement (ft.):		Cementing date:	
SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1					
2					
3					
Total					

01.05.17



**RAILROAD COMMISSION OF TEXAS**

1701 N. Congress
P.O. Box 12967
Austin, Texas 78701-2967

Form W-15

Rev. 08/2014

CEMENTING REPORT

Cementer: Fill in shaded areas.
Operator: Fill in other items.

I. OPERATOR INFORMATION					
Operator Name: RKI Exploration & Production, LLC			Operator P-S No.: 714221		
Cementer Name: O-Tex Pumping, LLC			Cementer P-S No.: 617021		
II. WELL INFORMATION					
District No.: 08			County: REEVES		
Well No.: #2H			API No.: 42-389-35732		Drilling Permit No.: 823518
Lease Name: FIVER STATE 1B			Lease No.: 48474		
Field Name: Phantom (Wolfcamp)			Field No.: 71052900		
III. CASING CEMENTING DATA					
Type of Casing:	☐ Conductor	☐ Surface	☐ Intermediate	☒ Liner	☐ Production
Drilled hole size (in.):	6 1/8"		Depth of drilled hole (ft.):	Est. % wash-out or hole enlargement: 10%	
Size of casing in O.D. (in.):	4 1/2"		Casing weight (lbs/ft) and grade:	13.5# P-110	
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ YES ☒ NO If no for surface casing, explain in Remarks.			Setting depth shoe (ft.):	Top of liner (ft.): 10,867	
			16,421	Setting depth liner (ft.): 16,421	
hrs. waiting on cement before drill-out:			Calculated top of cement (ft.):	Cementing date: 4/12/2017	
			10,867		
SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1	595	CLASS H	REMARK	598	5587.86
2					
3					
Total	595			598	5587.86
IV. CASING CEMENTING DATA					
Type of casing:	☐ Surface	☐ Intermediate	☐ Production	☐ Tapered production	☐ Multi-stage cement shoe ☐ Multiple parallel strings
Drilled hole size (in.):	Depth of drilled hole (ft.):		Est. % wash-out or hole enlargement:		
Size of casing in O.D. (in.):	Casing weight (lbs/ft) and grade:		No. of centralizers used:		
Tapered string drilled hole size (in.)	Tapered string depth of drilled hole (ft.)				
Upper:	Lower:	Upper:	Lower:		
Tapered string size of casing in O.D. (in.)	Tapered string casing weight (lbs/ft) and grade		Tapered string no. of centralizers used		
Upper:	Lower:	Upper:	Lower:	Upper: Lower:	
Was cement circulated to ground surface (or bottom of cellar) outside casing? YES ☐ NO ☐			Setting depth shoe (ft.):		
hrs. waiting on cement before drill-out:			Calculated top of cement (ft.):	Cementing date:	
SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1					
2					
3					
Total					
V. CASING CEMENTING DATA					
Type of casing:	☐ Surface	☐ Intermediate	☐ Production	☐ Tapered production	☐ Multi-stage cement/DV tool ☐ Multiple parallel strings
Drilled hole size (in.):	Depth of drilled hole (ft.):		Est. % wash-out or hole enlargement:		
Size of casing in O.D. (in.):	Casing weight (lbs/ft) and grade:		No. of centralizers used:		
Tapered string drilled hole size (in.)	Tapered string depth of drilled hole (ft.)				
Upper:	Lower:	Upper:	Lower:		
Tapered string size of casing in O.D. (in.)	Tapered string casing weight (lbs/ft) and grade		Tapered string no. of centralizers used		
Upper:	Lower:	Upper:	Lower:	Upper: Lower:	
Was cement circulated to ground surface (or bottom of cellar) outside casing? YES ☐ NO ☐			Setting depth shoe (ft.):		
hrs. waiting on cement before drill-out:			Calculated top of cement (ft.):	Cementing date:	
SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu. ft.)	Height (ft.)
1					
2					
3					
Total					

01.00.1

CEMENTING TO SQUEEZE PLUG BACK OF PLUG AND ABANDON							
	PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7
Cementing Date							
Size of hole or pipe (in.)							
Depth to bottom of tubing or drill pipe (ft.)							
Cement retainer setting depth (ft.)							
CIBP setting depth (ft.)							
Amount of cement on top of CIBP (ft.)							
Sacks of cement used							
Slurry volume pumped (cu. ft.)							
Calculated top of plug (ft.)							
Measured top of plug, if tagged (ft.)							
Slurry weight (lbs/gal)							
Class/type of cement							
Perforate and squeeze (YES/NO)							
2% GEL + 1/2% O-TX47A + 0.35% O-TX20 + 2/10% SMS							

CEMENTER'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that the cementing of casing and/or the placing of cement plugs in this well as shown in the report was performed by me or under my supervision, and that the cementing data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers cementing data only.

EDUARDO CHAPA / SUPERVISOR

Name and title of cementer's representative

O-TEX PUMPING

Cementing Company

[Signature]
Signature

2601 E I-20

Midland, TX, 79706

432-686-8559

4/12/2017

Address

City, State, Zip Code

Tel: Area Code

Number

Date: mo. day yr.

OPERATOR'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have knowledge of the well data and information presented in this report, and that data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers all well data.

Keith Allen
Typed or printed name of operator's representative

Eng Tech
Title

Keith Allen
Signature

One Williams Center Tulsa, OK 74103
Address City, State, Zip Code

539-573-0161
Tel: Area Code Number

4/24/2017
Date: mo. day yr.

Instructions for Form W-15, Cementing Report

NOTICE: The Form W-15 must be submitted as an attachment to a Form G-1 (Gas Well Back Pressure Test, Completion or Recompletion Report, and Log), Form W-2 (Oil Well Potential Test, Completion or Recompletion Report, and Log), Form W-3 (Plugging Record), or Form W-4 (Application for Multiple Completion), any time cement is pumped in a wellbore.

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C. Surface casing: An operator must set and cement sufficient surface casing to protect all usable-quality water strata, as defined by the Groundwater Advisory Unit in Austin. Sufficient cement slurry is used to fill the annular space outside the casing from the shoe to the ground surface or to the bottom of the cellar. Before drilling a well, an operator must obtain a letter from the Groundwater Advisory Unit stating the protection depth. Surface casing should not be set deeper than 200 feet below the specified depth without prior approval from the Commission.

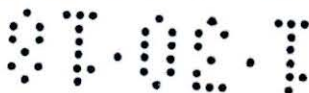
To plug and abandon a well, operators must use only cementers approved by the Commission's Director of Field Operations in accordance with SWR 14 (http://info.sos.state.tx.us/pls/pub/readtext.f?p=9&p_dir=&p_loc=&p_dloc=&p_ploc=&p_tac=&tit=16&pt=1&ch=3&rl=14). Cementing companies, service companies, or operators can qualify as approved cementers by demonstrating that they are able to mix and pump cement in compliance with Commission rules and regulations.

D. Estimated % wash-out: If the estimated % wash-out is less than 20% (or 30% along the Gulf Coast), provide supporting documentation such as a caliper log to show how the estimated % wash-out was obtained.

E. Multi-stage cement: An operator must report the multi-stage cement shoes in II. Casing Cementing Data section by selecting the type of casing and Multi-stage cement shoes. The operator must report the multi-stage cement tool in III. Casing Cementing Data section by selecting the type of casing and Multi-stage cement/DV tool.

F. Multiple parallel strings: An operator should file the Form W-15 as an attachment to the Form W-4, Application for Multiple Completion. An operator may be required to submit multiple Form W-15s to show all data for multiple parallel strings.

G. Slurry data: If cement job exceeds three slurries, continue the list of slurries in the Slurry table in the subsequent Casing Cementing Data box.





RAILROAD COMMISSION OF TEXAS

STATEWIDE RULE 13 EXCEPTION APPLICATION/ALTERNATIVE REQUEST¹

Surface Casing: 13(b)(1)(H), Tubing: 13(b)(4)(B), Drilling Fluid: 13(a)(6)(C), or Non-standard Cement 13(b)(1)(D)

APP# 13365

1. Operator: RKI Exploration & Production, LLC	2. P-5 No.: 714221	3. Lease Name: Fiver State 18	4. Well No.: 2H
5. Street Address: 3500 One Williams Center MD 35, Tulsa, OK 74172		6. RRC District: 08	7. Drill Permit No.: 823516
8. Field Name: Phantom (Wolfcamp)	9. County: Reeves	10. Well Depth: 9,707'	TVD 15,004' MD
11. Well Location: Latitude: 31.5917748 Longitude: -103.6722220 Datum: NAD27			
Survey Name: T&P RR CO		Abstract No: 5785/199	Block: 54 T-4 Section: 18
12. GAU No.: 168182 (attach letter) Recommendation Type (below)		13. Base of Usable-Quality Water (determined by GAU): 1900 ft.	
☐ Well ☐ Lease ☐ Survey ☐ Pad ☒ Radius: 2000		Separation points: 1000 & Rustler (1200-1250); 1850 to 1900 ft.	

14. Exception Request: ☐ Short Surface Csg ☒ Excess Surface Csg ☐ Single-string ☒ Tubing ☐ Area-wide ²	
15. Alternate Program Request: ☐ Drilling Fluid Program ☐ Non-API Cement ☐ Other: _____	
16. Reason for this request: ☐ Economic ☒ Technical ☐ Other Please explain: _____ First-time requests for exception to tubing requirements outlined in 13(b)(4)(A) will be granted for a period of 180 days, 13(d)(2)	
17. Is this a proposed injection or disposal well ³ ? ☐ Yes ☒ No	18. Is this a Minimum Separation well ⁴ ? ☐ Yes ☒ No
19. Nearest town: Pecos Distance to nearest town: 15.75 miles. Direction: NW	
20. Are there any water wells within ¼ mile of this proposed well location ⁵ ? ☐ Yes ☒ No If Yes, provide information requested below Type of water well: _____ Depth: _____ Distance: _____ Direction: _____	
21. Are there any INJECTION or DISPOSAL wells within ¼ mile of the proposed well location ⁶ ? ☐ Yes ☒ No If Yes, list names and depths of all formations permitted for INJECTION OR DISPOSAL within ¼ miles of the well location ⁷ : _____	
22. Have there been any blowouts within one mile of this wellsite ⁸ ? ☐ Yes ☒ No If yes, name operator(s), lease(s), and date(s) blowout(s) occurred: _____	

IF CEMENT IS NOT CIRCULATED TO THE GROUND SURFACE AS REQUIRED BY THIS EXCEPTION, YOU MUST CONTACT THE DISTRICT OFFICE IMMEDIATELY AND FOLLOW THE PROCEDURES SET OUT IN 13(b)(1)(H)(iii) OR AS REQUIRED BY THE DISTRICT OFFICE.

23. Proposed Casing and Cementing Program (for additional casing strings or to report Multi-Stage Tool depths use page 3)

	Surface Casing/Single-String	Intermediate Casing	Production Casing
Hole Size (in.), Casing O.D. (in.)			
Grade, Weight (lb/ft.)			
Setting Depth (ft.)			
Centralizers (no. & placement)			
Cement Type			
# of Sacks and Yield (cu. ft./sk)			
Cement Additives			
24/72-Hr. Comp. Strength (psi)			
Height/TOC (ft.), % Excess			
Free Water Content ⁹ (mL water per 250 mL cement)			
LEAD/FILLER CEMENT			
Cement Type			
# of Sacks and Yield (cu. ft./sk)			
Cement Additives			
24/72-Hr. Comp. Strength (psi)			
Height/TOC (ft.), % Excess			
Free Water Content ⁹ (mL water per 250 mL cement)			
TAIL/CRITICAL CEMENT			

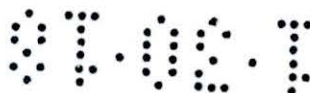
07.05.17

PROVISIONS APPLICABLE TO RULE 13 EXCEPTIONS:

1. REQUESTS FOR EXCEPTIONS TO STATEWIDE RULE 13 SUBMITTED AFTER THE WELL HAS BEEN DRILLED OR COMPLETED MAY RESULT IN ENFORCEMENT ACTION AGAINST THE OPERATOR.
2. For area-wide exception requests, please provide a map which clearly defines the area to be exempted. Area-wide approvals are NOT allowed for short surface casing applications. District Offices are not required to grant area-wide exceptions.
3. **Caution:** If this well is being drilled for injection or disposal purposes, a(n) injection/disposal well permit may be denied unless surface casing is set and cemented through all zones of usable-quality groundwater.
4. A **Minimum Separation Well**, further defined in section 13(a)(2)(L), is a well in which hydraulic fracturing treatments will be conducted AND for which: the vertical distance between BUQW and the top of the formation to be fracture stimulated is less than 1000 ft. or for which the District Director has determined there to be inadequate separation between the BUQW and the top of the formation to be fracture stimulated.
5. Review applications 1-3 (Groundwater Database, Submitted Driller's Report, and Brackish Groundwater Database) at the following link to determine location(s) of water wells within ¼ mile of the proposed well: <http://wiid.twdb.texas.gov/>
6. Refer to the Railroad Commission of Texas Public GIS map viewer to locate injection and disposal wells within ¼ mile of the well(s) mentioned on this application: <http://www.rrc.state.tx.us/about-us/resource-center/research/gis-viewers/>
7. Review W-14 or H-1/H-1A applications at <http://www.rrc.state.tx.us/about-us/resource-center/research/online-research-queries/imagined-records-menu/> to determine permitted injection/disposal zones for wells within ¼ mile of the proposed well. Additionally, refer to Rule 13 Formation Tables provided on the RRC website for information regarding saltwater, H2S, and other notable formation depths by county: <http://www.rrc.state.tx.us/oil-gas/compliance-enforcement/rule-13-geologic-formation-info/> Statewide Rule 13 may require cementing across these formations.
8. Blowout records can be found at the following URL: <http://www.rrc.state.tx.us/oil-gas/compliance-enforcement/blowouts-and-well-control-problems/>
9. Free water content for tail and critical cement may be provided based on lab data available at the time of submission. If additional lab analyses are required by the District Office, slurries must be tested according to API RP 10B-2, per 13(b)(1)(D)(iii).
10. Notify District Office **at least 8 hours prior** to setting and cementing casing.
11. The alternative surface casing program authorized by approval of this application is subject to the condition that drilling fluid used while drilling to the base of usable quality groundwater have a salinity of 3000 ppm TDS or less and be conditioned to form a filter cake sufficient to prevent infiltration into the protected water while drilling with fluid having a salinity greater than 3000 ppm TDS below the base of usable quality groundwater to the approved surface casing depth. *The use of oil-based and emulsion drilling fluids are prohibited until casing is set and cemented across the base of usable quality groundwater.*
12. **Note:** The following attachments may be requested by the District Office:
 - a. **Additional form is required for requests to set surface casing below 3,500' per §13(b)(1)(A)**
 - b. Proposed wellbore diagram or cementing proposal
 - c. Lab reports containing compressive strength and free water data for Lead and/or Tail Slurry
 - d. Any other information be required by the District Office.
13. Please note that a copy of the approved application form must be kept on location during all phases of drilling and/or plugging operations. Once approved, changes CANNOT be made to the Proposed Casing and Cementing Program on the original application without additional approval from the District Office.

OPERATOR CONTACT INFORMATION			
Signature: X <u>Jessica DeMarce</u>	Name: <u>Jessica DeMarce</u>	Title: <u>Permit Tech II</u>	
Date: <u>06/07/2017</u>	Phone: <u>539-573-3521</u>	Fax: _____	
Email Address (optional): <u>jessica.demarce@wpenergy.com</u>			

RRC District Office Action—FOR RRC USE ONLY.		Ref. No:
TUBING EXCEPTION: ☒ Approved ☐ Additional Data Required ☐ Denied	By: <u>[Signature]</u>	Date: <u>6-9-17</u>
SURFACE CASING EXCEPTION: ☐ Approved ☐ Additional Data Required ☐ Denied	By: _____	Date: _____
DRILLING FLUID PROGRAM: ☐ Approved ☐ Additional Data Required ☐ Denied	By: _____	Date: _____
ALTERNATE CEMENT PROGRAM: ☐ Approved ☐ Additional Data Required ☐ Denied	By: _____	Date: _____
Additional Data Request/D.O. Remarks: <u>Excessive surface casing approved for previous operator under APP # 13365.</u>		





Groundwater Advisory Unit

Date Issued: 02 March 2017

GAU Number: 168182

Attention: PANTHER EXPLORATION, LLC
6100 S YALE SUITE 600
TULSA, OK 74136

API Number: 38935732
County: REEVES
Lease Name: FIVER STATE 18

Operator No.: 638506

Lease Number:
Well Number: 2H
Total Vertical Depth: 11800
Latitude: 31.591774
Longitude: -103.672223
Datum: NAD27

Purpose: New Drill

Location: Survey-T&P RR CO; Abstract-5785; Block-54; Township-4S; Section-18

To protect usable-quality groundwater at this location, the Groundwater Advisory Unit of the Railroad Commission of Texas recommends:

The interval from the land surface to a depth of 1000 feet, and the Rustler, the top of which is estimated to occur from 1200 to 1250 feet depth and the base of which is estimated to occur from 1850 to 1900 feet depth by reconnaissance-level evaluation, must be protected.

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

Note: Unless stated otherwise, this recommendation is intended to apply only to the subject well and not for area-wide use. This recommendation is for normal drilling, production, and plugging operations only. It does not apply to saltwater disposal operation into a nonproductive zone (RRC Form W-14).

This determination is based on information provided when the application was submitted on 03/01/2017. If the location information has changed, you must contact the Groundwater Advisory Unit, and submit a new application if necessary. If you have questions, please contact us at 512-463-2741 or gau@rrc.texas.gov.

Groundwater Advisory Unit, Oil and Gas Division

Form GW-2 P.O. Box 12967 Austin, Texas 78771-2967 512-463-2741 Internet address: www.rrc.texas.gov
Rev. 02/2014

01.02.17

API No. <u>42-389-35732</u> Drilling Permit # <u>823516</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: Approved	
1. RRC Operator No. <u>714221</u>		2. Operator's Name (as shown on form P-5, Organization Report) RKI EXPLORATION & PRODUCTION LLC		3. Operator Address (include street, city, state, zip): 3500 ONE WILLIAMS CENTER MD 35 TULSA, OK 74172-0000		
4. Lease Name FIVER STATE 18		5. Well No. 2H				
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 <u>11800</u>		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. <u>08</u>		12. County REEVES		13. Surface Location ☒ Land ☐ Bay/Estuary ☐ Inland Waterway ☐ Offshore		
14. This well is to be located <u>15.75</u> miles in a <u>NW</u> direction from <u>Pecos</u> which is the nearest town in the county of the well site.						
15. Section <u>18</u>		16. Block <u>54 T4S</u>		17. Survey T&P RR CO/MARTIN, C		
		18. Abstract No. <u>A-5785</u>		19. Distance to nearest lease line: <u>200</u> ft.		
20. Number of contiguous acres in lease, pooled unit, or unitized tract: <u>640</u>						
21. Lease Perpendiculars: <u>400</u> ft from the <u>NORTH</u> line and <u>500</u> ft from the <u>EAST</u> line.						
22. Survey Perpendiculars: <u>400</u> ft from the <u>NORTH</u> line and <u>500</u> ft from the <u>EAST</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	71052900	PHANTOM (WOLFCAMP)	Oil or Gas Well	11800	4279.00	
BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment)						
Remarks [FILER Mar 10, 2017 11:26 AM]: Amending this permit to change operator from Panther Exploration (638506) to RKI Exploration & Production, LLC and also to change the location of the well. POP, FTP, LTP, and Terminus have changed.; [RRC STAFF Mar 13, 2017 12:04 PM]: SURVEY AND LEASE LINE CALL CHANGES MADE PER PLAT.			Certificate: I certify that information stated in this application is true and complete, to the best of my knowledge. <u>JOSH WALKER, Regulatory Specialist</u> <u>Mar 10, 2017</u> Name of filer Date submitted <u>(539)573-0108</u> <u>josh.walker@wpxenergy.com</u> Phone E-mail Address (OPTIONAL)			
RRC Use Only Data Validation Time Stamp: <u>Mar 13, 2017 12:04 PM('As Approved' Version)</u>						

Permit Status: **Approved**

*The RRC has not approved this application.
Duplication or distribution of information is
at the user's own risk.*

**RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION**

Form W-1H

07/2004

Supplemental Horizontal Well Information

APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER

*This facsimile W-1 was generated electronically from data submitted to the RRC.
A certification of the automated data is available in the RRC's Austin office.*

Permit # **823516**

Approved Date: **Mar 13, 2017**

1. RRC Operator No. 714221	2. Operator's Name (exactly as shown on form P-5, Organization Report) RKI EXPLORATION & PRODUCTION LLC	3. Lease Name FIVER STATE 18	4. Well No. 2H
--------------------------------------	---	--	--------------------------

Lateral Drainhole Location Information

5. Field as shown on Form W-1 **PHANTOM (WOLFCAMP) (Field # 71052900, RRC District 08)**

6. Section 18	7. Block 54 T4S	8. Survey T&P RR CO/CASE, H W	9. Abstract 1997	10. County of BHL REEVES
-------------------------	---------------------------	---	----------------------------	------------------------------------

11. Terminus Lease Line Perpendiculars

100 ft. from the **south** line. and **330** ft. from the **east** line

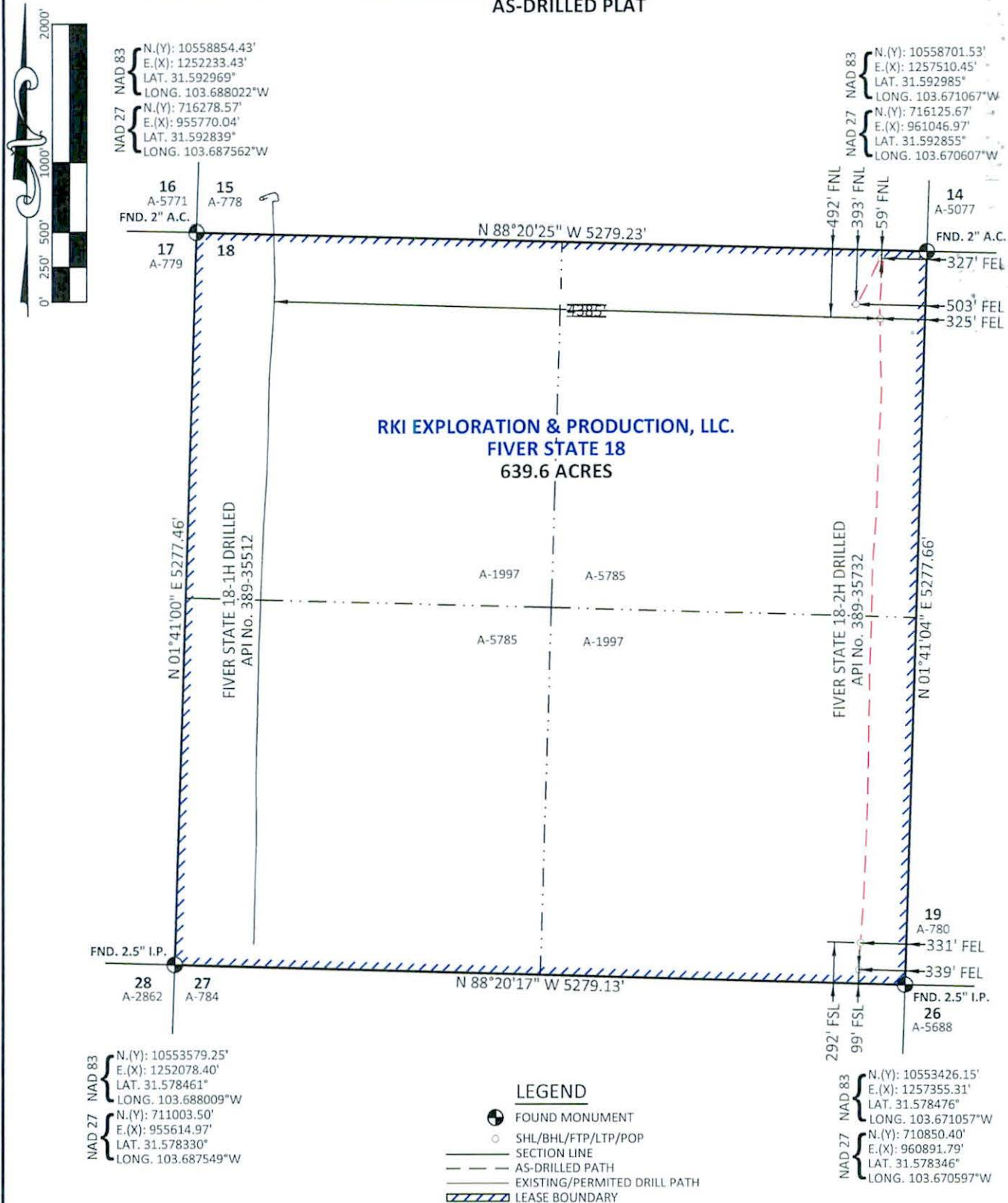
12. Terminus Survey Line Perpendiculars

100 ft. from the **south** line. and **330** ft. from the **east** line

13. Penetration Point Lease Line Perpendiculars

50 ft. from the **north** line. and **330** ft. from the **east** line

AS-DRILLED PLAT



NOTES:

UNGRADED GROUND ELEVATION AT SHL: 2800.88'
 THIS LOCATION IS APPROXIMATELY 15.5 MILES N.41°W. OF PECOS, TEXAS.
 BASIS OF BEARINGS, COORDINATES AND DISTANCES ARE A LAMBERT CONICAL PROJECTION OF THE TEXAS COORDINATE SYSTEM, STATE PLANE GRID, NAD 83, TEXAS CENTRAL (4203) WITH A CONVERGENCE ANGLE OF -01°44'26.50" AND A COMBINED SCALE FACTOR OF 0.99980519 BASED ON CONTROL POINT S 510 55 T-4 AT N. 10564429.832' - E. 1244642.724'. UNITS REPRESENTED ON THIS PLAT ARE IN US SURVEY FEET.

SURFACE HOLE	POINT OF PENETRATION	FIRST TAKE POINT	LAST TAKE POINT	BOTTOM HOLE
FOOTAGE: 393' FNL & 503' FEL	FOOTAGE: 59' FNL & 327' FEL	FOOTAGE: 492' FNL & 325' FEL	FOOTAGE: 292' FSL & 331' FEL	FOOTAGE: 99' FSL & 339' FEL
LAT. 31.591903"	LAT. 31.592821"	LAT. 31.591632"	LAT. 31.579279"	LAT. 31.578748"
LONG. 103.672682"W	LONG. 103.672118"W	LONG. 103.672110"W	LONG. 103.672121"W	LONG. 103.672145"W
LAT. 31.591772"	LAT. 31.591691"	LAT. 31.591502"	LAT. 31.579148"	LAT. 31.578617"
LONG. 103.672222"W	LONG. 103.671558"W	LONG. 103.671650"W	LONG. 103.671661"W	LONG. 103.671685"W
NORTH 10558323.09	NORTH 10558351.88	NORTH 10558219.33	NORTH 10553727.93	NORTH 10553535.03
EAST 1256996.00	EAST 1257181.37	EAST 1257170.93	EAST 1257032.67	EAST 1257019.37
NORTH 715747.24	NORTH 716076.01	NORTH 715643.48	NORTH 711152.17	NORTH 710959.27
EAST 960532.52	EAST 960717.89	EAST 960707.45	EAST 960569.16	EAST 960555.87



I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT THE SURVEY INFORMATION FOUND ON THIS PERMIT PLAT WAS DERIVED FROM FIELD NOTES OR ELECTRONIC DATA OF AN ON-THE-GROUND SURVEY MADE BY ME OR UNDER MY SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. NO WARRANTY IS MADE OR INTENDED FOR THE LOCATION OF ANY OR ALL EASEMENTS THAT MAY EXIST WITHIN THE BOUNDS OF THIS SURVEY. THE INFORMATION PRESENTED HEREON IS FOR TEXAS RAILROAD COMMISSION PERMITTING ONLY. IF ANY ALTERATIONS ARE MADE, (HAND DRAWN, HANDWRITTEN OR DIGITAL ADDITIONS) THIS SURVEYOR IS NO LONGER RESPONSIBLE FOR THE VALIDITY OF THIS PLAT.

CHAD R. BREUER TEXAS RPLS No. 6141 DATE
 DRAWN BY: CED CHECKED BY: CRB SURVEY DATE: 06/13/2017
 SCALE: 1"=1000' JOB NUMBER: 17021 SHEET 1 OF 1



LEASE NAME AND WELL NUMBER:
FIVER STATE 18-2H
 DESCRIPTION:
 SECTION 18, BLOCK 54, T4,
 T.&P. RR COMPANY SURVEY,
 REEVES COUNTY, TEXAS

File No. MF 109880 ²⁸
Reeves County
Completion Report API 389-35732
(Unit 8293)
Date Filed: 6/16/18
George P. Bush, Commissioner
By Jm





MEMORANDUM

TEXAS GENERAL LAND OFFICE • GEORGE P. BUSH • COMMISSIONER

DATE: August 13, 2019 **PSA# 00263**

TO: School Land Board

FROM: Pooling Committee

SUBJECT: Request from WPX Energy Permian, LLC to have the State enter into a Production Sharing Agreement for drilling of one or more allocation wells.

- **WPX Energy Permian, LLC** is the operator of the Fiver State 18 Unit (GLO Unit # 8293 State Leases MF114285, MF109880, MF118232, and MF115997) in which the State has a royalty interest, and they are requesting that the royalty owners sign a Production Sharing Agreement, which the School Land Board has the authority to approve pursuant to Texas Natural Resources Code §52.154.
- The Production Sharing Agreement will allow the operator to drill one or more horizontal sharing wells that traverse the Fiver State 18 Unit.
- The State's participation in the sharing wells will be based on productive lateral length from first take point to last take point.

POOLING COMMITTEE RECOMMENDATION:

The Pooling Committee recommends Board approval of the Production Sharing Agreement.

Mark Steinbach – Office of the Attorney General

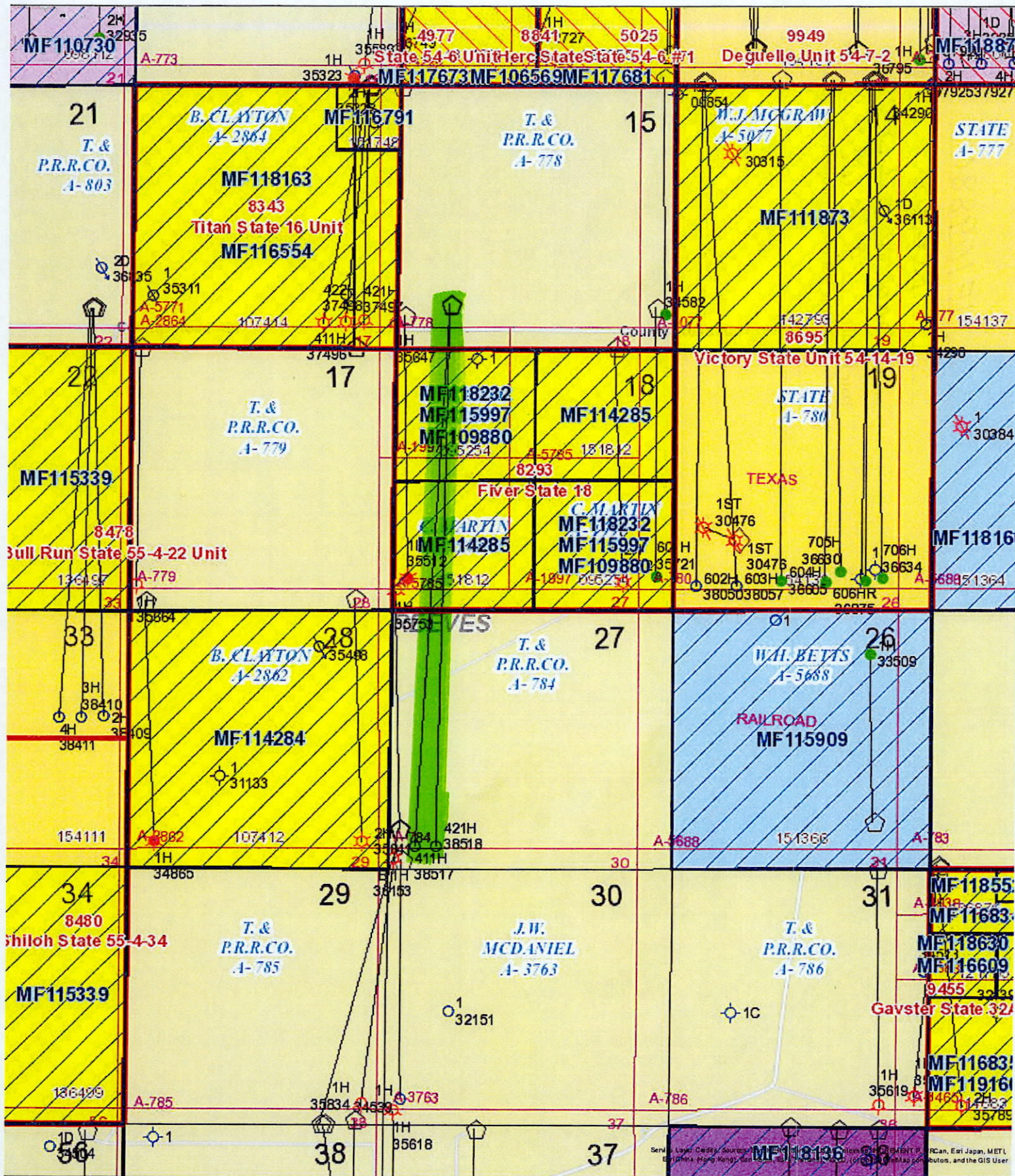
7/31/19
Date

Robert Hatter – General Land Office

8/15/19
Date

Stacie Bennett – Office of the Governor

Date



GLO Land/Lease Mapping Viewer

Please review all copyright and disclaimer information from our webpage here.

<http://www.glo.texas.gov/policy/index.html>

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

0 0.375 0.75 1.5
mi



Print Date: 7/30/2015

File No. MF109880

Reeves County

Memo to SLB

Date Filed: 9/13/19

George P. Bush, Commissioner AT

By _____



MEMORANDUM

TEXAS GENERAL LAND OFFICE • GEORGE P. BUSH • COMMISSIONER

TIME SENSITIVE: Action Required by: (September 6, 2019)

DATE: August 29, 2019
TO: Commissioner Bush
FROM: Mary Beth Barnstone
SUBJECT: Production Sharing Agreement for signature

FILE COPY

.....
SUMMARY: Attached for your approval and signature are duplicate originals of a Production Sharing Agreement that was approved by the School Land Board on August 29, 2019.

DETAILS: The Production Sharing Agreement will allow for the drilling of additional horizontal development wells on existing units or leases that include State mineral or royalty interests. §52.154 of the Texas Natural Resources Code gives the School Land Board authority to approve, and gives the Commissioner authority to execute agreements that commit the royalty interest of the State for the benefits of production of oil and/or gas. This agreement has been reviewed and approved by Energy Resources staff and the Legal Services Division.

Document Name	Recipient
Production Sharing Agreement State Unit 8293 State Leases M-114285, M-109880, M-118232 and M-115997 Reeves County, Texas	WPX Energy Permian, LLC

Recommendation: Please sign and return to Mary Beth Barnstone in Energy Resources

Attachment: Two Production Sharing Agreements

Thru: Ken Mills

File No. MF 109880

Reeves County

Memo to Commissioner

Date Filed: 9/13/19

George P. Bush, Commissioner

By AV

FILED



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

September 4, 2019

Mr. Doug J. Dashiell
Scott Douglass & McConnico LLP
303 Colorado Street, Suite 2400
Austin, Texas 78701

FILE COPY

Re: Production Sharing Agreement
WPX Energy
Fiver State Sharing Area
State Unit 8293
State Leases M-109882, M-114285, M-115997 and M-118232
Reeves County, Texas

Dear Mr. Dashiell:

On August 29, 2019, the School Land Board of the State of Texas approved your application to have the State enter into a Production Sharing Agreement ("PSA") for the referenced State Lease. Enclosed is an original of the PSA that has been executed by George P. Bush, Commissioner of the Texas General Land Office. We have retained the other original of the PSA for our files.

Please provide our office with a recorded copy of the PSA or a fully executed copy if it is not going to be recorded as soon as it is available. After a Sharing Well is drilled, please provide our office with the "Productive Drainhole Length / Allocation Factor" information and let us know what our participation in the well is going to be so we can get our lease records set up for the payment of royalties on the well.

Thank you for your assistance with this matter, if you have any questions or need anything further, please feel free to call.

Sincerely,

Mary Beth Barnstone
Geotech / Landman
Energy Resources Division
Texas General Land Office
Direct number: (512)463-6818
Email: mary.barnstone@glo.texas.gov

Enclosure

File No. MF 109880

Reeves County

Letter to WPX Energy

Date Filed: 9/13/19

George P. Bush, Commissioner

By [Signature]

FILED

PRODUCTION SHARING AGREEMENT

STATE OF TEXAS §
 §
COUNTY OF REEVES §

KNOW ALL PERSONS BY THESE PRESENTS:

The undersigned parties (collectively "Interest Owners" or individually an "Interest Owner") enter into this Production Sharing Agreement ("Agreement") concerning their interest in the oil, gas and mineral leases, minerals, royalties and/or executive rights (collectively "Mineral Interests" or individually a "Mineral Interest") in and under the following lands (the "Subject Lands"):

- Section 18, Block 54, Township 4, T&P RR Co. Survey, Reeves County, Texas insofar as such lands cover depths from the surface to the base of the Wolfcamp formation. The Subject Lands are currently pooled as to these depths into GLO Unit No. 8293, the Fiver State 18 No. 1H Unit.

The Interest Owners wish to encourage further development of the Subject Lands via the drilling of horizontal oil and/or gas wells in order to:

- (a) prevent physical and economic waste and the drilling of unnecessary wells, and to increase the ultimate recovery of hydrocarbons from the Subject Lands; and
- (b) protect the correlative rights of all Interest Owners so that each may receive his or her fair share of the oil and gas produced from the Subject Lands.

The Interest Owners recognize that it is advantageous for some such horizontal wells to be drilled and completed partially on the Subject Lands and partially on adjoining lands and agree that a basis for allocating production from such horizontal wells should be established.

NOW THEREFORE, each of the Interest Owners, for good and valuable consideration, the receipt and sufficiency of which is acknowledged, do hereby agree to the following:

1. For purposes of this Agreement, the following definitions apply:
 - a. "Field Interval" is the correlative geologic interval which has been defined or recognized by the Railroad Commission of Texas as the interval for the field in which a Horizontal Well has been completed.
 - b. "Horizontal Well" is an oil or gas well with one or more drainholes with a horizontal displacement of at least 100 feet within the Field Interval
 - c. "Horizontal Drainhole" is the portion of the Horizontal Well drilled

within the Field Interval.

- d. "Take Point" is any point along a Horizontal Drainhole where hydrocarbons can enter the wellbore from the Field Interval and be produced.
- e. "Productive Drainhole Length" is the horizontal length of a Horizontal Drainhole that begins at the first Take Point and runs along the actually surveyed wellbore path to the last Take Point. If a Sharing Well has more than one Horizontal Drainhole, the Productive Drainhole Length shall be the sum of such horizontal lengths of all such Horizontal Drainholes.
- f. "Sharing Well" is a Horizontal Well whose Productive Drainhole Length is located partially on the Subject Lands and partially on Section 27, Block 54 T-4 Reeves County, Texas.

2. An Interest Owner shall share in production of oil and gas from a Sharing Well on the basis of his or her ownership interest in the Subject Lands multiplied by an "Allocation Factor," such Allocation Factor being defined as a fraction, the numerator of which is equal to the length of that portion of the Productive Drainhole Length lying within the Subject Lands, and the denominator being the total Productive Drainhole Length.

3. Operations on or production from each Sharing Well shall be treated as actual operations on or production from the Subject Lands, provided, however, that production shall be allocated to the Subject Lands in accordance with Paragraph 2, immediately above. Moreover, the portion of Horizontal Drainhole of any Sharing Well located within the Subject Lands may be used to satisfy any additional drilling commitments that exist for GLO Unit No. 8293, provided such Sharing wells are drilled within the time restrictions set forth in GLO Unit No. 8293.

4. WPX Energy Permian, LLC ("Lessee") shall have the right to make reasonable use of the surface of the Subject Lands for the purpose of exploring, drilling, operating, producing, transporting and marketing oil and gas from any Sharing Well.

5. Production from a Sharing Well shall not create any offset obligation, whether express or implied, and as to each Sharing Well drilled, this Agreement shall be deemed to constitute complete protection of each Interest Owner's correlative rights. Each Interest Owner further agrees that this Agreement affects only production from Sharing Wells and in no way affects ownership under any vertical wells drilled or to be drilled on the Subject Lands. In the event any Sharing Well is plugged back or recompleted in such manner that the well no longer falls within the above definition of a Horizontal Well, such well shall no longer be considered a Sharing Well for purposes of this Agreement.

6. The provisions of the various leases, agreements, assignments, conveyances, pooling agreements and other instruments and agreements covering or affecting each Interest Owners' Mineral Interest within the Subject Lands are hereby amended to the extent necessary to make such

instruments and agreements conform to this Agreement, but not otherwise. In the case of conflict between the provisions of this Agreement and the provisions of such other agreements or instruments, the provisions of this Agreement shall control.

7. This Agreement is binding upon each Interest Owner on the date of such Interest Owner's execution but shall not become effective as to the Subject Lands until filed in the Official Public Records of Reeves County, Texas. Lessee may terminate this Agreement by filing a notice of termination to that effect in the Official Public Records of Reeves County, Texas at any time that there is no Sharing Well on the Subject Lands producing or capable of producing in paying quantities.

8. This instrument may be executed in multiple counterparts, each of which shall be given the same effect as the execution of an original instrument. Failure of any Interest Owner to execute a counterpart shall not render this instrument ineffective as to any other Interest Owner who does execute a counterpart thereof, but shall be binding upon each executing Interest Owner and its, his or her heirs, legal representatives, successors and assigns. The executed counterparts may be combined into one or more instruments for recordation, by combining the signature pages and acknowledgments, and the executing parties agree that such instruments shall be treated and given effect for all purposes as a single instrument.

EXECUTED by each party on the date shown for each such party's acknowledgement.

LESSEE:

WPX ENERGY PERMIAN, LLC

By: Gregory J. Geist
Title: Vice President of Land

STATE OF OKLAHOMA §
 §
COUNTY OF TULSA §

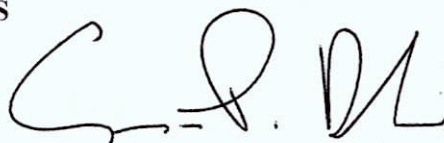
This instrument was acknowledged before me on _____, 2019, by Gregory J. Geist, Vice President of Land for WPX Energy Permian, LLC, a Delaware limited liability company on behalf of such limited liability company.

Notary Public, State of Oklahoma

My Commission Expires:

INTEREST OWNERS

Date Executed: 9/3/19



By: George P. Bush, Commissioner
Commissioner of the General Land Office

Approved:
min. leasing [Signature]
content [Signature]
legal [Signature]
executive [Signature]

ACKNOWLEDGMENT

STATE OF TEXAS

§

COUNTY OF TRAVIS

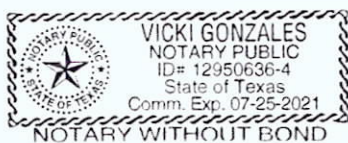
§

This instrument was acknowledged before me this 3 day of Sept, 2019 by

George P. Bush

Vicki Gonzales

NOTARY PUBLIC [Signature] State of Texas
My Commission Expires: 7/25/21



File No. MF109880

Reeves County

PSA for the Fiver State Sharing Area

Date Filed: 9/13/19

George P. Bush, Comraissioner

By AT



Information for processing an Internal Non Unit Transaction (iNut)
Length of Lateral

iNut No. 10520

GENERAL INFORMATION

Name of Well: Fiver State 18-27A-54-4 # 411H API # 42-389-38517
 Name of Operator: WPX Energy Permian, LLC RRC # 855495
 Operator Contact Person: Amber Cooke Phone: 539-573-3570
 Counties: Reeves

ALLOCATION OF STATE UNITS AND/OR LEASES BASED ON LENGTH OF LATERAL

Lease Type	Unit/Lease No	Total Lateral Ft.	Unit or Lease Lateral Ft.	Unit or Lease Rylyty Decimal	Lease Royalty Decimal	RRAC Participation Factor	State Participation by Unit/Lease
RAL	8293/MF114285	10425.6	5243.53	0.06250000	0.12500000	0.25147378	0.03143422
RAL	8293/MF109880	10425.6	5243.53	0.03125000	0.12500000	0.12573689	0.01571711
RAL	8293/MF118232	10425.6	5243.53	0.01562500	0.12500000	0.06286844	0.00785856
RAL	8293/MF115997	10425.6	5243.53	0.01562500	0.12500000	0.06286844	0.00785856
Totals:						0.50294755	0.06286844
Effective Date: <u>08/01/2019</u>							State Net Royalty Revenue in Well

Name of Production Sharing Agreement, if any: PSA 00263

Comments:

- Final as drilled plat received from Amber Cooke by email on January 2, 2020.

Attach a plat showing the iNut well with length of laterals marked and the State lands marked.

Lease Types: Relinquishment Act Land (RAL), State Fee (SF), Free Royalty (FR), Unleased Riverbed (UR), Highway Right of Way (HROW), Unleased Highway (UH), Criminal Justice (TDCJ), Parks & Wildlife (TPW), Mineral Production Allocation (MPAA), Dept. of Aging (DADS), School for the Blind (SBVI), Stephen F. Austin (SFA), TX A&M (A&M).

Prepared by: [Signature] Alamo updated by: [Signature] WI updated by: [Signature]
 RAM approval by: [Signature] GIS updated by: [Signature]

DO NOT DESTROY



Texas General Land Office

UNIT AGREEMENT MEMO

INU200001

Unit Number 10520
Operator Name WPX Energy Permian, LLC
Customer ID C000048105
Unit Name Fiver State 18-27A-54-4 # 411H
County 1 Reeves **RRC District 1** 08
County 2 **RRC District 2**
County 3 **RRC District 3**
County 4 **RRC District 4**
Unit type iNut
State Net Revenue Interest Oil 0.06286844
State Part in Unit 0.50294755
Unit Depth Specified Depths
From Depth Well
To Depth Formation
Participation Basis Length of Lateral
If Excluions Apply: See Remarks

Effective Date 08/01/2019
Unitized For Oil And Gas
Unit Term
Old Unit Number **Inactive Status Date**

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF109880		0.000000	0.000000	0.12573689	O/G	0.12500000	0.01571711	No
MF114285		0.000000	0.000000	0.25147378	O/G	0.12500000	0.03143422	No
MF115997		0.000000	0.000000	0.06286844	O/G	0.12500000	0.00785856	No
MF118232		0.000000	0.000000	0.06286844	O/G	0.12500000	0.00785856	

API Number

4238938517

Remarks:

iNut for PSA 00263. Plat received from the operator on January 2, 2020.

Prepared By:

Jim

Prepared Date:

01/23/2020

GLO Base Updated By:

Jim

GLO Base Date:

01/23/2020

RAM Approval By:

Jim

RAM Approval Date:

01/23/2020

GIS By:

Jim

GIS Date:

01/23/2020

Well Inventory By:

Jim

WI Date:

01/23/2020

Pooling Committee Report

To: School Land Board

INU200001

Date of Board Meeting:

Unit Number: 10520

Effective Date: 08/01/2019

Unit Expiration Date:

Applicant: WPX Energy Permian, LLC

Attorney Rep:

Operator: Wpx Energy Permian, LLC,

Unit Name: Fiver State 18-27A-54-4 # 411H

Field Name: PHANTOM (WOLFCAMP)

County: Reeves

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
RAL	MF109880	0.12500000	06/16/2017	5 years	160.000000	0.000000	0.01571711
RAL	MF114285	0.12500000	06/16/2017	5 years	320.000000	0.000000	0.03143422
RAL	MF115997	0.12500000	01/02/2017	3 years	80.000000	0.000000	0.00785856
RAL	MF118232	0.12500000	09/14/2019	3 years	80.000000	0.000000	0.00785856

Private Acres:	0.000000
State Acres:	0.000000
Total Unit Acres:	0.000000

<u>Participation Basis:</u>	Length of Lateral
Surface Acreage	
<u>State Acreage:</u>	50.29%
<u>State Net Revenue Interest:</u>	6.29%

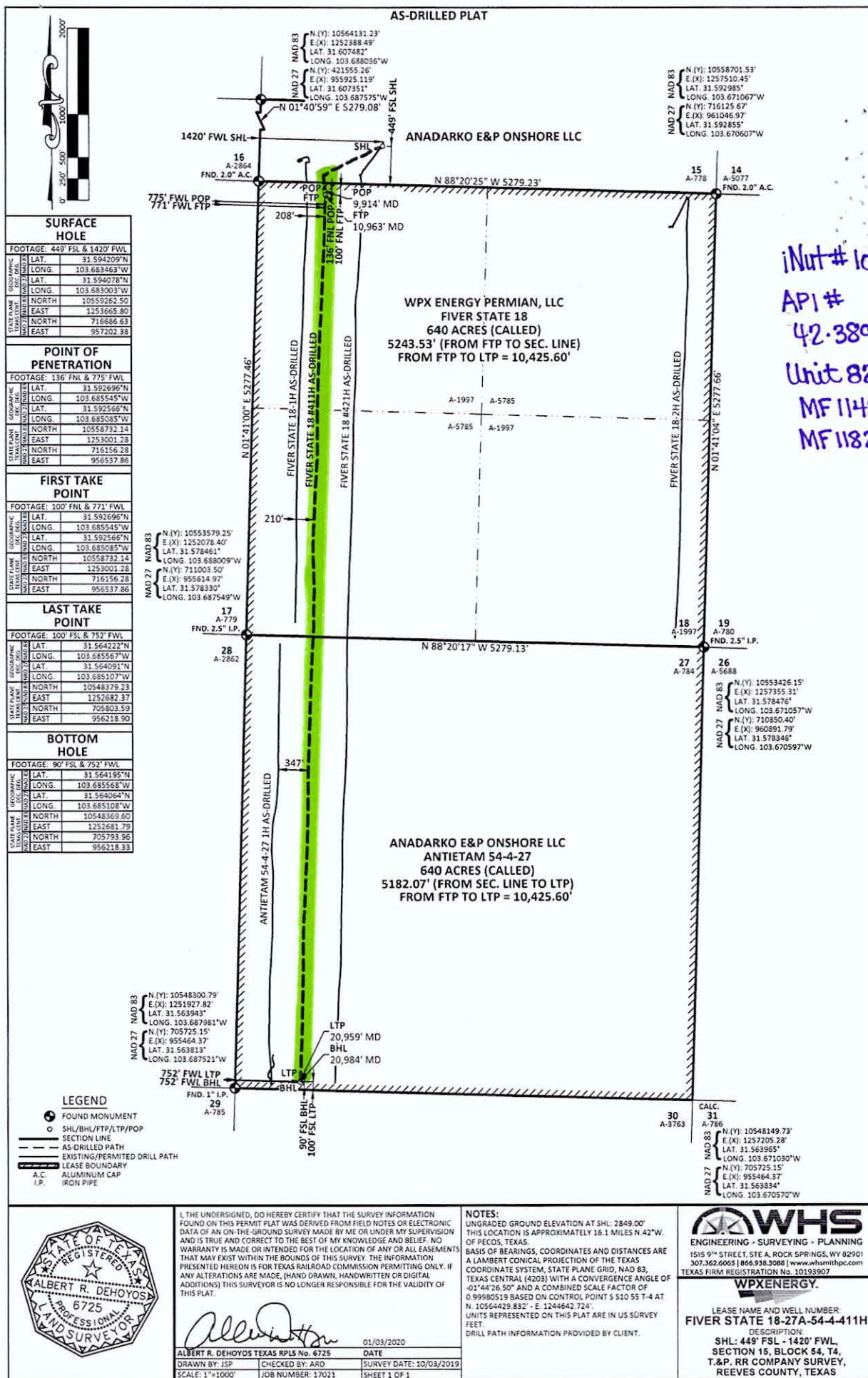
Unit Type: Unitized for:

iNut Oil And Gas

Term:

RRC Rules: Spacing Acres:

No



I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT THE SURVEY INFORMATION FOUND ON THIS PERMIT PLAT WAS DERIVED FROM FIELD NOTES OR ELECTRONIC DATA OF AN ON-THE-GROUND SURVEY MADE BY ME OR UNDER MY SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. NO WARRANTY IS MADE OR INTENDED FOR THE LOCATION OF ANY OR ALL EASEMENTS THAT MAY EXIST WITHIN THE BOUNDS OF THIS SURVEY. THE INFORMATION PRESENTED HEREON IS FOR TEXAS RAILROAD COMMISSION PERMITTING ONLY. IF ANY ALTERATIONS ARE MADE, (HAND-DRAWN, HANDWRITTEN OR DIGITAL ADDITIONS) THIS SURVEYOR IS NO LONGER RESPONSIBLE FOR THE VALIDITY OF THIS PLAT.

Albert R. Dehoyos
 01/03/2020
 ALBERT R. DEHOYOS TEXAS RPLS No. 6725 DATE
 DRAWN BY: JSP CHECKED BY: ARD SURVEY DATE: 10/03/2019
 SCALE: 1"=1000' JOB NUMBER: 17021 SHEET 1 OF 1

NOTES:
 UNGRADED GROUND ELEVATION AT SHL: 2849.00'
 THIS LOCATION IS APPROXIMATELY 16.1 MILES N 42° W OF PECOS, TEXAS.
 BASIS OF BEARINGS, COORDINATES AND DISTANCES ARE A LAMBERT CONICAL PROJECTION OF THE TEXAS COORDINATE SYSTEM, STATE PLANE GRID, NAD 83, TEXAS CENTRAL (4203) WITH A CONVERGENCE ANGLE OF -01°44'26.50" AND A COMBINED SCALE FACTOR OF 0.99980519 BASED ON CONTROL POINT S 510 55 T-4 AT N. 10564429.832' - E. 1244642.724'.
 UNITS REPRESENTED ON THIS PLAT ARE IN US SURVEY FEET
 DRILL PATH INFORMATION PROVIDED BY CLIENT.

WHS
 ENGINEERING - SURVEYING - PLANNING
 1515 9th STREET, STE A, ROCK SPRINGS, WY 82901
 307.362.6065 | 866.938.3088 | www.whsmtpp.com
 TEXAS FIRM REGISTRATION No. 10193907

WPXENERGY

LEASE NAME AND WELL NUMBER:
FIVER STATE 18-27A-54-4-411H
 DESCRIPTION:
 SHL: 449' FSL - 1420' FWL,
 SECTION 15, BLOCK 54, T4,
 T&P, RR COMPANY SURVEY,
 REEVES COUNTY, TEXAS

File No. MF 109880

Reeves County

iNat 10520

Date Filed: 2/18/2020

George P. Bush, Commissioner

By Jm



Information for processing an Internal Non Unit Transaction (iNut)
Length of Lateral

iNut No. 10521

GENERAL INFORMATION

Name of Well: Fiver State 18-27B-54-4 # 421H API # 42-389-38518
Name of Operator: WPX Energy Permian, LLC RRC # 855496
Operator Contact Person: Amber Cooke Phone: 539-573-3570
Counties: Reeves

ALLOCATION OF STATE UNITS AND/OR LEASES BASED ON LENGTH OF LATERAL

Lease Type	Unit/Lease No	Total Lateral Ft.	Unit or Lease Lateral Ft.	Unit or Lease Rylty Decimal	Lease Royalty Decimal	RRAC Participation Factor	State Participation by Unit/Lease
RAL	8293/MF114285	10419.23	5236.67	0.06250000	0.12500000	0.25129832	0.03141229
RAL	8293/MF109880	10419.23	5236.67	0.03125000	0.12500000	0.12564916	0.01570615
RAL	8293/MF118232	10419.23	5236.67	0.01562500	0.12500000	0.06282458	0.00785307
RAL	8293/MF115997	10419.23	5236.67	0.01562500	0.12500000	0.06282458	0.00785307
Totals:						0.50259664	0.06282458
Effective Date: <u>08/01/2019</u>							State Net Royalty Revenue in Well

Name of Production Sharing Agreement, if any: PSA 00263

Comments:

- Final as drilled plat received from Amber Cooke by email on January 2, 2020.

Attach a plat showing the iNut well with length of laterals marked and the State lands marked.

Lease Types: Relinquishment Act Land (RAL), State Fee (SF), Free Royalty (FR), Unleased Riverbed (UR), Highway Right of Way (HROW), Unleased Highway (UH), Criminal Justice (TDCJ), Parks & Wildlife (TPW), Mineral Production Allocation (MPAA), Dept. of Aging (DADS), School for the Blind (SBVI), Stephen F. Austin (SFA), TX A&M (A&M).

Prepared by: Jm Alamo updated by: Jm WI updated by: Jm
RAM approval by: VD GIS updated by: Jm

DO NOT DESTROY



Texas General Land Office

UNIT AGREEMENT MEMO

INU200001

Unit Number 10521
Operator Name WPX Energy Permian, LLC
Customer ID C000048105
Unit Name Fiver State 18-27B-54-4 # 421H
County 1 Reeves **RRC District 1** 08
County 2 **RRC District 2**
County 3 **RRC District 3**
County 4 **RRC District 4**
Unit type iNut
State Net Revenue Interest Oil 0.06282458
State Part in Unit 0.50259664
Unit Depth Specified Depths
From Depth Well
To Depth Formation
Participation Basis Length of Lateral
If Excluions Apply: See Remarks

Effective Date 08/01/2019
Unitized For Oil And Gas
Unit Term
Old Unit Number **Inactive Status Date**

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF109880		0.000000	0.000000	0.12564916	O/G	0.12500000	0.01570615	No
MF114285		0.000000	0.000000	0.25129832	O/G	0.12500000	0.03141229	No
MF115997		0.000000	0.000000	0.06282458	O/G	0.12500000	0.00785307	No
MF118232		0.000000	0.000000	0.06282458	O/G	0.12500000	0.00785307	

API Number

4238938518

Remarks:

Prepared By:

GLO Base Updated By:

RAM Approval By:

GIS By:

Well Inventory By:

Prepared Date:

GLO Base Date:

RAM Approval Date:

GIS Date:

WI Date:

01/23/2020

01/23/2020

1/23/2020

01/23/2020

Pooling Committee Report

To: School Land Board

INU200001

Date of Board Meeting:

Unit Number: 10521

Effective Date: 08/01/2019

Unit Expiration Date:

Applicant: WPX Energy PErman, LLC

Attorney Rep:

Operator: Wpx Energy Permian, LLC,

Unit Name: Fiver State 18-27B-54-4 # 421H

Field Name: PHANTOM (WOLFCAMP)

County:

Reeves

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
RAL	MF109880	0.12500000	06/16/2017	5 years	160.000000	0.000000	0.01570615
RAL	MF114285	0.12500000	06/16/2017	5 years	320.000000	0.000000	0.03141229
RAL	MF115997	0.12500000	01/02/2017	3 years	80.000000	0.000000	0.00785307
RAL	MF118232	0.12500000	09/14/2019	3 years	80.000000	0.000000	0.00785307

Private Acres:	0.000000
State Acres:	0.000000
Total Unit Acres:	0.000000

Participation Basis:	Length of Lateral
Surface Acreage	
State Acreage:	50.26%
State Net Revenue Interest:	6.28%

Unit Type: **Unitized for:**

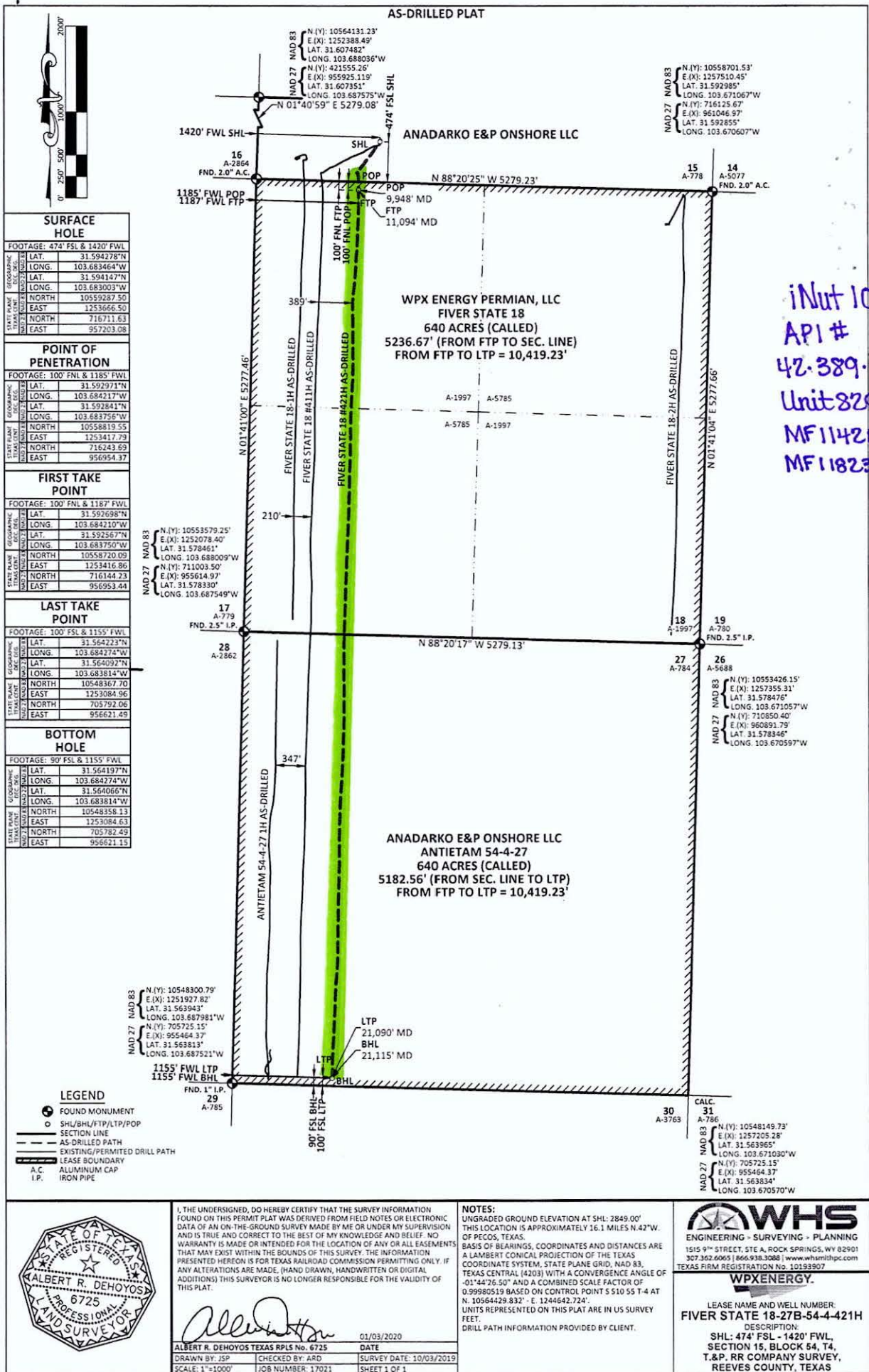
iNut

Oil And Gas

Term:

RRC Rules: **Spacing Acres:**

No



File No. MF109880

Reeves County

iNut 10521

Date Filed: 2/18/2020

George P. Bush, Commissioner

By: 

INut 10520

DIVISION ORDER

MF109880
MF114285
MF115997
MF118232

Date: May 6, 2020
LNS / EJP

To: **WPX ENERGY PERMIAN LLC**
Division Order Department
P. O. Box 3102
Tulsa, OK 74101

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 and payable by **WPX ENERGY PERMIAN LLC** (Payor):

Property Number: 62484677
Property Name: FIVER STATE 18-27A-54-4-411H
Operator: WPX ENERGY PERMIAN LLC
County and State: REEVES, TX
Property Description: W/2 SEC 18 & W/2 SEC 27
389-38517

Effective Date: First Sales

Production: _____ Oil _____ Gas _____ X _____ Both _____ Other _____

Owner Name TEXAS GENERAL LAND OFFICE
and Address: PO BOX 12873
AUSTIN, TX 78711-2873

OWNER NUMBER: 401460
Type of Interest: TXNP
Decimal Interest: 0.062868440

If your mailing address is different than what we have shown, please include your new mailing address when returning this form.

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 interests set out above. The payor shall pay all parties at the price agreed to by the operator for oil or 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.

PAYMENT: From the effective date, payment is to be made monthly by payor's check, based on this division of interest, for oil run during the preceding calendar month or gas produced during the preceding two calendar months from the property listed above, 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 12 months' proceeds accumulate, whichever occurs first. However, the payor may hold accumulated proceeds of less than \$10 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 payment address or 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.

Special Clauses: none

Owner(s) Signature(s): _____ X _____ X _____
Owner(s) Tax I.D. Number(s): _____
Owner Daytime Telephone #: _____
Owner Secondary Telephone #: _____
Owner Email: _____

PN 10521

DIVISION ORDER

Date: May 6, 2020
LNS / EJP

To: **WPX ENERGY PERMIAN LLC**
Division Order Department
P. O. Box 3102
Tulsa, OK 74101

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 and payable by **WPX ENERGY PERMIAN LLC** (Payor):

Property Number: 62490113
Property Name: FIVER STATE 18-27B-54-4-421H
Operator: WPX ENERGY PERMIAN LLC
County and State: REEVES, TX
Property Description: W/2 SEC 18 & W/2 SEC 27
389-38518

Effective Date: First Sales

Production: _____ Oil _____ Gas X Both _____ Other _____

Owner Name: TEXAS GENERAL LAND OFFICE
and Address: PO BOX 12873
AUSTIN, TX 78711-2873

OWNER NUMBER: 401460

Type of Interest: TXNP
Decimal Interest: 0.062824580

If your mailing address is different than what we have shown, please include your new mailing address when returning this form.

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 interests set out above. The payor shall pay all parties at the price agreed to by the operator for oil or 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.

PAYMENT: From the effective date, payment is to be made monthly by payor's check, based on this division of interest, for oil run during the preceding calendar month or gas produced during the preceding two calendar months from the property listed above, 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 12 months' proceeds accumulate, whichever occurs first. However, the payor may hold accumulated proceeds of less than \$10 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 payment address or 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.

Special Clauses: none

Owner(s) Signature(s): X X
Owner(s) Tax I.D. Number(s): _____
Owner Daytime Telephone #: _____
Owner Secondary Telephone #: _____
Owner Email: _____

*Federal Law requires you to furnish your Social Security or Taxpayer Identification Number.
Failure to comply will result in 28% tax withholding and will not be refundable by Payor.*



WPX ENERGY PERMIAN LLC
Division Orders, MD 44
P.O. Box 3102
Tulsa, OK 74101-3102
866-326-3190

Dear Interest Owner:

Enclosed herewith are two copies of Your Division Order. One copy should be signed and completed and returned to our office, and the other copy should be kept for your records. Below you will find specific instructions concerning the completion of this document.

Please read carefully the following instructions before signing your Division Order. If your name is correctly shown, and if you are claiming the interest credited to you, and the interest is correctly stated, please execute the Division Order in accordance with applicable directions as follows:

SIGNATURE: Sign *exactly* as your name is listed under the Division of Interest. The Division Order should not be altered unless accompanied by documentary evidence justifying the change.

TAX IDENTIFICATION NUMBER: In accordance with Federal law effective January 1, 2003, 28% tax will be withheld if you do not provide your Social Security Number or Tax Identification Number where indicated.

NAME CHANGE: You may sign using your current name, but you *must* provide evidence of name change (i.e., marriage license, divorce decree, court order, etc.).

ADDRESS: Type or print the correct address where your check is to be mailed.

DECEASED OWNER OF THE INTEREST: Please furnish us with a copy of the death certificate, Will, Order Admitting Will to Probate, Letters Testamentary and Final Order of Distribution. The person named in the Letters Testamentary should execute this Division Order on behalf of the estate of the deceased (if not previously provided).

ATTORNEY-IN-FACT, AGENT OR GUARDIAN: Provide a copy of the instrument authorizing you to sign for the owner shown in this Division Order.

CORPORATIONS: Include title and appropriate corporate authority as required by your state governing body, such as Attestation and/or Corporate Seal.

PARTNERSHIPS: This instrument must be executed by all partners unless evidence is provided authorizing one signature on behalf of the partnership.

Please return one (1) fully executed Division Order to us at the earliest possible time after receipt by you. This will ensure prompt payment. Retain one copy of the Division Order for your records.

RETURN EXECUTED COPY TO:
WPX ENERGY PERMIAN LLC
Division Orders, MD 34
PO Box 3102
Tulsa, OK 74101-3102



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

September 30, 2020

Emily Perez
Division Order Analyst
WPX Energy Permian, LLC
P.O. Box 3102
Tulsa, OK 74101-9827

Re: State Lease Nos. MF109880, MF114285, MF115997 and MF118232 Five State 18-27A-54-4 411H iNut 10520 and Five State 18-27B-54-4 421H iNut 10521

Dear Mrs. Perez:

The Texas General Land Office (GLO) has received your Division Orders for the referenced iNut(s). These Division Orders have been filed in the appropriate mineral file(s).

The payment of royalties attributable to state-owned mineral and royalty interests is set by contract and applicable statutes and rules. The execution of division orders may, in some cases, affect the manner in which such payments are made or calculated. Therefore, Title 31, §9.32, of the Texas Administrative Code specifies that GLO staff cannot execute a division order or bind the state to any terms contained within it.

Subject to applicable state law and the state's right to take its production in-kind, the GLO acquiesces to the sale of oil and gas in accordance with the terms and conditions set out in the oil and gas leases. If you have questions concerning this matter, please feel free to e-mail me at the address below my signature.

We look forward to being put on pay status as soon as you are able to set up the wells in our RRAC system.

Thank you,

Vivian Zamora
Landman, Energy Resources
512-475-0428
512-475-1404 (fax)
vivian.zamora@glo.texas.gov

File No. MF109880Reeves County
DIVISION ORDERDate Filed: 10-8-2020

George P. Bush, Commissioner

By VR

WPXENERGY

RKI EXPLORATION & PRODUCTION, LLC

PO BOX 21358

TULSA, OK 74121-1358

17713934

MF109880

COMPANY NUMBER: 3035

CHECK NUMBER: 3035007863

PAY DATE	SUPPLIER NO.	SUPPLIER NAME	CHECK TOTAL
May 11, 2017	401460	TEXAS GENERAL LAND OFFICE	\$6,822.28

Invoice Date	Invoice / Credit Memo Invoice Description	Gross	Discount	Net
May 9, 2017	Inv Num: 09-MAY-2017 Inv Desc: ROW	\$6,822.28	\$0.00	\$6,822.28
06/09				161

Supplier Support 1-866-581-4981

Page Totals

\$0.00

\$6,822.28

52

0174434

Please Return To:
RKI Exploration and Production, LLC
Attn: Brad Hargrove
3500 One Williams Center, Suite 3500
Tulsa, OK 74172

Fiver State 18-2H
Attn: Drew Reid

RECEIPT OF DAMAGE PAYMENT

KNOWN ALL MEN BY THESE PRESENTS that the undersigned, Texas General Land Office, whose address is 1700 North Congress Ave, Austin, Texas 78710 who are owners of the following described premises situated in Reeves County, TX, to wit;

Section 18, Block 54, T-4, T&P RR. CO. Survey Reeves County, Texas

For and in consideration of the sum of \$**6,822.28** and other good and valuable consideration, receipt of which is hereby acknowledged, I **Texas General Land Office**, does hereby accept payment for compensation of One half surface damages for the purpose of installing Fiver State 18-2H saltwater pipeline in Section 18, Block 54, T-4, T&P RR. CO. Survey, Reeves County, Texas

This Receipt of Damage Payment shall not be filed of record.

Dated this _____ day of _____, 2017.

Texas General Land Office.

Brad Hargrove, RKI Exploration and Production, LLC

Check # 3035007863

T1113834

File No. MF109880
Reeves County
Surface Damage Pmt
Date Filed: 7/26/2021
George P. Bush, Commissioner
By VR

36.

T1113834

0. 2.71



WPX ENERGY PERMIAN, LLC
PO BOX 21358
TULSA, OK 74121-1358

COMPANY NUMBER: 3035

CHECK NUMBER: 3035019017

PAY DATE	SUPPLIER NO.	SUPPLIER NAME	CHECK TOTAL
Oct 18, 2018	401460	TEXAS GENERAL LAND OFFICE	\$4,799.40

Invoice Date	Invoice / Credit Memo Invoice Description	Gross	Discount	Net
Oct 16, 2018	Inv Num: 16-OCT-2018 Inv Desc: 159.98 6" CRUDE PL @ 120/ROD FOR THE FIVER STATE 18-2H WELL IN SEC 18 BLK 54 T4	\$4,799.40	\$0.00	\$4,799.40
		19702304		
Supplier Support 1-866-581-4981		Page Totals	\$0.00	\$4,799.40

0194990

0194990

WPXENERGY

WPX ENERGY PERMIAN, LLC
PO BOX 21358
TULSA, OK 74121-1358

COMPANY NUMBER: 3035

CHECK NUMBER: 3035019018

PAY DATE	SUPPLIER NO.	SUPPLIER NAME	CHECK TOTAL
Oct 18, 2018	401460	TEXAS GENERAL LAND OFFICE	\$2,399.70

Invoice Date	Invoice / Credit Memo Invoice Description	Gross	Discount	Net
Oct 16, 2018	Inv Num: 16-OCT-2018A Inv Desc: 159.68 6' CRUDE PL @ 120/ROD FOR THE FIVER STATE 18-2H WELL IN SEC 18 BLK 54 T4 19702305	\$2,399.70	\$0.00	\$2,399.70 156
Supplier Support 1-866-581-4981		Page Totals	\$0.00	\$2,399.70

2020

0194991



October 22, 2018

Franci Willard
franci.willard@wpxenergy.com
3500 One Williams Center, MD35
P. O. Box 3102
Tulsa, OK 74101-3102
Phone: (539) 573-0060

Via FedEx: 7735 3699 3516

Texas General Land Office
Attn: Jason Smalley, Leasing Operations
1700 North Congress Avenue
Austin, TX 78701-1495

Re: 6" Crude Pipeline Easement – 159.98 rods
WPX Energy Permian, LLC
Section 18, Block 54 T4, T&P RR Co. Survey
Reeves Co., Texas
Fiver State 18-2H well

Enclosed find two checks which represent the State of Texas' share of consideration paid to Nancy Dean Investment Corporation and to Brigham Minerals for a 6" Crude Pipeline Easement in Section 18.

Check No.	GLO Share	Surface Owner
3035019017	\$4,799.40	Nancy Dean Investment Corp. – 50% interest
3035019018	\$2,399.70	Brigham Minerals – 12.5% interest

If you should have any questions, please contact Andrew Wenzel at (539) 573-3564 or andrew.wenzel@wpxenergy.com.

Best Regards,

Franci Willard
Sr. Land Data Tech
Surface Land - Permian

Enclosures

File No. MF109880

Reeves County

Surface Damage Pmt

Date Filed: 7/26/2021

George P. Bush, Commissioner

By VR

20650761
12105302

20650761
12105302

20650761
12105302

10.53.10

WPXENERGYWPX ENERGY PERMIAN, LLC
PO BOX 21358
TULSA, OK 74121-1358

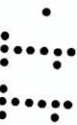
19702938

COMPANY NUMBER: 3035
CHECK NUMBER: 3035019351

PAY DATE	SUPPLIER NO.	SUPPLIER NAME	CHECK TOTAL
Oct 31, 2018	401460	TEXAS GENERAL LAND OFFICE	\$6,400.00

Invoice Date	Invoice / Credit Memo Invoice Description	Gross	Discount	Net
Oct 30, 2018	Inv Num: 30-OCT-2018 Inv Desc: 128 ROD 6' CRUDE PL @ 100/ROD FOR THE FIVER STATE 18-2H WELL IN SEC 18 BLK 54 T4	\$6,400.00	\$0.00	\$6,400.00
Supplier Support 1-866-581-4981		Page Totals	\$0.00	156 \$6,400.00

19705038



0195533



November 5, 2018

Franci Willard
franci.willard@wpxenergy.com
3500 One Williams Center, MD35
P. O. Box 3102
Tulsa, OK 74101-3102
Phone: (539) 573-0060

Via FedEx: 7736 5014 2586

Texas General Land Office
Attn: Jason Smalley, Leasing Operations
1700 North Congress Avenue
Austin, TX 78701-1495

Re: 6" Crude Pipeline Easement – 128 rods
WPX Energy Permian, LLC
Section 18, Block 54 T4, T&P RR Co. Survey
Reeves Co., Texas
Fiver State 18-2H well

Enclosed find check no. 3035019351 in the amount of \$6,400.00 which represents the State of Texas' share of consideration paid to landowners Vaughan-McElvain Energy, Inc., J&M Raymond, Ltd., Linda J. Marooney Living Trust, Dean Erick Skinner and Timothy Alan Skinner for a 6" Crude Pipeline Easement in Section 18.

If you should have any questions, please contact Andrew Wenzel at (539) 573-3564 or andrew.wenzel@wpxenergy.com.

Best Regards,

Franci Willard
Sr. Land Data Tech
Surface Land - Permian

Enclosures

Fiver State 18-2H, 6" Crude Line
Section 18, Block 54-4, T&P RR Co, Reeves County, Texas

Distance	Rods	Cost (per ac or rod)	Total Cost
2,112.08'	128.00	\$100.00	\$12,800.00

Amt to GLO @ 50%	\$6,400.00
Vaughan-McElvain Energy, Inc. (5/12 of 50%)	\$2,666.67
J&M Raymond, Ltd. (1/3 of 50%)	\$2,133.33
Linda J. Marooney Living Trust (1/8 of 50%)	\$800.00
Dean Eric Skinner (1/16 of 50%)	\$400.00
Timothy Alan Skinner (1/16 of 50%)	\$400.00

File No. MF109880 38.

County

Surface Damage Pmt

Date Filed: 7/26/2021

George P. Bush, Commissioner

By VQ

11. 010

WPXENERGY.

WPX ENERGY PERMIAN LLC
PO BOX 21358
TULSA OK 74121-1358

Company Number: 3035
CHECK NUMBER: 3035033758

PAY DATE	SUPPLIER NO.	SUPPLIER NAME	CHECK TOTAL
Jul 23, 2019	401460	TEXAS GENERAL LAND OFFICE	\$600.00

Invoice Date	Invoice No.	Invoice / Credit Memo Invoice Description	Gross	Discount	Net
07/22/2019	22-JUL-2019	3.46 ROD ROAD EASEMENT IN SEC 18 BLK 54 T4 T&P RR CO SVY REEVES CO TX FOR THE FIVER STATE 18-27B-...	\$600.00	\$0.00	X \$600.00
			19713313		156
			MF 109880		
Totals			\$600.00	\$0.00	\$600.00

Supplier Support 1-866-581-4981

2025

0205977

WPXENERGY.

July 24, 2019

Franci Willard
franci.willard@wpxenergy.com
3500 One Williams Center, MD35
P. O. Box 3102
Tulsa, OK 74101-3102
Phone: (539) 573-0060

Via FedEx: 7758 2405 6514

Texas General Land Office
Attn: Jason Smalley, Leasing Operations
1700 North Congress Avenue
Austin, TX 78701-1495

Re: Consideration payment
Lease Road – 3.46 rods
NW4 Section 18, Block 54 T4, T&P RR Co. Survey
Reeves County, Texas (Fiver State)

Enclosed find check no. 3035033758 in the amount of \$600.00 representing the State of Texas' share of consideration paid to landowner Richard Clay Slack II, Cynthia S. Shaw, and Anne S. Mackey for the above referenced lease road in Section 18.

If you should have any questions, please contact Andrew Wenzel at (539) 573-3564 or andrew.wenzel@wpxenergy.com.

Best Regards,

Franci Willard

Franci Willard
Sr. Land Data Tech
Surface Land - Permian

Enclosures

File No. MF109880

County

Surface Damage Pmt

Date Filed: 7/26/2021

George P. Bush, Commissioner

By VZ

A 4x4 grid of dots forming the number 1234. The dots are arranged as follows: Row 1: (1,1), (1,2), (1,3), (1,4); Row 2: (2,1), (2,2), (2,3), (2,4); Row 3: (3,1), (3,2), (3,3), (3,4); Row 4: (4,1), (4,2), (4,3), (4,4).

WPXENERGY.WPX ENERGY PERMIAN LLC
PO BOX 21358
TULSA OK 74121-1358

19713907

Company Number: 3035
CHECK NUMBER: 3035033974

PAY DATE	SUPPLIER NO.	SUPPLIER NAME	CHECK TOTAL
Aug 06, 2019	401460	TEXAS GENERAL LAND OFFICE	\$600.00

Invoice Date	Invoice No.	Invoice / Credit Memo Invoice Description	Gross	Discount	Net
08/05/2019	05-AUG-2019	3.46 ROD ROAD EASEMENT IN SEC 18 BLK 54 T4 T&P RR CO SVY REEVES CO TX FOR THE FIVER STATE 18-27B-...	\$600.00	\$0.00	\$600.00
Totals			\$600.00	\$0.00	\$600.00

Supplier Support 1-866-581-4981

156



0206444



August 7, 2019

Mallory Weindorf
Mallory.Weindorf@wpxenergy.com
3500 One Williams Center, MD35
P. O. Box 3102
Tulsa, OK 74101-3102
Phone: (539) 573-3525

Via FedEx: 7759 3171 1008

Texas General Land Office
Attn: Jason Smalley, Leasing Operations
1700 North Congress Avenue
Austin, TX 78701-1495

Re: Consideration payment
Road Easement – 3.46 rods
NW4 Section 18, Block 54 T4, T&P RR Co. Survey
Reeves County, Texas
Titan State 16-411H, 421H & 422H wells

Enclosed find check no. 3035033974 in the amount of \$600.00 representing the State of Texas' share of consideration paid to landowner Brigham Minerals for the above referenced lease road in Section 18.

If you should have any questions, please contact Andrew Wenzel at (539) 573-3564 or andrew.wenzel@wpxenergy.com.

Best Regards,

Mallory Weindorf
Sr. Land Data Tech
Surface Land - Permian

Enclosures

010

File No. MF109880

40.

County
Surface Damage Pmt

Date Filed: 7/26/2021
George P. Bush, Commissioner

By WZ



Information for processing an Internal Non Unit Transaction (iNut)
Length of Lateral

iNut No. 11265

GENERAL INFORMATION

Name of Well: Fiver State 18-27C-54-4 # 412H API # 42-389-39146
 Name of Operator: WPX Energy Permian, LLC RRC # 864700
 Operator Contact Person: Amber Cooke Phone: 539-573-3570
 Counties: Reeves

ALLOCATION OF STATE UNITS AND/OR LEASES BASED ON LENGTH OF LATERAL

Lease Type	Unit/Lease No	Total Lateral Ft.	Unit or Lease Lateral Ft.	Unit or Lease Rylyty Decimal	Lease Royalty Decimal	RRAC Participation Factor	State Participation by Unit/Lease
RAL	8293/MF114285	9999	4909	0.06250000	0.12500000	0.24547455	0.03068432
RAL	8293/MF109880	9999	4909	0.03125000	0.12500000	0.12273727	0.01534216
RAL	8293/MF118232	9999	4909	0.01562500	0.12500000	0.06136864	0.00767108
RAL	8293/MF115997	9999	4909	0.01562500	0.12500000	0.06136864	0.00767108
Totals:						0.49094909	0.06136864
Effective Date:	<u>10/01/2020</u>						State Net Royalty Revenue in Well

Name of Production Sharing Agreement, if any: PSA 00263

Comments:

- Final as drilled plat received from Amber Cooke by email on January 2, 2020.

Attach a plat showing the iNut well with length of laterals marked and the State lands marked.

Lease Types: Relinquishment Act Land (RAL), State Fee (SF), Free Royalty (FR), Unleased Riverbed (UR), Highway Right of Way (HROW), Unleased Highway (UH), Criminal Justice (TDCJ), Parks & Wildlife (TPW), Mineral Production Allocation (MPAA), Dept. of Aging (DADS), School for the Blind (SBVI), Stephen F. Austin (SFA), TX A&M (A&M).

Prepared by: Jm Alamo updated by: Jm WI updated by: Jm
 RAM approval by: VD GIS updated by: JH

DO NOT DESTROY



Texas General Land Office
UNIT AGREEMENT MEMO

INU210001

Unit Number 11265
Operator Name WPX Energy Permian, LLC
Customer ID C000048105
Unit Name Fiver State 18-27C-54-4 # 412H
County 1 Reeves **RRC District 1** 08
County 2 **RRC District 2**
County 3 **RRC District 3**
County 4 **RRC District 4**
Unit type iNut
State Net Revenue Interest Oil 0.06136864
State Part in Unit 0.49094909
Unit Depth Specified Depths
From Depth Well
To Depth Formation
Participation Basis Length of Lateral
If Excluions Apply: See Remarks

Effective Date 10/01/2020
Unitized For Oil And Gas
Unit Term
Old Unit Number **Inactive Status Date**

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF109880		0.000000	0.000000	0.12273727	O/G	0.12500000	0.01534216	No
MF114285		0.000000	0.000000	0.24547455	O/G	0.12500000	0.03068432	No
MF115997		0.000000	0.000000	0.06136864	O/G	0.12500000	0.00767108	No
MF118232		0.000000	0.000000	0.06136864	O/G	0.12500000	0.00767108	

API Number

4238939146

Remarks:

Prepared By: gm
GLO Base Updated By: gm
RAM Approval By: GD
GIS By: JH
Well Inventory By: gm

Prepared Date: 06/02/2021
GLO Base Date: 06/02/2021
RAM Approval Date: 06/02/2021
GIS Date: 12/22/2021
WI Date: 06/02/2021

Pooling Committee Report

To: School Land Board

INU210001

Date of Board Meeting:

Unit Number: 11265

Effective Date: 10/01/2020

Unit Expiration Date:

Applicant: WPX Energy Permian, LLC

Attorney Rep:

Operator: WPX Energy Permian, LLC,

Unit Name: Fiver State 18-27C-54-4 # 412H

Field Name: PHANTOM (WOLFCAMP)

County: Reeves

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
RAL	MF109880	0.12500000	06/16/2017	5 years	160.000000	0.000000	0.01534216
RAL	MF114285	0.12500000	06/16/2017	5 years	320.000000	0.000000	0.03068432
RAL	MF115997	0.12500000	01/02/2017	3 years	80.000000	0.000000	0.00767108
RAL	MF118232	0.12500000	09/14/2019	3 years	80.000000	0.000000	0.00767108

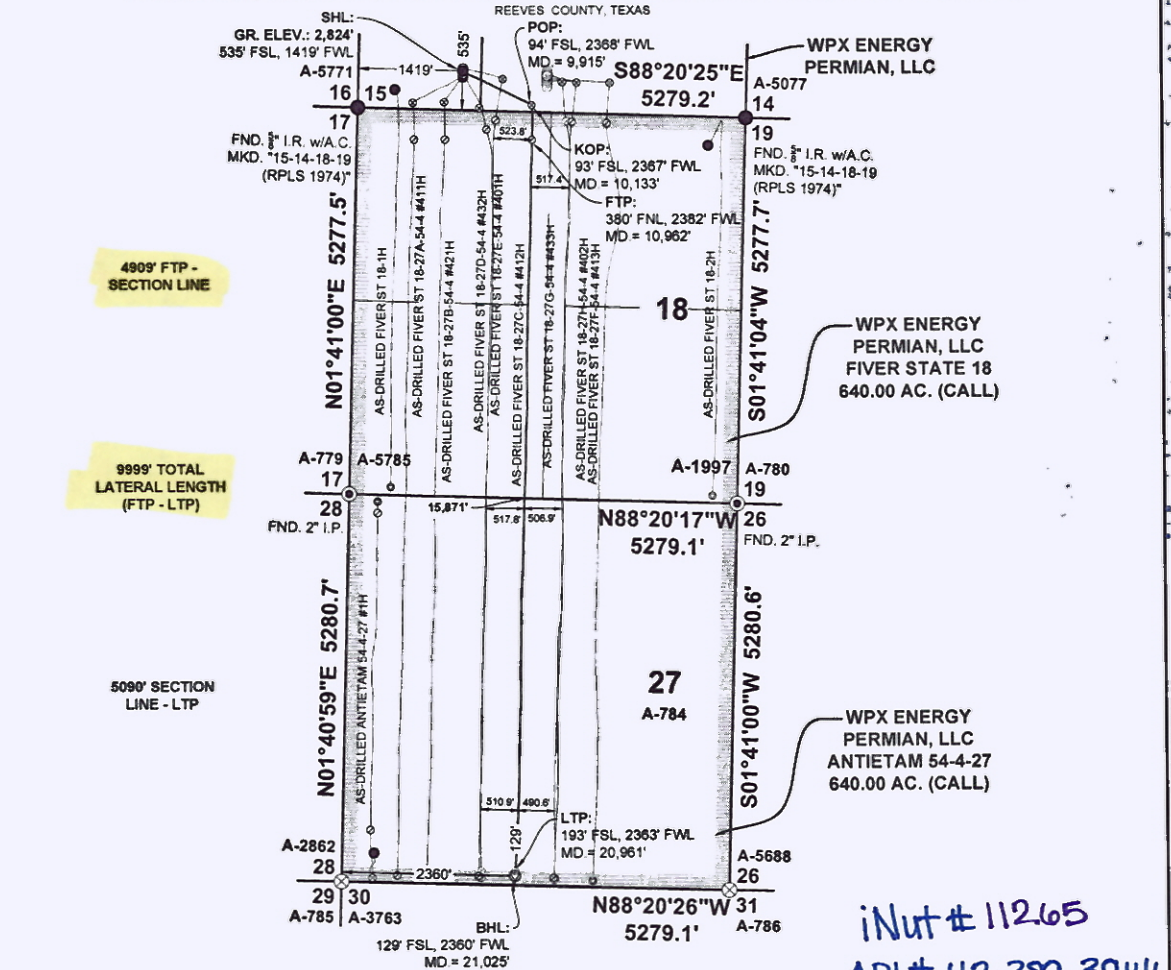
Private Acres:	0.000000
State Acres:	0.000000
Total Unit Acres:	0.000000

<u>Participation Basis:</u>	Length of Lateral
Surface Acreage	
<u>State Acreage:</u>	49.09%
<u>State Net Revenue Interest:</u>	6.14%

<u>Unit Type:</u>	<u>Unitized for:</u>
iNut	Oil And Gas
<u>Term:</u>	

<u>RRC Rules:</u>	<u>Spacing Acres:</u>
No	

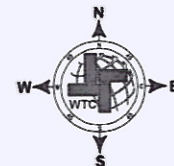
SECTION 15, BLOCK 54, T4, A-778, TEXAS & PACIFIC RAILWAY COMPANY SURVEY,



SURFACE HOLE LOCATION	FOOTAGE: 535' FSL, 1419' FWL
	NAD 83 TXSP-C N(Y) = 10559348.0' E(X) = 1253667.9' -LAT. = 31.5044439° N. LON. = 103.6834650° W
POINT OF PENETRATION	FOOTAGE: 94' FSL, 2368' FWL
	NAD 83 TXSP-C N(Y) = 10558878.4' E(X) = 1254602.2' -LAT. = 31.5932309° N. LON. = 103.6804203° W
KOP	FOOTAGE: 93' FSL, 2367' FWL
	NAD 83 TXSP-C N(Y) = 10558880.0' E(X) = 1254603.0' -LAT. = 31.5932353° N. LON. = 103.6804177° W
FIRST TAKE	FOOTAGE: 380' FNL, 2382' FWL
	NAD 83 TXSP-C N(Y) = 10558406.0' E(X) = 1254603.8' -LAT. = 31.5919328° N. LON. = 103.6803695° W
LAST TAKE	FOOTAGE: 193' FSL, 2363' FWL
	NAD 83 TXSP-C N(Y) = 10548425.2' E(X) = 1254291.5' -LAT. = 31.5644810° N. LON. = 103.6804078° W
BOTTOM HOLE LOCATION/TERMINUS	FOOTAGE: 129' FSL, 2360' FWL
	NAD 83 TXSP-C N(Y) = 10548361.4' E(X) = 1254286.2' -LAT. = 31.5643053° N. LON. = 103.6804185° W

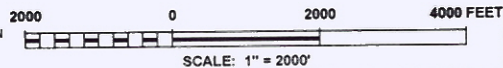
SURVEYOR'S NOTES:

- ALL DOWNHOLE, POINT OF PENETRATION AND BOTTOM HOLE INFORMATION AND THEIR LOCATIONS WERE PROVIDED BY WPX ENERGY PERMIAN, LLC, AND ARE NOT GUARANTEED BY THIS SURVEYOR
- SEE DOCUMENTS FILED IN THIS OFFICE WHICH DESCRIBE IN DETAIL THE RECONSTRUCTION OF THESE SECTIONS AND/OR BLOCKS, USING FOUND MONUMENTATION, GLO AND COURTHOUSE DOCUMENTATION.
- NO SURFACE OWNERSHIP WAS PROVIDED OR REQUESTED BY WPX ENERGY PERMIAN, LLC AND NONE WAS RESEARCHED OR PROVIDED BY WTC, INC.
- BASIS OF BEARINGS, COORDINATES AND DISTANCES ARE A LAMBERT CONICAL PROJECTION OF THE TEXAS COORDINATE SYSTEM, STATE PLANE GRID, NAD 83 TEXAS CENTRAL (4203) WITH A CONVERGENCE ANGLE OF -01°43'41.42" AND A COMBINED SCALE FACTOR OF 0.999805520 BASED ON AN OPUS SOLUTION ON CONTROL POINT ZEUS AT N = 10568388.402' E = 1252273.526'
- THIS LOCATION IS APPROXIMATELY 20.8 MILES N 24° W OF MENTONE, TEXAS



LEGEND

- PROPOSED WELL LOCATION
- POP
- FTP/LTP
- BHL
- EXISTING WELL
- FOUND IRON ROD (AS NOTED)
- FOUND IRON PIPE (AS NOTED)
- ⊗ CALCULATED CORNER
- LEASE BOUNDARY



I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT THE SURVEY INFORMATION FOUND ON THIS PERMIT PLAT WAS DERIVED FROM FIELD NOTES OR ELECTRONIC DATA OF AN ACTUAL ON-THE-GROUND SURVEY MADE BY ME OR UNDER MY SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. NO WARRANTY IS MADE OR INTENDED FOR THE LOCATION OF ANY OR ALL EASEMENTS THAT MAY EXIST WITHIN THE BOUNDS OF THIS SURVEY. THE INFORMATION PRESENTED HEREON IS FOR TEXAS RAILROAD COMMISSION PERMITTING ONLY, AND DOES NOT CONSTITUTE OR REPRESENT A COMPLETE BOUNDARY SURVEY AS DEFINED BY THE T.B.P.L.S. "PROFESSIONAL LAND SURVEYING PRACTICES ACT." IF THERE ARE ANY ALTERATIONS MADE (HAND-DRAWN OR HANDWRITTEN ADDITIONS) THIS SURVEYOR IS NO LONGER RESPONSIBLE FOR THE VALIDITY OF THIS PLAT.

J. Tompkins 03/31/2021
JAMES C. TOMPKINS RPLS #6768 DATE
SURVEY DATE: N/A DRAFT: OV
JOB NO: WTC54657 SHEET: 1 OF 1

WPX ENERGY PERMIAN, LLC

FIVER STATE 18-27C-54-4 #412H
SHL 535' FSL, 1419' FWL
SEC. 15, BLK 54, T4, A-778,
T.&P. RW. CO SURVEY, REEVES COUNTY, TEXAS

WTC
ENGINEERS & SURVEYORS

WTC, INC.
405 S.W. 1st STREET
ANDREWS, TEXAS 79714
(432) 623-2181
TEXAS REGISTERED ENGINEERING FIRM F-2748
TEXAS REGISTERED SURVEYOR FIRM #100792-00

File No. MF109880
Reeves County
iNut 11265 - API 42-389-39146
Date Filed: 11/12/2021
George P. Bush, Commissioner
By Jm



Information for processing an Internal Non Unit Transaction (iNut)
Length of Lateral

iNut No. 11266

GENERAL INFORMATION

Name of Well: Fiver State 18-27C-54-4 # 432H API # 42-389-39148
Name of Operator: WPX Energy Permian, LLC RRC # 864727
Operator Contact Person: Amber Cooke Phone: 539-573-3570
Counties: Reeves

ALLOCATION OF STATE UNITS AND/OR LEASES BASED ON LENGTH OF LATERAL

Lease Type	Unit/Lease No	Total Lateral Ft.	Unit or Lease Lateral Ft.	Unit or Lease Ryty Decimal	Lease Royalty Decimal	RRAC Participation Factor	State Participation by Unit/Lease
RAL	8293/MF114285	10148	5052	0.06250000	0.12500000	0.24891604	0.03111451
RAL	8293/MF109880	10148	5052	0.03125000	0.12500000	0.12445802	0.01555725
RAL	8293/MF118232	10148	5052	0.01562500	0.12500000	0.06222901	0.00777863
RAL	8293/MF115997	10148	5052	0.01562500	0.12500000	0.06222901	0.00777863
Totals:						0.49783209	0.06222901
Effective Date:	<u>10/01/2020</u>						State Net Royalty Revenue in Well

Name of Production Sharing Agreement, if any: PSA 00263

Comments:

- Final as drilled plat received from Amber Cooke by email on January 2, 2020.

Attach a plat showing the iNut well with length of laterals marked and the State lands marked.

Lease Types: Relinquishment Act Land (RAL), State Fee (SF), Free Royalty (FR), Unleased Riverbed (UR), Highway Right of Way (HROW), Unleased Highway (UH), Criminal Justice (TDCJ), Parks & Wildlife (TPW), Mineral Production Allocation (MPAA), Dept. of Aging (DADS), School for the Blind (SBVI), Stephen F. Austin (SFA), TX A&M (A&M).

Prepared by: Jm Alamo updated by: Jm WI updated by: Jm
RAM approval by: JD GIS updated by: Jm

DO NOT DESTROY



Texas General Land Office

UNIT AGREEMENT MEMO

INU210001

Unit Number 11266
Operator Name WPX Energy Permian, LLC
Customer ID C000048105
Unit Name Fiver State 18-27C-54-4 # 432H
County 1 Reeves **RRC District 1** 08
County 2 **RRC District 2**
County 3 **RRC District 3**
County 4 **RRC District 4**
Unit type iNut
State Net Revenue Interest Oil 0.06222901
State Part in Unit 0.49783209
Unit Depth Specified Depths
From Depth Well
To Depth Formation
Participation Basis Length of Lateral
If Excluions Apply: See Remarks

Effective Date 10/01/2020
Unitized For Oil And Gas
Unit Term
Old Unit Number **Inactive Status Date**

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF109880		0.000000	0.000000	0.12445802	O/G	0.12500000	0.01555725	No
MF114285		0.000000	0.000000	0.24891604	O/G	0.12500000	0.03111451	No
MF115997		0.000000	0.000000	0.06222901	O/G	0.12500000	0.00777863	No
MF118232		0.000000	0.000000	0.06222901	O/G	0.12500000	0.00777863	

API Number

4238939148

Remarks:

Prepared By:

jm

GLO Base Updated By:

jm

RAM Approval By:

JD

GIS By:

JK

Well Inventory By:

jm

Prepared Date:

11/12/2021

GLO Base Date:

11/12/2021

RAM Approval Date:

11/12/2021

GIS Date:

12/22/2021

WI Date:

11/12/2021

Pooling Committee Report

To: School Land Board

INU210001

Date of Board Meeting:

Unit Number: 11266

Effective Date: 10/01/2020

Unit Expiration Date:

Applicant: WPX Energy Permian, LLC

Attorney Rep:

Operator: WPX Energy Permian, LLC,,

Unit Name: Fiver State 18-27C-54-4 # 432H

Field Name: PHANTOM (WOLFCAMP)

County: Reeves

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
RAL	MF109880	0.12500000	06/16/2017	5 years	160.000000	0.000000	0.01555725
RAL	MF114285	0.12500000	06/16/2017	5 years	320.000000	0.000000	0.03111451
RAL	MF115997	0.12500000	01/02/2017	3 years	80.000000	0.000000	0.00777863
RAL	MF118232	0.12500000	09/14/2019	3 years	80.000000	0.000000	0.00777863

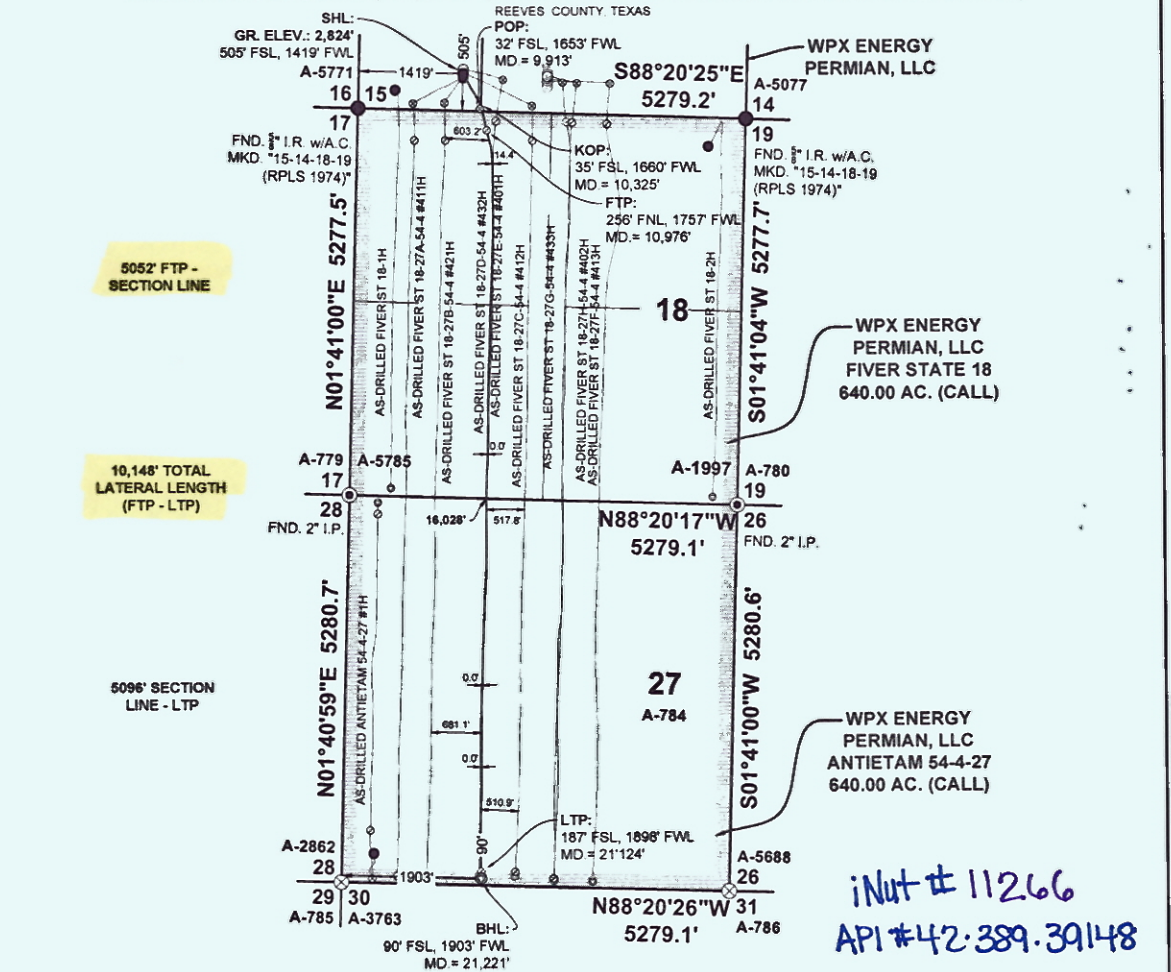
Private Acres:	0.000000
State Acres:	0.000000
Total Unit Acres:	0.000000

<u>Participation Basis:</u>	Length of Lateral
Surface Acreage	
<u>State Acreage:</u>	49.78%
<u>State Net Revenue Interest:</u>	6.22%

<u>Unit Type:</u>	<u>Unitized for:</u>
iNut	Oil And Gas
<u>Term:</u>	

<u>RRC Rules:</u>	<u>Spacing Acres:</u>
No	

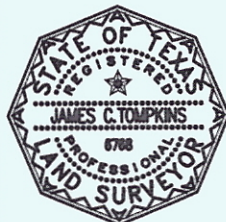
SECTION 15, BLOCK 54, T4, A-778, TEXAS & PACIFIC RAILWAY COMPANY SURVEY,



SURFACE HOLE LOCATION	FOOTAGE: 505' FSL, 1419' FWL
	NAD 83, TXSP-C, N(Y) = 10559318.0', E(X) = 1253667.3' - LAT. = 31.5943613° N, LON. = 103.6834641° W
POINT OF PENETRATION	FOOTAGE: 32' FSL, 1653' FWL
	NAD 83, TXSP-C, N(Y) = 10558839.0', E(X) = 1253886.2' - LAT. = 31.5930634° N, LON. = 103.6827149° W
KOP	FOOTAGE: 35' FSL, 1660' FWL
	NAD 83, TXSP-C, N(Y) = 10558840.9', E(X) = 1253894.2' - LAT. = 31.5922702° N, LON. = 103.6823779° W
FIRST TAKE	FOOTAGE: 256' FNL, 1757' FWL
	NAD 83, TXSP-C, N(Y) = 10558547.5', E(X) = 1253982.4' - LAT. = 31.5922702° N, LON. = 103.6823779° W
LAST TAKE	FOOTAGE: 187' FSL, 1898' FWL
	NAD 83, TXSP-C, N(Y) = 10548433.1', E(X) = 1253925.8' - LAT. = 31.5644642° N, LON. = 103.6819031° W
BOTTOM HOLE LOCATION/TERMINUS	FOOTAGE: 90' FSL, 1903' FWL
	NAD 83, TXSP-C, N(Y) = 10548336.2', E(X) = 1253827.7' - LAT. = 31.5641980° N, LON. = 103.6818875° W

SURVEYOR'S NOTES

- ALL DOWNHOLE, POINT OF PENETRATION AND BOTTOM HOLE INFORMATION AND THEIR LOCATIONS WERE PROVIDED BY WPX ENERGY PERMIAN, LLC, AND ARE NOT GUARANTEED BY THIS SURVEYOR.
- SEE DOCUMENTS FILED IN THIS OFFICE WHICH DESCRIBE IN DETAIL THE RECONSTRUCTION OF THESE SECTIONS AND/OR BLOCKS, USING FOUND MONUMENTATION, GLO AND COURTHOUSE DOCUMENTATION.
- NO SURFACE OWNERSHIP WAS PROVIDED OR REQUESTED BY WPX ENERGY PERMIAN, LLC AND NONE WAS RESEARCHED OR PROVIDED BY WTC, INC.
- BASIS OF BEARINGS, COORDINATES AND DISTANCES ARE A LAMBERT CONICAL PROJECTION OF THE TEXAS COORDINATE SYSTEM, STATE PLANE GRID, NAD 83, TEXAS CENTRAL (4203) WITH A CONVERGENCE ANGLE OF -01°43'41.42" AND A COMBINED SCALE FACTOR OF 0.999805520 BASED ON AN OPUS SOLUTION ON CONTROL POINT ZEUS AT N=10566388.402' E=1252273.526'.
- THIS LOCATION IS APPROXIMATELY 20.8 MILES N 24° W OF MENTONE, TEXAS.



I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT THE SURVEY INFORMATION FOUND ON THIS PERMIT PLAT WAS DERIVED FROM FIELD NOTES OR ELECTRONIC DATA OF AN ACTUAL ON-THE-GROUND SURVEY MADE BY ME OR UNDER MY SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. NO WARRANTY IS MADE OR INTENDED FOR THE LOCATION OF ANY OR ALL EASEMENTS THAT MAY EXIST WITHIN THE BOUNDS OF THIS SURVEY. THE INFORMATION PRESENTED HEREON IS FOR TEXAS RAILROAD COMMISSION PERMITTING ONLY, AND DOES NOT CONSTITUTE OR REPRESENT A COMPLETE BOUNDARY SURVEY AS DEFINED BY THE T.B.P.L.S. "PROFESSIONAL LAND SURVEYING PRACTICES ACT." IF THERE ARE ANY ALTERATIONS MADE (HAND-DRAWN OR HANDWRITTEN ADDITIONS) THIS SURVEYOR IS NO LONGER RESPONSIBLE FOR THE VALIDITY OF THIS PLAT.

J. C. Tompkins
JAMES C. TOMPKINS RPLS #6768
SURVEY DATE: N/A
JOB NO. WTC54657

02/11/2021

DATE

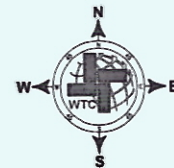
DRAFT OV
SHEET 1 OF 1

WPX ENERGY PERMIAN, LLC

FIVER STATE 18-27D-54-4 #432H
SHL 505' FSL, 1419' FWL
SEC. 15, BLK 54, T4, A-778,
T.&P. RW. CO SURVEY, REEVES COUNTY, TEXAS

WTC
ENGINEERS & SURVEYORS

WTC, INC.
405 S.W. 1st STREET
ANDREWS, TEXAS 79714
(432) 523-2181
TEXAS REGISTERED ENGINEERING FIRM #F-2748
TEXAS REGISTERED SURVEYOR FIRM #100792-00



LEGEND

- PROPOSED WELL LOCATION
- POP
- FTP/LTP
- BHL
- EXISTING WELL
- FOUND IRON ROD (AS NOTED)
- FOUND IRON PIPE (AS NOTED)
- ⊗ CALCULATED CORNER
- LEASE BOUNDARY

2000 0 2000 4000 FEET
SCALE: 1" = 2000'

File No. MF109880

Reeves County

iNut 11266- AP142-389-39148

Date Filed: 11/12/2021

George P. Bush, Commissioner

By gm



Information for processing an Internal Non Unit Transaction (iNut) Length of Lateral

iNut No. 11267

GENERAL INFORMATION

Name of Well: Fiver State 18-27C-54-4 # 401H API # 42-389-39149
Name of Operator: WPX Energy Permian, LLC RRC # 864728
Operator Contact Person: Amber Cooke Phone: 539-573-3570
Counties: Reeves

ALLOCATION OF STATE UNITS AND/OR LEASES BASED ON LENGTH OF LATERAL

Lease Type	Unit/Lease No	Total Lateral Ft.	Unit or Lease Lateral Ft.	Unit or Lease Ryty Decimal	Lease Royalty Decimal	RRAC Participation Factor	State Participation by Unit/Lease
RAL	8293/MF114285	10322	5157	0.06250000	0.12500000	0.24980624	0.03122578
RAL	8293/MF109880	10322	5157	0.03125000	0.12500000	0.12490312	0.01561289
RAL	8293/MF118232	10322	5157	0.01562500	0.12500000	0.06245156	0.00780644
RAL	8293/MF115997	10322	5157	0.01562500	0.12500000	0.06245156	0.00780644
Totals:						0.49961248	0.06245156
Effective Date:	<u>10/01/2020</u>						State Net Royalty Revenue in Well

Name of Production Sharing Agreement, if any: PSA 00263

Comments:

- Final as drilled plat received from Amber Cooke by email on January 2, 2020.

Attach a plat showing the iNut well with length of laterals marked and the State lands marked.

Lease Types: Relinquishment Act Land (RAL), State Fee (SF), Free Royalty (FR), Unleased Riverbed (UR), Highway Right of Way (HROW), Unleased Highway (UH), Criminal Justice (TDCJ), Parks & Wildlife (TPW), Mineral Production Allocation (MPAA), Dept. of Aging (DADS), School for the Blind (SBVI), Stephen F. Austin (SFA), TX A&M (A&M).

Prepared by: Jm Alamo updated by: Jm WI updated by: Jm
RAM approval by: VD GIS updated by: JK

DO NOT DESTROY



Texas General Land Office

UNIT AGREEMENT MEMO

INU210001

Unit Number 11267
Operator Name WPX Energy Permian, LLC
Customer ID C000048105
Unit Name Fiver State 18-27C-54-4 # 401H
County 1 Reeves **RRC District 1** 08
County 2 **RRC District 2**
County 3 **RRC District 3**
County 4 **RRC District 4**
Unit type iNut
State Net Revenue Interest Oil 0.06245156
State Part in Unit 0.49961248
Unit Depth Specified Depths
From Depth Well
To Depth Formation
Participation Basis Length of Lateral
If Excluions Apply: See Remarks

Effective Date 10/01/2020
Unitized For Oil And Gas
Unit Term
Old Unit Number **Inactive Status Date**

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF109880		0.000000	0.000000	0.12490312	O/G	0.12500000	0.01561289	No
MF114285		0.000000	0.000000	0.24980624	O/G	0.12500000	0.03122578	No
MF115997		0.000000	0.000000	0.06245156	O/G	0.12500000	0.00780644	No
MF118232		0.000000	0.000000	0.06245156	O/G	0.12500000	0.00780644	

API Number

4238939149

Remarks:

Prepared By:

GLO Base Updated By:

RAM Approval By:

GIS By:

Well Inventory By:

Prepared Date:

GLO Base Date:

RAM Approval Date:

GIS Date:

WI Date:

11/12/2021

11/12/2021

11/12/2021

12/22/2021

11/12/2021

Pooling Committee Report

To: School Land Board

INU210001

Date of Board Meeting:

Unit Number: 11267

Effective Date: 10/01/2020

Unit Expiration Date:

Applicant: WPX Energy Permian, LLC

Attorney Rep:

Operator: WPX Energy Permian, LLC,,

Unit Name: Fiver State 18-27C-54-4 # 401H

Field Name: PHANTOM (WOLFCAMP)

County: Reeves

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
RAL	MF109880	0.12500000	06/16/2017	5 years	160.000000	0.000000	0.01561289
RAL	MF114285	0.12500000	06/16/2017	5 years	320.000000	0.000000	0.03122578
RAL	MF115997	0.12500000	01/02/2017	3 years	80.000000	0.000000	0.00780644
RAL	MF118232	0.12500000	09/14/2019	3 years	80.000000	0.000000	0.00780644

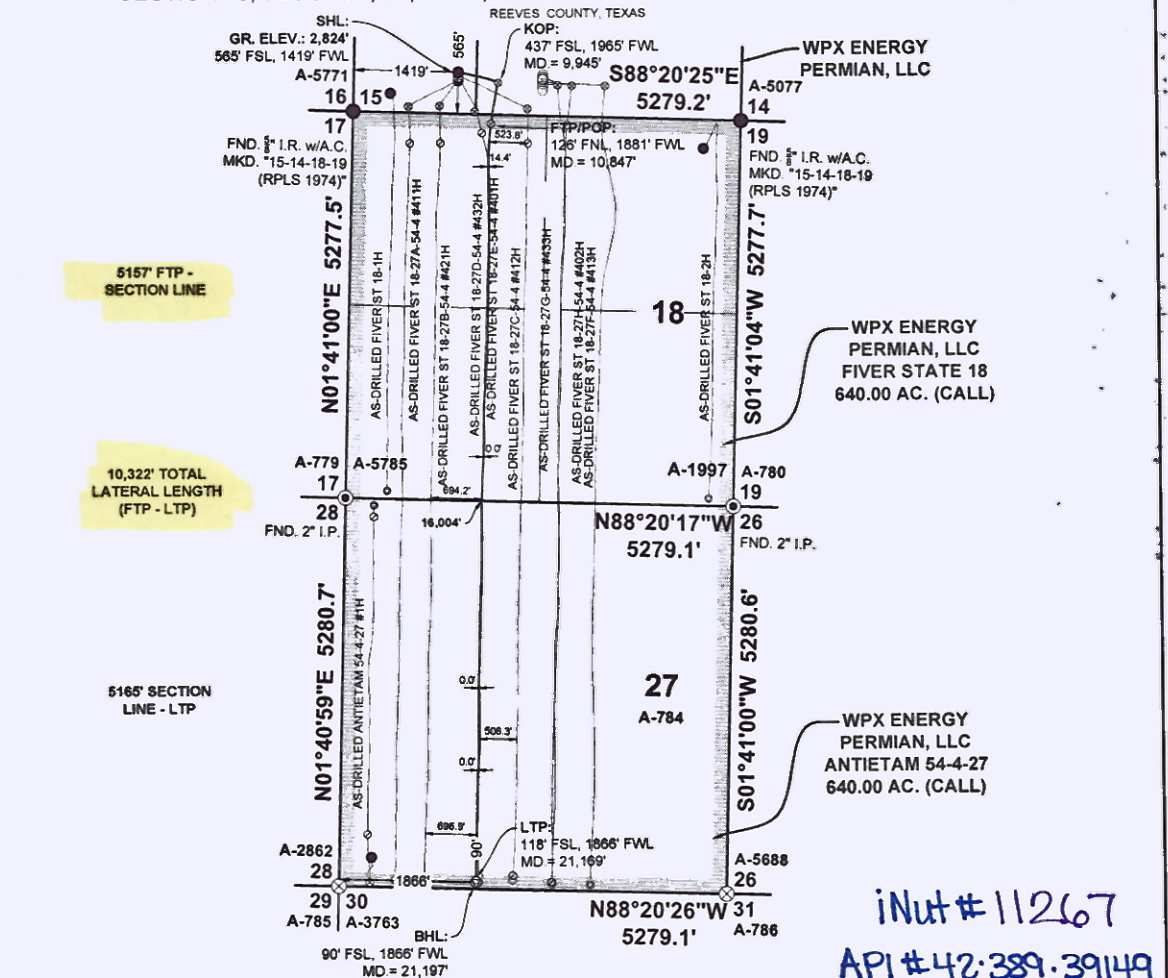
Private Acres:	0.000000
State Acres:	0.000000
Total Unit Acres:	0.000000

<u>Participation Basis:</u>	Length of Lateral
Surface Acreage	
<u>State Acreage:</u>	49.96%
<u>State Net Revenue Interest:</u>	6.25%

<u>Unit Type:</u>	<u>Unitized for:</u>
iNut	Oil And Gas
<u>Term:</u>	

<u>RRC Rules:</u>	<u>Spacing Acres:</u>
No	

SECTION 15, BLOCK 54, T4, A-778, TEXAS & PACIFIC RAILWAY COMPANY SURVEY,



SURFACE HOLE LOCATION	FOOTAGE: 565' FSL, 1419' FWL
	NAD 83 TXSP-C, N(Y) = 10558378.0', E(X) = 1253668.6' - LAT. = 31.5945263° N. LON. = 103.6834657° W
POINT OF PENETRATION	FOOTAGE: 126' FNL, 1881' FWL
	NAD 83 TXSP-C, N(Y) = 10558673.7', E(X) = 1254109.5' - LAT. = 31.5926276° N. LON. = 103.6819821° W
KOP	FOOTAGE: 437' FSL, 1965' FWL
	NAD 83 TXSP-C, N(Y) = 10559234.1', E(X) = 1254210.3' - LAT. = 31.5941758° N. LON. = 103.6817128° W
FIRST TAKE	FOOTAGE: 126' FNL, 1881' FWL
	NAD 83 TXSP-C, N(Y) = 10558673.7', E(X) = 1254109.5' - LAT. = 31.5926276° N. LON. = 103.6819821° W
LAST TAKE	FOOTAGE: 118' FSL, 1866' FWL
	NAD 83 TXSP-C, N(Y) = 10548364.9', E(X) = 1253791.9' - LAT. = 31.5842741° N. LON. = 103.6820052° W
BOTTOM HOLE LOCATION/TERMINUS	FOOTAGE: 90' FSL, 1866' FWL
	NAD 83 TXSP-C, N(Y) = 10548336.9', E(X) = 1253791.3' - LAT. = 31.5841971° N. LON. = 103.6820044° W

SURVEYOR'S NOTES:

- ALL DOWNHOLE, POINT OF PENETRATION AND BOTTOM HOLE INFORMATION AND THEIR LOCATIONS WERE PROVIDED BY WPX ENERGY PERMIAN, LLC, AND ARE NOT GUARANTEED BY THIS SURVEYOR.
- SEE DOCUMENTS FILED IN THIS OFFICE WHICH DESCRIBE IN DETAIL THE RECONSTRUCTION OF THESE SECTIONS AND/OR BLOCKS, USING FOUND MONUMENTATION, GLO AND COURTHOUSE DOCUMENTATION.
- NO SURFACE OWNERSHIP WAS PROVIDED OR REQUESTED BY WPX ENERGY PERMIAN, LLC AND NONE WAS RESEARCHED OR PROVIDED BY WTC, INC.
- BASIS OF BEARINGS, COORDINATES AND DISTANCES ARE A LAMBERT CONICAL PROJECTION OF THE TEXAS COORDINATE SYSTEM, STATE PLANE GRID, NAD 83, TEXAS CENTRAL (4203) WITH A CONVERGENCE ANGLE OF -01°43'41.42\"



I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT THE SURVEY INFORMATION FOUND ON THIS PERMIT PLAT WAS DERIVED FROM FIELD NOTES OR ELECTRONIC DATA OF AN ACTUAL ON-THE-GROUND SURVEY MADE BY ME OR UNDER MY SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. NO WARRANTY IS MADE OR INTENDED FOR THE LOCATION OF ANY OR ALL EASEMENTS THAT MAY EXIST WITHIN THE BOUNDS OF THIS SURVEY. THE INFORMATION PRESENTED HEREON IS FOR TEXAS RAILROAD COMMISSION PERMITTING ONLY, AND DOES NOT CONSTITUTE OR REPRESENT A COMPLETE BOUNDARY SURVEY AS DEFINED BY THE T.B.P.L.S. \"PROFESSIONAL LAND SURVEYING PRACTICES ACT\". IF THERE ARE ANY ALTERATIONS MADE, (HAND-DRAWN OR HANDWRITTEN ADDITIONS) THIS SURVEYOR IS NO LONGER RESPONSIBLE FOR THE VALIDITY OF THIS PLAT.

JAMES C. TOMPKINS RPLS #6768
SURVEY DATE: N/A
JOB NO: WTC54657
DATE: 02/11/2021
DRAFT: 0V
SHEET: 1 OF 1

WPX ENERGY PERMIAN, LLC

FIVER STATE 18-27E-54-4 #401H
SHL 565' FSL, 1419' FWL
SEC. 15, BLK 54, T4, A-778,
T.&P. RW. CO SURVEY, REEVES COUNTY, TEXAS

WTC
ENGINEERS & SURVEYORS

WTC INC
405 S.W. 1st STREET
ANDREWS, TEXAS 79714
(432) 525-2181
TEXAS REGISTERED ENGINEERING FIRM # 2746
TEXAS REGISTERED SURVEYOR FIRM #100792-00



LEGEND

- PROPOSED WELL LOCATION
- POP
- FTP/LTP
- BHL
- EXISTING WELL
- FOUND IRON ROD (AS NOTED)
- FOUND IRON PIPE (AS NOTED)
- CALCULATED CORNER
- LEASE BOUNDARY

2000 0 2000 4000 FEET
SCALE: 1" = 2000'

iNut #11267
API #42-389-39149

43.

File No. MF109880
Reeves County
iNut 11267- API 42-389-39149
Date Filed: 11/12/2021
George P. Bush, Commissioner
By gm



Information for processing an Internal Non Unit Transaction (iNut)
Length of Lateral

iNut No. 11268

GENERAL INFORMATION

Name of Well: Fiver State 18-27C-54-4 # 413H API # 42-389-39151
Name of Operator: WPX Energy Permian, LLC RRC # 864733
Operator Contact Person: Amber Cooke Phone: 539-573-3570
Counties: Reeves

ALLOCATION OF STATE UNITS AND/OR LEASES BASED ON LENGTH OF LATERAL

Lease Type	Unit/Lease No	Total Lateral Ft.	Unit or Lease Lateral Ft.	Unit or Lease Rylyty Decimal	Lease Royalty Decimal	RRAC Participation Factor	State Participation by Unit/Lease
RAL	8293/MF114285	10370	5195	0.06250000	0.12500000	0.25048216	0.03131027
RAL	8293/MF109880	10370	5195	0.03125000	0.12500000	0.12524108	0.01565514
RAL	8293/MF118232	10370	5195	0.01562500	0.12500000	0.06262054	0.00782757
RAL	8293/MF115997	10370	5195	0.01562500	0.12500000	0.06262054	0.00782757
Totals:						0.50096432	0.06262054
Effective Date:	<u>10/01/2020</u>						State Net Royalty Revenue in Well

Name of Production Sharing Agreement, if any: PSA 00263

Comments:

- Final as drilled plat received from Amber Cooke by email on January 2, 2020.

Attach a plat showing the iNut well with length of laterals marked and the State lands marked.

Lease Types: Relinquishment Act Land (RAL), State Fee (SF), Free Royalty (FR), Unleased Riverbed (UR), Highway Right of Way (HROW), Unleased Highway (UH), Criminal Justice (TDCJ), Parks & Wildlife (TPW), Mineral Production Allocation (MPAA), Dept. of Aging (DADS), School for the Blind (SBVI), Stephen F. Austin (SFA), TX A&M (A&M).

Prepared by: jm Alamo updated by: jm WI updated by: jm
RAM approval by: JD GIS updated by: jk

DO NOT DESTROY



Texas General Land Office

UNIT AGREEMENT MEMO

INU210001

Unit Number 11268
Operator Name WPX Energy Permian, LLC
Customer ID C000048105
Unit Name Fiver State 18-27C-54-4 # 413H
County 1 Reeves **RRC District 1** 08
County 2 **RRC District 2**
County 3 **RRC District 3**
County 4 **RRC District 4**
Unit type iNut
State Net Revenue Interest Oil 0.06262054
State Part in Unit 0.50096432
Unit Depth Specified Depths
From Depth Well
To Depth Formation
Participation Basis Length of Lateral
If Excluions Apply: See Remarks

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF109880		0.000000	0.000000	0.12524108	O/G	0.12500000	0.01565514	No
MF114285		0.000000	0.000000	0.25048216	O/G	0.12500000	0.03131027	No
MF115997		0.000000	0.000000	0.06262054	O/G	0.12500000	0.00782757	No
MF118232		0.000000	0.000000	0.06262054	O/G	0.12500000	0.00782757	

API Number

4238939151

Remarks:

Prepared By:

Jm

GLO Base Updated By:

Jm

RAM Approval By:

JD

GIS By:

JH

Well Inventory By:

Jm

Prepared Date:

11/12/2021

GLO Base Date:

11/12/2021

RAM Approval Date:

11/12/2021

GIS Date:

12/22/2021

WI Date:

11/12/2021

Pooling Committee Report

To: School Land Board

INU210001

Date of Board Meeting:

Unit Number: 11268

Effective Date: 10/01/2020

Unit Expiration Date:

Applicant: WPX Energy Permian, LLC

Attorney Rep:

Operator: WPX Energy Permian, LLC,

Unit Name: Fiver State 18-27C-54-4 # 413H

Field Name: PHANTOM (WOLFCAMP)

County: Reeves

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
RAL	MF109880	0.12500000	06/16/2017	5 years	160.000000	0.000000	0.01565514
RAL	MF114285	0.12500000	06/16/2017	5 years	320.000000	0.000000	0.03131027
RAL	MF115997	0.12500000	01/02/2017	3 years	80.000000	0.000000	0.00782757
RAL	MF118232	0.12500000	09/14/2019	3 years	80.000000	0.000000	0.00782757

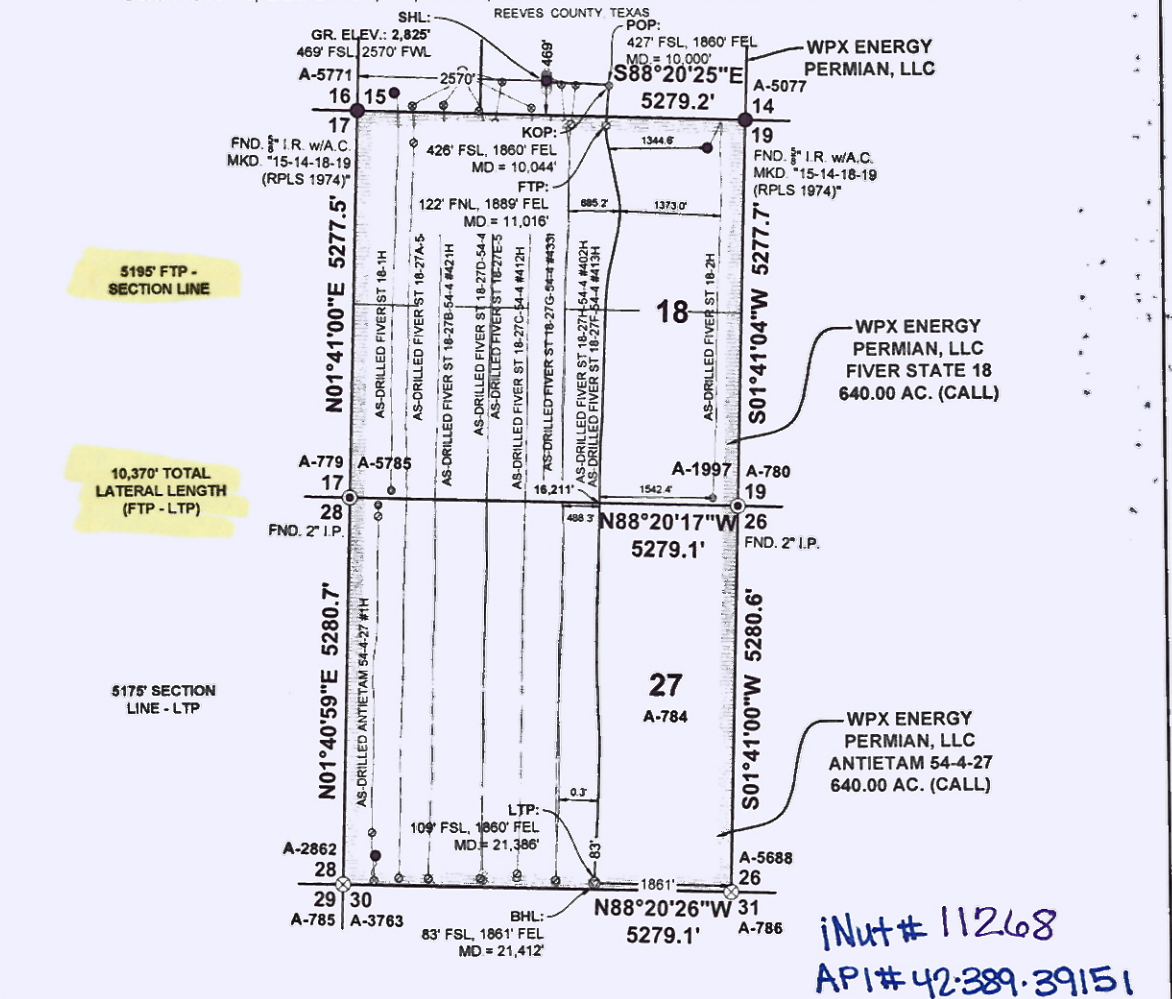
Private Acres: 0.000000
State Acres: 0.000000
Total Unit Acres: 0.000000

Participation Basis: Length of Lateral
Surface Acreage
State Acreage: 50.10%
State Net Revenue Interest: 6.26%

Unit Type: Unitized for:
iNut Oil And Gas
Term:

RRC Rules: Spacing Acres:
No

SECTION 15, BLOCK 54, T4, A-778, TEXAS & PACIFIC RAILWAY COMPANY SURVEY,



SURFACE HOLE LOCATION	FOOTAGE: 469' FSL, 2570' FWL
	NAD 83 TXSP-C, N(Y) = 10559248.8', E(X) = 1254815.7' - LAT. = 31.5942662° N, LON. = 103.6797706° W
POINT OF PENETRATION	FOOTAGE: 427' FSL, 1860' FEL
	NAD 83 TXSP-C, N(Y) = 10559182.2', E(X) = 1255663.6' - LAT. = 31.5941533° N, LON. = 103.6770422° W
KOP	FOOTAGE: 426' FSL, 1860' FEL
	NAD 83 TXSP-C, N(Y) = 10559181.6', E(X) = 1255663.6' - LAT. = 31.5941533° N, LON. = 103.6770422° W
FIRST TAKE	FOOTAGE: 122' FNL, 1889' FEL
	NAD 83 TXSP-C, N(Y) = 10558633.9', E(X) = 1255663.6' - LAT. = 31.5926430° N, LON. = 103.6771344° W
LAST TAKE	FOOTAGE: 109' FSL, 1860' FEL
	NAD 83 TXSP-C, N(Y) = 10548310.8', E(X) = 1255344.1' - LAT. = 31.5642536° N, LON. = 103.6770185° W
BOTTOM HOLE LOCATION/TERMINUS	FOOTAGE: 83' FSL, 1861' FEL
	NAD 83 TXSP-C, N(Y) = 10548284.8', E(X) = 1255342.5' - LAT. = 31.5641822° N, LON. = 103.6770210° W

SURVEYOR'S NOTES.

- ALL DOWNHOLE, POINT OF PENETRATION AND BOTTOM HOLE INFORMATION AND THEIR LOCATIONS WERE PROVIDED BY WPX ENERGY PERMIAN, LLC, AND ARE NOT GUARANTEED BY THIS SURVEYOR.
- SEE DOCUMENTS FILED IN THIS OFFICE WHICH DESCRIBE IN DETAIL THE RECONSTRUCTION OF THESE SECTIONS AND/OR BLOCKS, USING FOUND MONUMENTATION, GLO AND COURTHOUSE DOCUMENTATION.
- NO SURFACE OWNERSHIP WAS PROVIDED OR REQUESTED BY WPX ENERGY PERMIAN, LLC AND NONE WAS RESEARCHED OR PROVIDED BY WTC, INC.
- BASIS OF BEARINGS, COORDINATES AND DISTANCES ARE A LAMBERT CONICAL PROJECTION OF THE TEXAS COORDINATE SYSTEM, STATE PLANE GRID, NAD 83, TEXAS CENTRAL (4203) WITH A CONVERGENCE ANGLE OF -01°43'41.42" AND A COMBINED SCALE FACTOR OF 0.999805520 BASED ON AN OPUS SOLUTION ON CONTROL POINT ZEUS AT N = 10566388.402', E = 1252273.526'.
- THIS LOCATION IS APPROXIMATELY 20.8 MILES N 24° W OF MENTONE, TEXAS.



I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT THE SURVEY INFORMATION FOUND ON THIS PERMIT PLAT WAS DERIVED FROM FIELD NOTES OR ELECTRONIC DATA OF AN ACTUAL ON-THE-GROUND SURVEY MADE BY ME OR UNDER MY SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. NO WARRANTY IS MADE OR INTENDED FOR THE LOCATION OF ANY OR ALL EASEMENTS THAT MAY EXIST WITHIN THE BOUNDS OF THIS SURVEY. THE INFORMATION PRESENTED HEREON IS FOR TEXAS RAILROAD COMMISSION PERMITTING ONLY, AND DOES NOT CONSTITUTE OR REPRESENT A COMPLETE BOUNDARY SURVEY AS DEFINED BY THE T.B.P.L.S. PROFESSIONAL LAND SURVEYING PRACTICES ACT. IF THERE ARE ANY ALTERATIONS MADE (HAND-DRAWN OR HANDWRITTEN ADDITIONS) THIS SURVEYOR IS NO LONGER RESPONSIBLE FOR THE VALIDITY OF THIS PLAT.

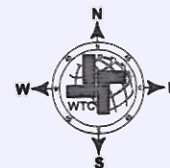
JAMES C. TOMPKINS RPLS #6788
SURVEY DATE: N/A
JOB NO.: WTC54657
DATE: 03/31/2021
DRAFT: OV
SHEET: 1 OF 1

WPX ENERGY PERMIAN, LLC

FIVER STATE 18-27F-54-4 #413H
SHL 469' FSL, 2570' FWL
SEC. 15, BLK 54, T4, A-778,
T.&P. RW. CO SURVEY, REEVES COUNTY, TEXAS



WTC, INC.
405 S.W. 1st STREET
ANDREWS, TEXAS 79714
(409) 523-2181
TEXAS REGISTERED ENGINEERING FIRM F-2746
TEXAS REGISTERED SURVEYOR FIRM #100792-00



LEGEND

- PROPOSED WELL LOCATION
- POP
- FTP/LTP
- BHL
- EXISTING WELL
- FOUND IRON ROD (AS NOTED)
- FOUND IRON PIPE (AS NOTED)
- CALCULATED CORNER
- LEASE BOUNDARY

2000 0 2000 4000 FEET
SCALE: 1" = 2000'

File No. MF109880Reeves CountyiNut 11268 - API 42-389-39151Date Filed: 11/12/2021

George P. Bush, Commissioner

By gm



Information for processing an Internal Non Unit Transaction (iNut)
Length of Lateral

iNut No. 11269

GENERAL INFORMATION

Name of Well: Fiver State 18-27C-54-4 # 433H API # 42-389-39152
 Name of Operator: WPX Energy Permian, LLC RRC # 864735
 Operator Contact Person: Amber Cooke Phone: 539-573-3570
 Counties: Reeves

ALLOCATION OF STATE UNITS AND/OR LEASES BASED ON LENGTH OF LATERAL

Lease Type	Unit/Lease No	Total Lateral Ft.	Unit or Lease Lateral Ft.	Unit or Lease Rylyty Decimal	Lease Royalty Decimal	RRAC Participation Factor	State Participation by Unit/Lease
RAL	8293/MF114285	10349	5178	0.06250000	0.12500000	0.25016910	0.03127114
RAL	8293/MF109880	10349	5178	0.03125000	0.12500000	0.12508455	0.01563557
RAL	8293/MF118232	10349	5178	0.01562500	0.12500000	0.06254227	0.00781778
RAL	8293/MF115997	10349	5178	0.01562500	0.12500000	0.06254227	0.00781778
Totals:						0.50033820	0.06254227
Effective Date: <u>10/01/2020</u>							State Net Royalty Revenue in Well

Name of Production Sharing Agreement, if any: PSA 00263

Comments:

- Final as drilled plat received from Amber Cooke by email on January 2, 2020.

Attach a plat showing the iNut well with length of laterals marked and the State lands marked.

Lease Types: Relinquishment Act Land (RAL), State Fee (SF), Free Royalty (FR), Unleased Riverbed (UR), Highway Right of Way (HROW), Unleased Highway (UH), Criminal Justice (TDCJ), Parks & Wildlife (TPW), Mineral Production Allocation (MPAA), Dept. of Aging (DADS), School for the Blind (SBVI), Stephen F. Austin (SFA), TX A&M (A&M).

Prepared by: jm Alamo updated by: jm WI updated by: jm
 RAM approval by: VD GIS updated by: sk

DO NOT DESTROY



Texas General Land Office

UNIT AGREEMENT MEMO

INU210001

Unit Number 11269
Operator Name WPX Energy Permian, LLC
Customer ID C000048105
Unit Name Fiver State 18-27C-54-4 # 433H
County 1 Reeves **RRC District 1** 08
County 2 **RRC District 2**
County 3 **RRC District 3**
County 4 **RRC District 4**
Unit type iNut
State Net Revenue Interest Oil 0.06254227
State Part in Unit 0.50033820
Unit Depth Specified Depths
From Depth Well
To Depth Formation
Participation Basis Length of Lateral
If Excluions Apply: See Remarks

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF109880		0.000000	0.000000	0.12508455	O/G	0.12500000	0.01563557	No
MF114285		0.000000	0.000000	0.25016910	O/G	0.12500000	0.03127114	No
MF115997		0.000000	0.000000	0.06254227	O/G	0.12500000	0.00781778	No
MF118232		0.000000	0.000000	0.06254227	O/G	0.12500000	0.00781778	

API Number

4238939152

Remarks:

Prepared By:



Prepared Date:

11/12/2021

GLO Base Updated By:



GLO Base Date:

11/12/2021

RAM Approval By:



RAM Approval Date:

11/12/2021

GIS By:



GIS Date:

12/22/2021

Well Inventory By:



WI Date:

11/12/2021

Pooling Committee Report

To: School Land Board

INU210001

Date of Board Meeting:

Unit Number: 11269

Effective Date: 10/01/2020

Unit Expiration Date:

Applicant: WPX Energy Permian, LLC

Attorney Rep:

Operator: WPX Energy Permian, LLC,

Unit Name: Fiver State 18-27C-54-4 # 433H

Field Name: PHANTOM (WOLFCAMP)

County: Reeves

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
RAL	MF109880	0.12500000	06/16/2017	5 years	160.000000	0.000000	0.01563557
RAL	MF114285	0.12500000	06/16/2017	5 years	320.000000	0.000000	0.03127114
RAL	MF115997	0.12500000	01/02/2017	3 years	80.000000	0.000000	0.00781778
RAL	MF118232	0.12500000	09/14/2019	3 years	80.000000	0.000000	0.00781778

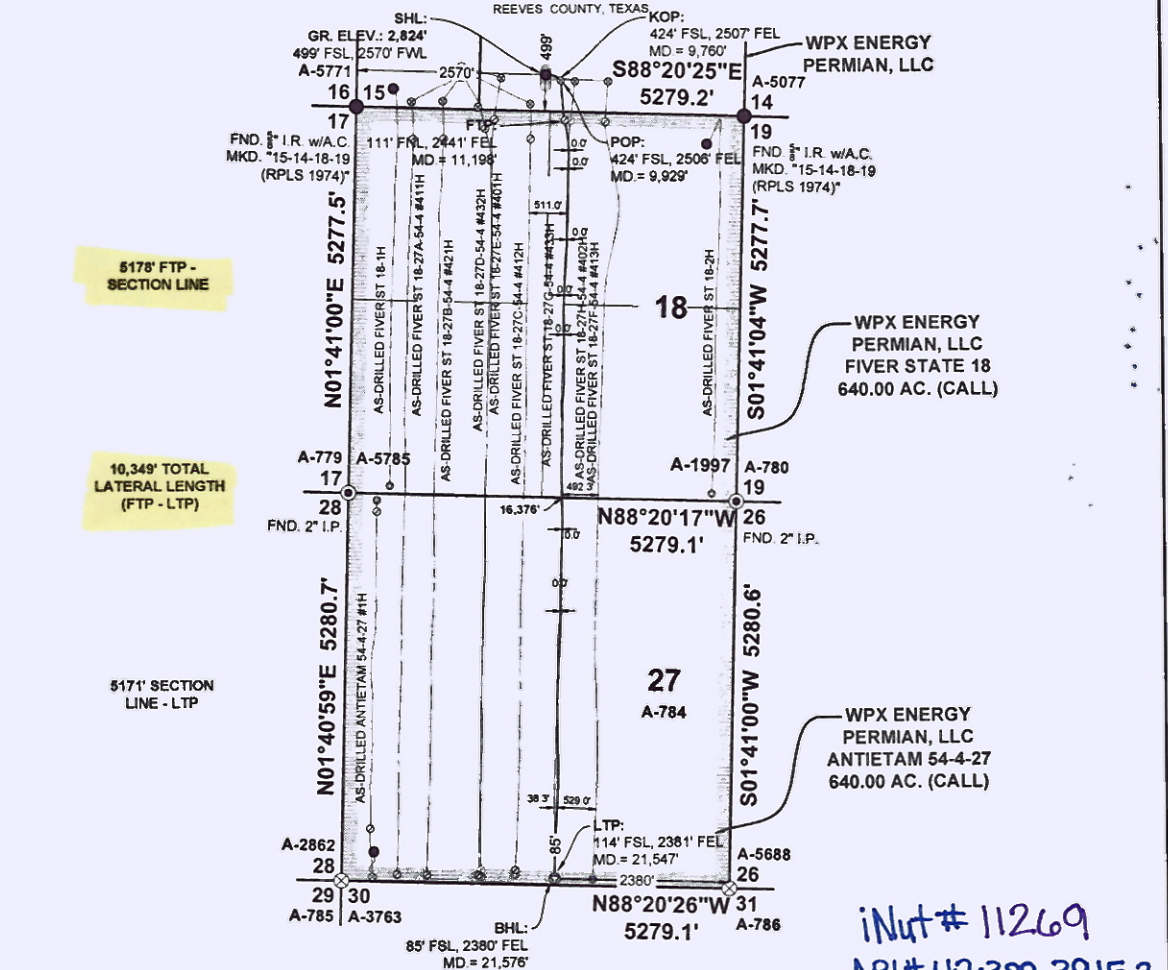
Private Acres:	0.000000
State Acres:	0.000000
Total Unit Acres:	0.000000

<u>Participation Basis:</u>	Length of Lateral
Surface Acreage	
<u>State Acreage:</u>	50.03%
<u>State Net Revenue Interest:</u>	6.25%

<u>Unit Type:</u>	<u>Unitized for:</u>
iNut	Oil And Gas
<u>Term:</u>	

<u>RRC Rules:</u>	<u>Spacing Acres:</u>
No	

SECTION 15, BLOCK 54, T4, A-778, TEXAS & PACIFIC RAILWAY COMPANY SURVEY,



SURFACE HOLE LOCATION	FOOTAGE: 499' FSL, 2570' FWL
	NAD 83 TXSP-C N(Y) = 10559278.7, E(X) = 1254816.7 - LAT. = 31.5943486° N LON. = 103.6797704° W
POINT OF PENETRATION	FOOTAGE: 424' FSL, 2506' FEL
	NAD 83 TXSP-C N(Y) = 10559197.6, E(X) = 1255017.7 - LAT. = 31.5941422° N LON. = 103.6791173° W
KOP	FOOTAGE: 424' FSL, 2507' FEL
	NAD 83 TXSP-C N(Y) = 10559198.4, E(X) = 1255016.5 - LAT. = 31.5941445° N LON. = 103.6791211° W
FIRST TAKE	FOOTAGE: 111' FNL, 2441' FEL
	NAD 83 TXSP-C N(Y) = 10559660.8, E(X) = 1255067.1 - LAT. = 31.5926714° N LON. = 103.6789067° W
LAST TAKE	FOOTAGE: 114' FSL, 2381' FEL
	NAD 83 TXSP-C N(Y) = 10548330.7, E(X) = 1254824.0 - LAT. = 31.5642655° N LON. = 103.6789895° W
BOTTOM HOLE LOCATION/TERMINUS	FOOTAGE: 85' FSL, 2380' FEL
	NAD 83 TXSP-C N(Y) = 10548301.8, E(X) = 1254823.4 - LAT. = 31.5641860° N LON. = 103.6789898° W

SURVEYOR'S NOTES.

- ALL DOWNHOLE, POINT OF PENETRATION AND BOTTOM HOLE INFORMATION AND THEIR LOCATIONS WERE PROVIDED BY WPX ENERGY PERMIAN, LLC AND ARE NOT GUARANTEED BY THIS SURVEYOR
- SEE DOCUMENTS FILED IN THIS OFFICE WHICH DESCRIBE IN DETAIL THE RECONSTRUCTION OF THESE SECTIONS AND/OR BLOCKS, USING FOUND MONUMENTATION, GLO AND COURTHOUSE DOCUMENTATION
- NO SURFACE OWNERSHIP WAS PROVIDED OR REQUESTED BY WPX ENERGY PERMIAN, LLC AND NONE WAS RESEARCHED OR PROVIDED BY WTC, INC.
- BASIS OF BEARINGS, COORDINATES AND DISTANCES ARE A LAMBERT CONICAL PROJECTION OF THE TEXAS COORDINATE SYSTEM, STATE PLANE GRID, NAD 83 TEXAS CENTRAL (4203) WITH A CONVERGENCE ANGLE OF -21°43'41.42" AND A COMBINED SCALE FACTOR OF 0.999805520 BASED ON AN OPUS SOLUTION ON CONTROL POINT ZEUS AT N=10566388.402, E=1252273.526
- THIS LOCATION IS APPROXIMATELY 20.8 MILES N 24° W OF MENTONE, TEXAS



I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT THE SURVEY INFORMATION FOUND ON THIS PERMIT PLAT WAS DERIVED FROM FIELD NOTES OR ELECTRONIC DATA OF AN ACTUAL ON-THE-GROUND SURVEY MADE BY ME OR UNDER MY SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. NO WARRANTY IS MADE OR INTENDED FOR THE LOCATION OF ANY OR ALL EASEMENTS THAT MAY EXIST WITHIN THE BOUNDS OF THIS SURVEY. THE INFORMATION PRESENTED HEREON IS FOR TEXAS RAILROAD COMMISSION PERMITTING ONLY, AND DOES NOT CONSTITUTE OR REPRESENT A COMPLETE BOUNDARY SURVEY AS DEFINED BY THE T.B.P.L.S. "PROFESSIONAL LAND SURVEYING PRACTICES ACT". IF THERE ARE ANY ALTERATIONS MADE (HAND-DRAWN OR HANDWRITTEN ADDITIONS) THIS SURVEYOR IS NO LONGER RESPONSIBLE FOR THE VALIDITY OF THIS PLAT

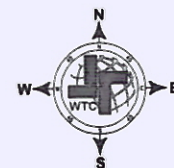
JAMES C. TOMPKINS RPLS #6798
DATE 03/31/2021
SURVEY DATE: N/A
JOB NO: WTC54657
DRAFT: OV
SHEET 1 OF 1

WPX ENERGY PERMIAN, LLC

FIVER STATE 18-27G-54-4 #433H
SHL 499' FSL, 2570' FWL
SEC. 15, BLK 54, T4, A-778,
T.&P. RW. CO SURVEY, REEVES COUNTY, TEXAS

WTC
ENGINEERS & SURVEYORS

WTC INC.
405 S.W. 1st STREET
ANDREWS, TEXAS 79714
(432) 823-2181
TEXAS REGISTERED ENGINEERING FIRM F-2746
TEXAS REGISTERED SURVEYOR FIRM #100792-00



LEGEND

- PROPOSED WELL LOCATION
- POP
- FTP/LTP
- BHL
- EXISTING WELL
- FOUND IRON ROD (AS NOTED)
- FOUND IRON PIPE (AS NOTED)
- CALCULATED CORNER
- LEASE BOUNDARY

2000 0 2000 4000 FEET
SCALE: 1" = 2000'

File No. MF109880

Reeves County

iNut 11269 - API 42-389-39152

Date Filed: 11/12/2021

George P. Bush, Commissioner
By gm



Information for processing an Internal Non Unit Transaction (iNut)
Length of Lateral

iNut No. 11270

GENERAL INFORMATION

Name of Well: Fiver State 18-27C-54-4 # 402H API # 42-389-39153
Name of Operator: WPX Energy Permian, LLC RRC # 864737
Operator Contact Person: Amber Cooke Phone: 539-573-3570
Counties: Reeves

ALLOCATION OF STATE UNITS AND/OR LEASES BASED ON LENGTH OF LATERAL

Lease Type	Unit/Lease No	Total Lateral Ft.	Unit or Lease Lateral Ft.	Unit or Lease Rylyty Decimal	Lease Royalty Decimal	RRAC Participation Factor	State Participation by Unit/Lease
RAL	8293/MF114285	10344	5168	0.06250000	0.12500000	0.24980665	0.03122583
RAL	8293/MF109880	10344	5168	0.03125000	0.12500000	0.12490333	0.01561292
RAL	8293/MF118232	10344	5168	0.01562500	0.12500000	0.06245166	0.00780646
RAL	8293/MF115997	10344	5168	0.01562500	0.12500000	0.06245166	0.00780646
Totals:						0.49961330	0.06245166
Effective Date:	<u>10/01/2020</u>						State Net Royalty Revenue in Well

Name of Production Sharing Agreement, if any: PSA 00263

Comments:

- Final as drilled plat received from Amber Cooke by email on January 2, 2020.

Attach a plat showing the iNut well with length of laterals marked and the State lands marked.

Lease Types: Relinquishment Act Land (RAL), State Fee (SF), Free Royalty (FR), Unleased Riverbed (UR), Highway Right of Way (HROW), Unleased Highway (UH), Criminal Justice (TDCJ), Parks & Wildlife (TPW), Mineral Production Allocation (MPAA), Dept. of Aging (DADS), School for the Blind (SBVI), Stephen F. Austin (SFA), TX A&M (A&M).

Prepared by: Jm Alamo updated by: Jm WI updated by: Jm
RAM approval by: VD GIS updated by: Jk

DO NOT DESTROY



Texas General Land Office

UNIT AGREEMENT MEMO

INU210001

Unit Number 11270
Operator Name WPX Energy Permian, LLC
Customer ID C000048105
Unit Name Fiver State 18-27C-54-4 # 402H
County 1 Reeves **RRC District 1** 08
County 2 **RRC District 2**
County 3 **RRC District 3**
County 4 **RRC District 4**
Unit type iNut
State Net Revenue Interest Oil 0.06245166
State Part in Unit 0.49961330
Unit Depth Specified Depths
From Depth Well
To Depth Formation
Participation Basis Length of Lateral
If Excluions Apply: See Remarks

Effective Date 10/01/2020
Unitized For Oil And Gas
Unit Term
Old Unit Number **Inactive Status Date**

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF109880		0.000000	0.000000	0.12490333	O/G	0.12500000	0.01561292	No
MF114285		0.000000	0.000000	0.24980665	O/G	0.12500000	0.03122583	No
MF115997		0.000000	0.000000	0.06245166	O/G	0.12500000	0.00780646	No
MF118232		0.000000	0.000000	0.06245166	O/G	0.12500000	0.00780646	

API Number

4238939153

Remarks:

Prepared By: jm
GLO Base Updated By: jm
RAM Approval By: JD
GIS By: JK
Well Inventory By: jm

Prepared Date: 11/12/2021
GLO Base Date: 11/12/2021
RAM Approval Date: 11/12/2021
GIS Date: 12/22/2021
WI Date: 11/12/2021

Pooling Committee Report

To: School Land Board

INU210001

Date of Board Meeting:

Unit Number: 11270

Effective Date: 10/01/2020

Unit Expiration Date:

Applicant: WPX Energy Permian, LLC

Attorney Rep:

Operator: WPX Energy Permian, LLC,,

Unit Name: Fiver State 18-27C-54-4 # 402H

Field Name: PHANTOM (WOLFCAMP)

County: Reeves

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
RAL	MF109880	0.12500000	06/16/2017	5 years	160.000000	0.000000	0.01561292
RAL	MF114285	0.12500000	06/16/2017	5 years	320.000000	0.000000	0.03122583
RAL	MF115997	0.12500000	01/02/2017	3 years	80.000000	0.000000	0.00780646
RAL	MF118232	0.12500000	09/14/2019	3 years	80.000000	0.000000	0.00780646

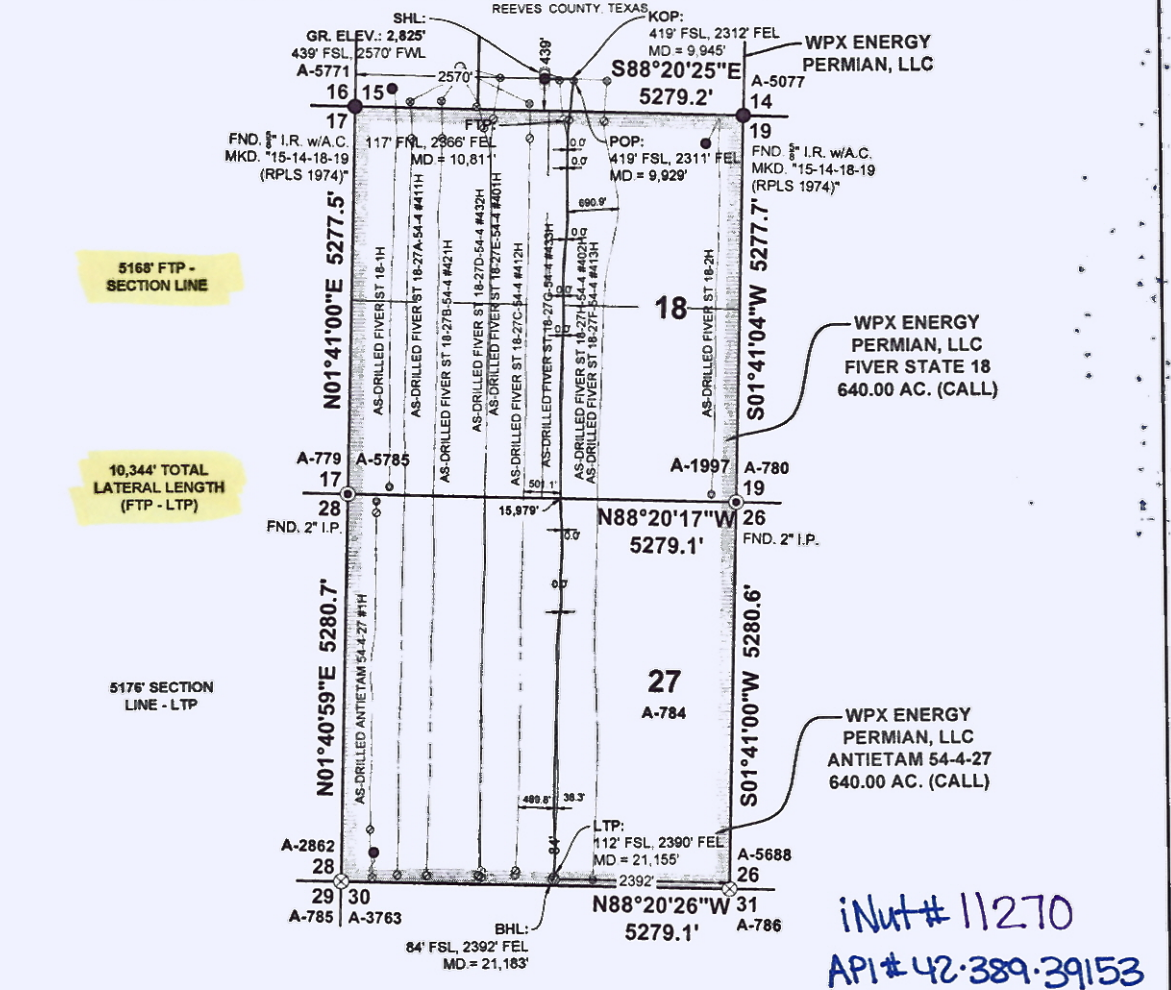
Private Acres:	0.000000
State Acres:	0.000000
Total Unit Acres:	0.000000

<u>Participation Basis:</u>	Length of Lateral
Surface Acreage	
<u>State Acreage:</u>	49.96%
<u>State Net Revenue Interest:</u>	6.25%

<u>Unit Type:</u>	<u>Unitized for:</u>
iNut	Oil And Gas
<u>Term:</u>	

<u>RRC Rules:</u>	<u>Spacing Acres:</u>
No	

SECTION 15, BLOCK 54, T4, A-778, TEXAS & PACIFIC RAILWAY COMPANY SURVEY,



SURFACE HOLE LOCATION	FOOTAGE: 439' FSL, 2570' FWL
	NAD 83, TXSP-C, N(Y) = 10550278.7, E(X) = 1254816.7 - LAT. = 31.5943486° N, LON. = 103.6797704° W
POINT OF PENETRATION	FOOTAGE: 419' FSL, 2311' FEL
	NAD 83, TXSP-C, N(Y) = 10550197.6, E(X) = 1255017.7 - LAT. = 31.5941422° N, LON. = 103.6791173° W
KOP	FOOTAGE: 419' FSL, 2312' FEL
	NAD 83, TXSP-C, N(Y) = 10550198.4, E(X) = 1255016.5 - LAT. = 31.5941445° N, LON. = 103.6791211° W
FIRST TAKE	FOOTAGE: 117' FNL, 2366' FEL
	NAD 83, TXSP-C, N(Y) = 10550660.8, E(X) = 1255067.1 - LAT. = 31.5926714° N, LON. = 103.6789067° W
LAST TAKE	FOOTAGE: 112' FNL, 2390' FEL
	NAD 83, TXSP-C, N(Y) = 10548330.7, E(X) = 1254824.0 - LAT. = 31.5642655° N, LON. = 103.6786895° W
BOTTOM HOLE LOCATION/TERMINUS	FOOTAGE: 84' FSL, 2392' FEL
	NAD 83, TXSP-C, N(Y) = 10548301.8, E(X) = 1254823.4 - LAT. = 31.5641860° N, LON. = 103.6786868° W

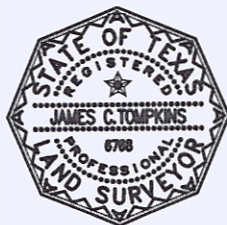
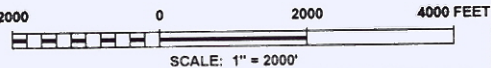
SURVEYOR'S NOTES

- ALL DOWNHOLE POINT OF PENETRATION AND BOTTOM HOLE INFORMATION AND THEIR LOCATIONS WERE PROVIDED BY WPX ENERGY PERMIAN, LLC AND ARE NOT GUARANTEED BY THIS SURVEYOR
- SEE DOCUMENTS FILED IN THIS OFFICE WHICH DESCRIBE IN DETAIL THE RECONSTRUCTION OF THESE SECTIONS AND/OR BLOCKS, USING FOUND MONUMENTATION, GLO AND COURTHOUSE DOCUMENTATION
- NO SURFACE OWNERSHIP WAS PROVIDED OR REQUESTED BY WPX ENERGY PERMIAN, LLC AND NONE WAS RESEARCHED OR PROVIDED BY WTC, INC.
- BASIS OF BEARINGS, COORDINATES AND DISTANCES ARE A LAMBERT CONICAL PROJECTION OF THE TEXAS COORDINATE SYSTEM, STATE PLANE GRID, NAD 83, TEXAS CENTRAL, (4203) WITH A CONVERGENCE ANGLE OF -01°43'41.42" AND A COMBINED SCALE FACTOR OF 0.999805520 BASED ON AN OPUS SOLUTION ON CONTROL POINT ZEUS AT N=10596388.402, E=1252273.526
- THIS LOCATION IS APPROXIMATELY 20.8 MILES N.24°W. OF MENTONE, TEXAS



LEGEND

- PROPOSED WELL LOCATION
- POP
- FTP/LTP
- BHL
- EXISTING WELL
- FOUND IRON ROD (AS NOTED)
- FOUND IRON PIPE (AS NOTED)
- CALCULATED CORNER
- LEASE BOUNDARY



I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT THE SURVEY INFORMATION FOUND ON THIS PERMIT PLAT WAS DERIVED FROM FIELD NOTES OR ELECTRONIC DATA OF AN ACTUAL ON-THE-GROUND SURVEY MADE BY ME OR UNDER MY SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. NO WARRANTY IS MADE OR INTENDED FOR THE LOCATION OF ANY OR ALL EASEMENTS THAT MAY EXIST WITHIN THE BOUNDS OF THIS SURVEY. THE INFORMATION PRESENTED HEREON IS FOR TEXAS RAILROAD COMMISSION PERMITTING ONLY, AND DOES NOT CONSTITUTE OR REPRESENT A COMPLETE BOUNDARY SURVEY AS DEFINED BY THE T.B.P.L.S. "PROFESSIONAL LAND SURVEYING PRACTICES ACT". IF THERE ARE ANY ALTERATIONS MADE (HAND-DRAWN OR HANDWRITTEN ADDITIONS) THIS SURVEYOR IS NO LONGER RESPONSIBLE FOR THE VALIDITY OF THIS PLAT.

JAMES C. TOMPKINS RPLS #6768
SURVEY DATE: N/A
JOB NO.: WTC54657
DATE: 03/31/2021
DRAFT: QV
SHEET: 1 OF 1

WPX ENERGY PERMIAN, LLC

FIVER STATE 18-27H-54-4 #402H
SHL 439' FSL, 2570' FWL
SEC. 15, BLK 54, T4, A-778,
T.&P. RW. CO SURVEY, REEVES COUNTY, TEXAS

WTC
ENGINEERS & SURVEYORS

WTC, INC.
405 S.W. 1st STREET
ANDREWS, TEXAS 79714
(409) 523-2101
TEXAS REGISTERED ENGINEERING FIRM P-2746
TEXAS REGISTERED SURVEYOR FIRM #100792-00

File No. MF109880

Reeves County

iNut 11270 - API 42-389-39153

Date Filed: 11/12/2021

George P. Bush, Commissioner

By Jm



Information for processing an Internal Non Unit Transaction (iNut)
Length of Lateral

iNut No. 11606

GENERAL INFORMATION

Name of Well: Fiver State 18-27K-54-4 # 403H API # 42-389-39347
 Name of Operator: WPX Energy Permian, LLC RRC # 868180
 Operator Contact Person: Amber Cooke Phone: 539-573-3570
 Counties: Reeves

ALLOCATION OF STATE UNITS AND/OR LEASES BASED ON LENGTH OF LATERAL

Lease Type	Unit/Lease No	Total Lateral Ft.	Unit or Lease Lateral Ft.	Unit or Lease Rylyty Decimal	Lease Royalty Decimal	RRAC Participation Factor	State Participation by Unit/Lease
RAL	8293/MF114285	10301	5133	0.06250000	0.12500000	0.24915057	0.03114382
RAL	8293/MF109880	10301	5133	0.03125000	0.12500000	0.12457528	0.01557191
RAL	8293/MF118232	10301	5133	0.01562500	0.12500000	0.06228764	0.00778596
RAL	8293/MF115997	10301	5133	0.01562500	0.12500000	0.06228764	0.00778596
Totals:						0.49830114	0.06228764
Effective Date: <u>05/01/2021</u>							State Net Royalty Revenue in Well

Name of Production Sharing Agreement, if any: PSA 00263

Comments:

- Final as drilled plat received from Erin Walker by email on January 25,2022.

Attach a plat showing the iNut well with length of laterals marked and the State lands marked.

Lease Types: Relinquishment Act Land (RAL), State Fee (SF), Free Royalty (FR), Unleased Riverbed (UR), Highway Right of Way (HROW), Unleased Highway (UH), Criminal Justice (TDCJ), Parks & Wildlife (TPW), Mineral Production Allocation (MPAA), Dept. of Aging (DADS), School for the Blind (SBVI), Stephen F. Austin (SFA), TX A&M (A&M).

Prepared by: Jm Alamo updated by: Jm WI updated by: Jm
 RAM approval by: VD GIS updated by: RL

DO NOT DESTROY



Texas General Land Office

UNIT AGREEMENT MEMO

INU220001

Unit Number 11606
Operator Name WPX Energy Permian, LLC
Customer ID C000048105
Unit Name Fiver State 18-27K-54-4 # 403H
County 1 Reeves **RRC District 1** 08
County 2 **RRC District 2**
County 3 **RRC District 3**
County 4 **RRC District 4**
Unit type iNut
State Net Revenue Interest Oil 0.06228764
State Part in Unit 0.49830114
Unit Depth Specified Depths
From Depth Well
To Depth Formation
Participation Basis Length of Lateral
If Excluions Apply: See Remarks

Effective Date 05/01/2021
Unitized For Oil And Gas
Unit Term
Old Unit Number **Inactive Status Date**

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF109880		0.000000	0.000000	0.12457528	O/G	0.12500000	0.01557191	No
MF114285		0.000000	0.000000	0.24915057	O/G	0.12500000	0.03114382	No
MF115997		0.000000	0.000000	0.06228764	O/G	0.12500000	0.00778596	No
MF118232		0.000000	0.000000	0.06228764	O/G	0.12500000	0.00778596	

API Number

4238939347

Remarks:

Prepared By:

Jm

GLO Base Updated By:

Jm

RAM Approval By:

WD

GIS By:

RL

Well Inventory By:

Jm

Prepared Date:

01/26/2022

GLO Base Date:

01/26/2022

RAM Approval Date:

01/26/2022

GIS Date:

9/8/22

WI Date:

01/26/2022

Pooling Committee Report

To: School Land Board

INU220001

Date of Board Meeting:

Unit Number: 11606

Effective Date: 05/01/2021

Unit Expiration Date:

Applicant: WPX Energy Permian, LLC

Attorney Rep:

Operator: WPX Energy Permian, LLC,,,

Unit Name: Fiver State 18-27K-54-4 # 403H

Field Name: PHANTOM (WOLFCAMP)

County: Reeves

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
RAL	MF109880	0.12500000	06/16/2017	5 years	160.000000	0.000000	0.01557191
RAL	MF114285	0.12500000	06/16/2017	5 years	320.000000	0.000000	0.03114382
RAL	MF115997	0.12500000	01/02/2017	3 years	80.000000	0.000000	0.00778596
RAL	MF118232	0.12500000	09/14/2019	3 years	80.000000	0.000000	0.00778596

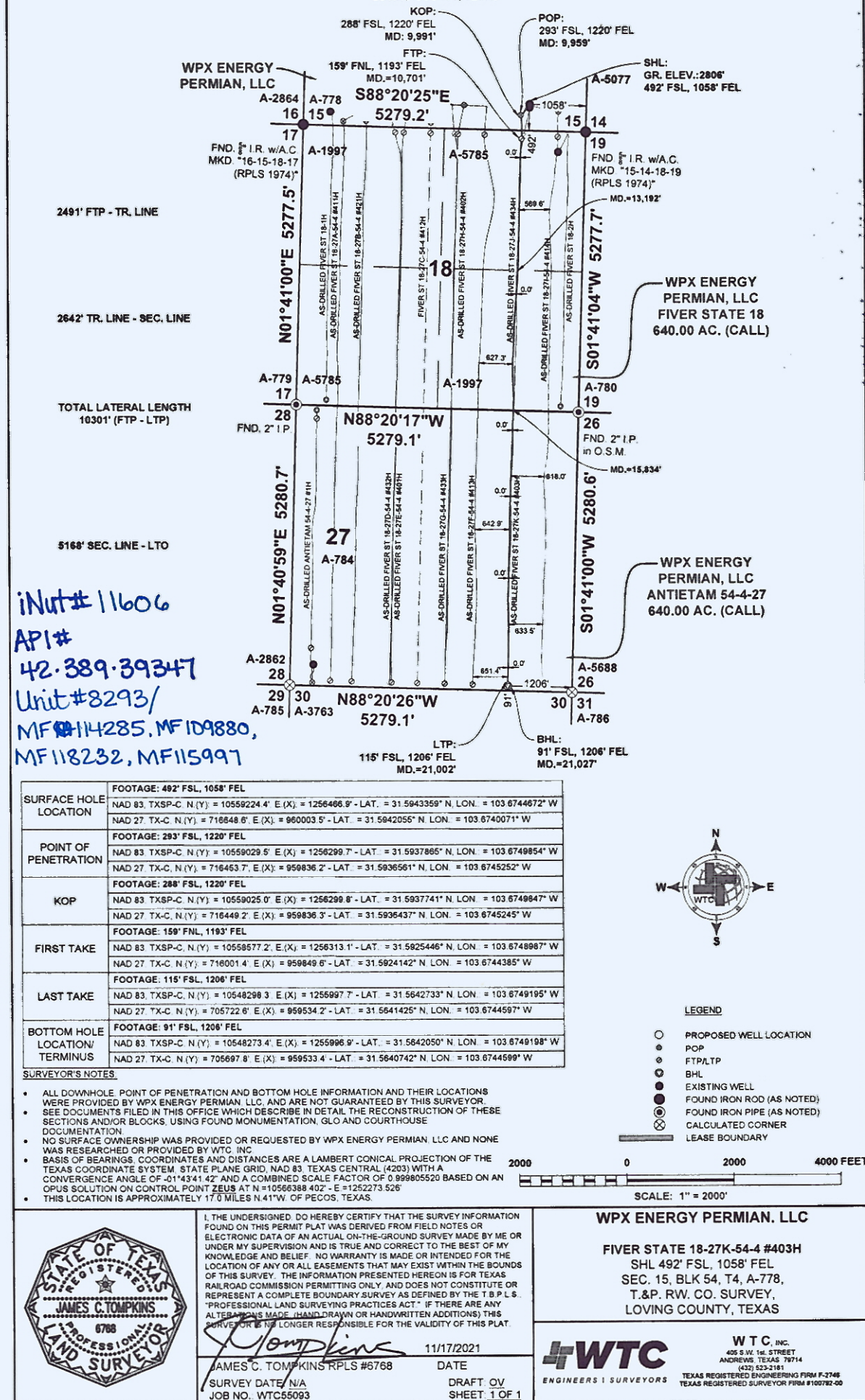
Private Acres:	0.000000
State Acres:	0.000000
Total Unit Acres:	0.000000

<u>Participation Basis:</u>	Length of Lateral
Surface Acreage	
<u>State Acreage:</u>	49.83%
<u>State Net Revenue Interest:</u>	6.23%

<u>Unit Type:</u>	<u>Unitized for:</u>
iNut	Oil And Gas
<u>Term:</u>	

<u>RRC Rules:</u>	<u>Spacing Acres:</u>
No	

LOVING COUNTY, TEXAS



File No. MF109880

Reeves County

iNut11606 - API 42.389.39347

Date Filed: 08/30/2022

by jm George P. Bush, Commissioner



Information for processing an Internal Non Unit Transaction (iNut)
Length of Lateral

iNut No. 11607

GENERAL INFORMATION

Name of Well: Fiver State 18-271-54-4 # 414H API # 42-389-39342
Name of Operator: WPX Energy Permian, LLC RRC # 868056
Operator Contact Person: Amber Cooke Phone: 539-573-3570
Counties: Reeves

ALLOCATION OF STATE UNITS AND/OR LEASES BASED ON LENGTH OF LATERAL

Lease Type	Unit/Lease No	Total Lateral Ft.	Unit or Lease Lateral Ft.	Unit or Lease Rylty Decimal	Lease Royalty Decimal	RRAC Participation Factor	State Participation by Unit/Lease
RAL	8293/MF114285	10363	5191	0.06250000	0.12500000	0.25045836	0.03130730
RAL	8293/MF109880	10363	5191	0.03125000	0.12500000	0.12522918	0.01565365
RAL	8293/MF118232	10363	5191	0.01562500	0.12500000	0.06261459	0.00782682
RAL	8293/MF115997	10363	5191	0.01562500	0.12500000	0.06261459	0.00782682
Totals:						0.50091672	0.06261459
Effective Date:	<u>05/01/2021</u>						State Net Royalty Revenue in Well

Name of Production Sharing Agreement, if any: PSA 00263

Comments:

- Final as drilled plat received from Erin Walker by email on January 25, 2022.

Attach a plat showing the iNut well with length of laterals marked and the State lands marked.

Lease Types: Relinquishment Act Land (RAL), State Fee (SF), Free Royalty (FR), Unleased Riverbed (UR), Highway Right of Way (HROW), Unleased Highway (UH), Criminal Justice (TDCJ), Parks & Wildlife (TPW), Mineral Production Allocation (MPAA), Dept. of Aging (DADS), School for the Blind (SBVI), Stephen F. Austin (SFA), TX A&M (A&M).

Prepared by: JM Alamo updated by: JM WI updated by: JM
RAM approval by: VD GIS updated by: RL

DO NOT DESTROY



Texas General Land Office

UNIT AGREEMENT MEMO

INU220001

Unit Number 11607
Operator Name WPX Energy Permian, LLC
Customer ID C000048105
Unit Name Fiver State 18-27K-54-4 # 414H
County 1 Reeves **RRC District 1** 08
County 2 **RRC District 2**
County 3 **RRC District 3**
County 4 **RRC District 4**
Unit type iNut
State Net Revenue Interest Oil 0.06261459
State Part in Unit 0.50091672
Unit Depth Specified Depths
From Depth Well
To Depth Formation
Participation Basis Length of Lateral
If Excluions Apply: See Remarks

Effective Date 05/01/2021
Unitized For Oil And Gas
Unit Term
Old Unit Number **Inactive Status Date**

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF109880		0.000000	0.000000	0.12522918	O/G	0.12500000	0.01565365	No
MF114285		0.000000	0.000000	0.25045836	O/G	0.12500000	0.03130730	No
MF115997		0.000000	0.000000	0.06261459	O/G	0.12500000	0.00782682	No
MF118232		0.000000	0.000000	0.06261459	O/G	0.12500000	0.00782682	

API Number

4238939342

Remarks:

Prepared By:

 Jm

Prepared Date:

 01/26/2022

GLO Base Updated By:

 Jm

GLO Base Date:

 01/26/2022

RAM Approval By:

 JD

RAM Approval Date:

 01/26/2022

GIS By:

 RL

GIS Date:

 9/8/22

Well Inventory By:

 Jm

WI Date:

 01/26/2022

Pooling Committee Report

To: School Land Board

INU220001

Date of Board Meeting:

Unit Number: 11607

Effective Date: 05/01/2021

Unit Expiration Date:

Applicant: WPX Energy Permian, LLC

Attorney Rep:

Operator: WPX Energy Permian, LLC

Unit Name: Fiver State 18-27K-54-4 # 414H

Field Name: PHANTOM (WOLFCAMP)

County: Reeves

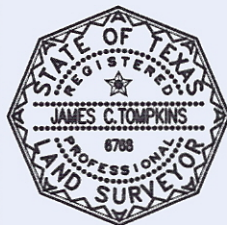
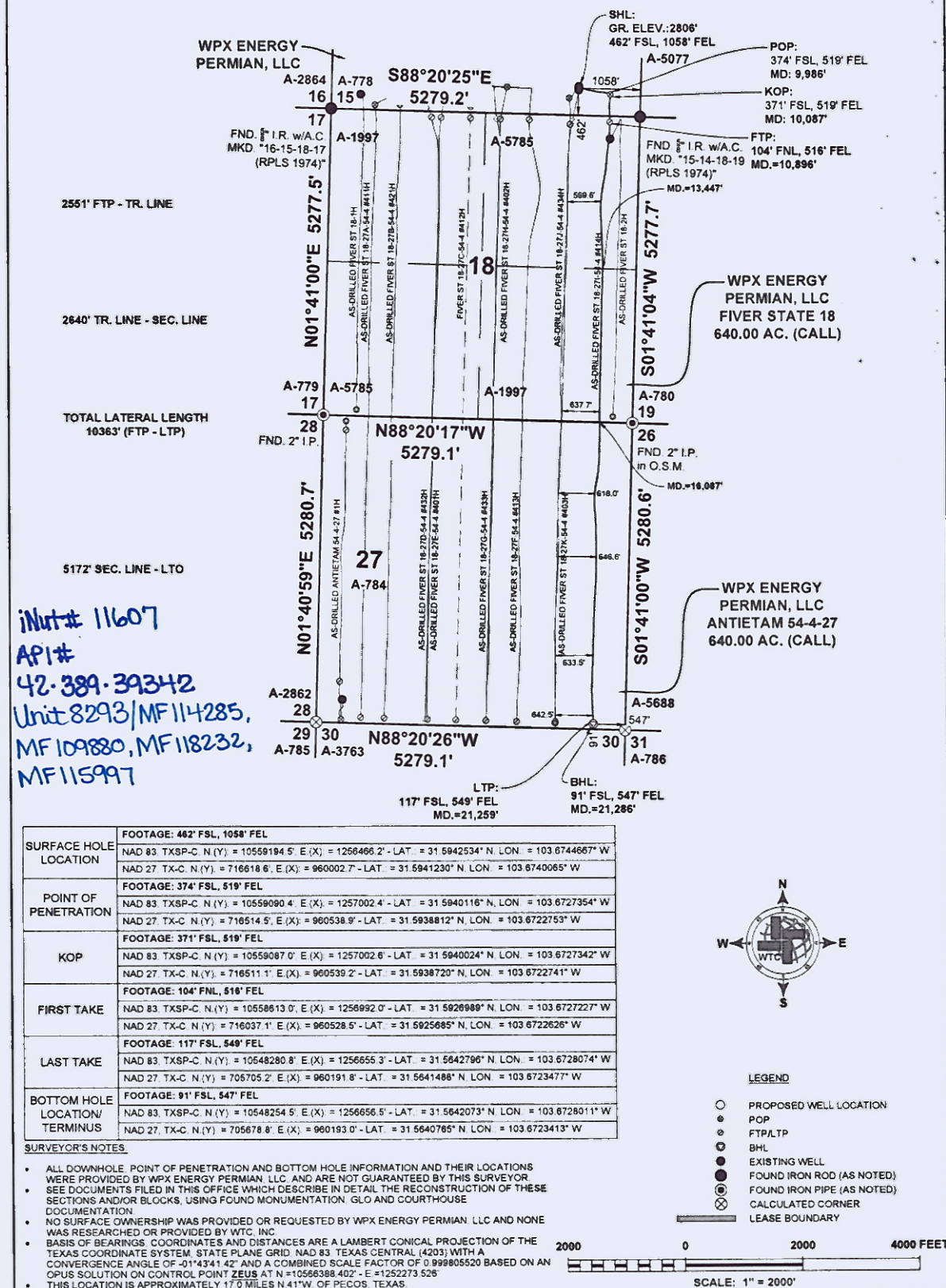
<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
RAL	MF109880	0.12500000	06/16/2017	5 years	160.000000	0.000000	0.01565365
RAL	MF114285	0.12500000	06/16/2017	5 years	320.000000	0.000000	0.03130730
RAL	MF115997	0.12500000	01/02/2017	3 years	80.000000	0.000000	0.00782682
RAL	MF118232	0.12500000	09/14/2019	3 years	80.000000	0.000000	0.00782682

Private Acres:	0.000000
State Acres:	0.000000
Total Unit Acres:	0.000000

<u>Participation Basis:</u>	Length of Lateral
Surface Acreage	
<u>State Acreage:</u>	50.09%
<u>State Net Revenue Interest:</u>	6.26%

<u>Unit Type:</u>	<u>Unitized for:</u>
iNut	Oil And Gas
<u>Term:</u>	

<u>RRC Rules:</u>	<u>Spacing Acres:</u>
No	

SECTION 15, BLOCK 54, T4, A-778, TEXAS & PACIFIC RAILWAY COMPANY SURVEY,
LOVING COUNTY, TEXAS

I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT THE SURVEY INFORMATION FOUND ON THIS PERMIT PLAT WAS DERIVED FROM FIELD NOTES OR ELECTRONIC DATA OF AN ACTUAL ON-THE-GROUND SURVEY MADE BY ME OR UNDER MY SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. NO WARRANTY IS MADE OR INTENDED FOR THE LOCATION OF ANY OR ALL EASEMENTS THAT MAY EXIST WITHIN THE BOUNDS OF THIS SURVEY. THE INFORMATION PRESENTED HEREON IS FOR TEXAS RAILROAD COMMISSION PERMITTING ONLY AND DOES NOT CONSTITUTE OR REPRESENT A COMPLETE BOUNDARY SURVEY AS DEFINED BY THE T.B.P.L.S. "PROFESSIONAL LAND SURVEYING PRACTICES ACT". IF THERE ARE ANY ALTERATIONS MADE (HAND-DRAWN OR HANDWRITTEN ADDITIONS) THIS SURVEYOR IS NO LONGER RESPONSIBLE FOR THE VALIDITY OF THIS PLAT.

J. Tompkins 11/17/2021
JAMES C. TOMPKINS RPLS #6788
DATE
SURVEY DATE: N/A
JOB NO.: WTC55093

DRAFT OV
SHEET 1 OF 1

WPX ENERGY PERMIAN, LLC

FIVER STATE 18-271-54-4 #414H
SHL 462' FSL, 1058' FEL
SEC. 15, BLK 54, T4, A-778,
T.&P. RW. CO. SURVEY,
LOVING COUNTY, TEXAS

WTC
ENGINEERS & SURVEYORS

WTC INC.
405 S.W. 14th STREET
ANDREWS TEXAS 79714
(409) 523-2181
TEXAS REGISTERED ENGINEERING FIRM # 2746
TEXAS REGISTERED SURVEYOR FIRM # 100782-00

File No. MF109880

Rooves County

iNut 11607-API 42-389-39342

Date Filed: 08/30/2022

Jm George P. Bush, Commissioner



Information for processing an Internal Non Unit Transaction (iNut)
Length of Lateral

iNut No. 11608

GENERAL INFORMATION

Name of Well: Fiver State 18-27J-54-4 # 434H API # 42-389-39346
 Name of Operator: WPX Energy Permian, LLC RRC # 868179
 Operator Contact Person: Amber Cooke Phone: 539-573-3570
 Counties: Reeves

ALLOCATION OF STATE UNITS AND/OR LEASES BASED ON LENGTH OF LATERAL

Lease Type	Unit/Lease No	Total Lateral Ft.	Unit or Lease Lateral Ft.	Unit or Lease Rylyty Decimal	Lease Royalty Decimal	RRAC Participation Factor	State Participation by Unit/Lease
RAL	8293/MF114285	10354	5185	0.06250000	0.12500000	0.25038632	0.03129829
RAL	8293/MF109880	10354	5185	0.03125000	0.12500000	0.12519316	0.01564915
RAL	8293/MF118232	10354	5185	0.01562500	0.12500000	0.06259658	0.00782457
RAL	8293/MF115997	10354	5185	0.01562500	0.12500000	0.06259658	0.00782457
Totals:						0.50077265	0.06259658
Effective Date:	<u>05/01/2021</u>						State Net Royalty Revenue in Well

Name of Production Sharing Agreement, if any: PSA 00263

Comments:

- Final as drilled plat received from Erin Walker by email on January 25, 2022.

Attach a plat showing the iNut well with length of laterals marked and the State lands marked.

Lease Types: Relinquishment Act Land (RAL), State Fee (SF), Free Royalty (FR), Unleased Riverbed (UR), Highway Right of Way (HROW), Unleased Highway (UH), Criminal Justice (TDCJ), Parks & Wildlife (TPW), Mineral Production Allocation (MPAA), Dept. of Aging (DADS), School for the Blind (SBVI), Stephen F. Austin (SFA), TX A&M (A&M).

Prepared by: JM Alamo updated by: JM WI updated by: JM
 RAM approval by: VD GIS updated by: RL

DO NOT DESTROY



Texas General Land Office
UNIT AGREEMENT MEMO

INU220001

Unit Number 11608
Operator Name WPX Energy Permian, LLC
Customer ID C000048105
Unit Name Fiver State 18-27J-54-4 # 434H
County 1 Reeves **RRC District 1** 08
County 2 **RRC District 2**
County 3 **RRC District 3**
County 4 **RRC District 4**
Unit type iNut
State Net Revenue Interest Oil 0.06259658
State Part in Unit 0.50077265
Unit Depth Specified Depths
From Depth Well
To Depth Formation
Participation Basis Length of Lateral
If Excluions Apply: See Remarks

Effective Date 05/01/2021
Unitized For Oil And Gas
Unit Term
Old Unit Number **Inactive Status Date**

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF109880		0.000000	0.000000	0.12519316	O/G	0.12500000	0.01564915	No
MF114285		0.000000	0.000000	0.25038632	O/G	0.12500000	0.03129829	No
MF115997		0.000000	0.000000	0.06259658	O/G	0.12500000	0.00782457	No
MF118232		0.000000	0.000000	0.06259658	O/G	0.12500000	0.00782457	

API Number

4238939346

Remarks:

Prepared By:

GLO Base Updated By:

RAM Approval By:

GIS By:

Well Inventory By:

jm
jm
JD
ru
jm

Prepared Date:

GLO Base Date:

RAM Approval Date:

GIS Date:

WI Date:

01/26/2022

01/26/2022

01/26/2022

9/8/22

01/26/2022

Pooling Committee Report

To: School Land Board

INU220001

Date of Board Meeting:

Unit Number: 11608

Effective Date: 05/01/2021

Unit Expiration Date:

Applicant: WPX Energy Permian, LLC

Attorney Rep:

Operator: WPX Energy Permian, LLC

Unit Name: Fiver State 18-27J-54-4 # 434H

Field Name: PHANTOM (WOLFCAMP)

County: Reeves

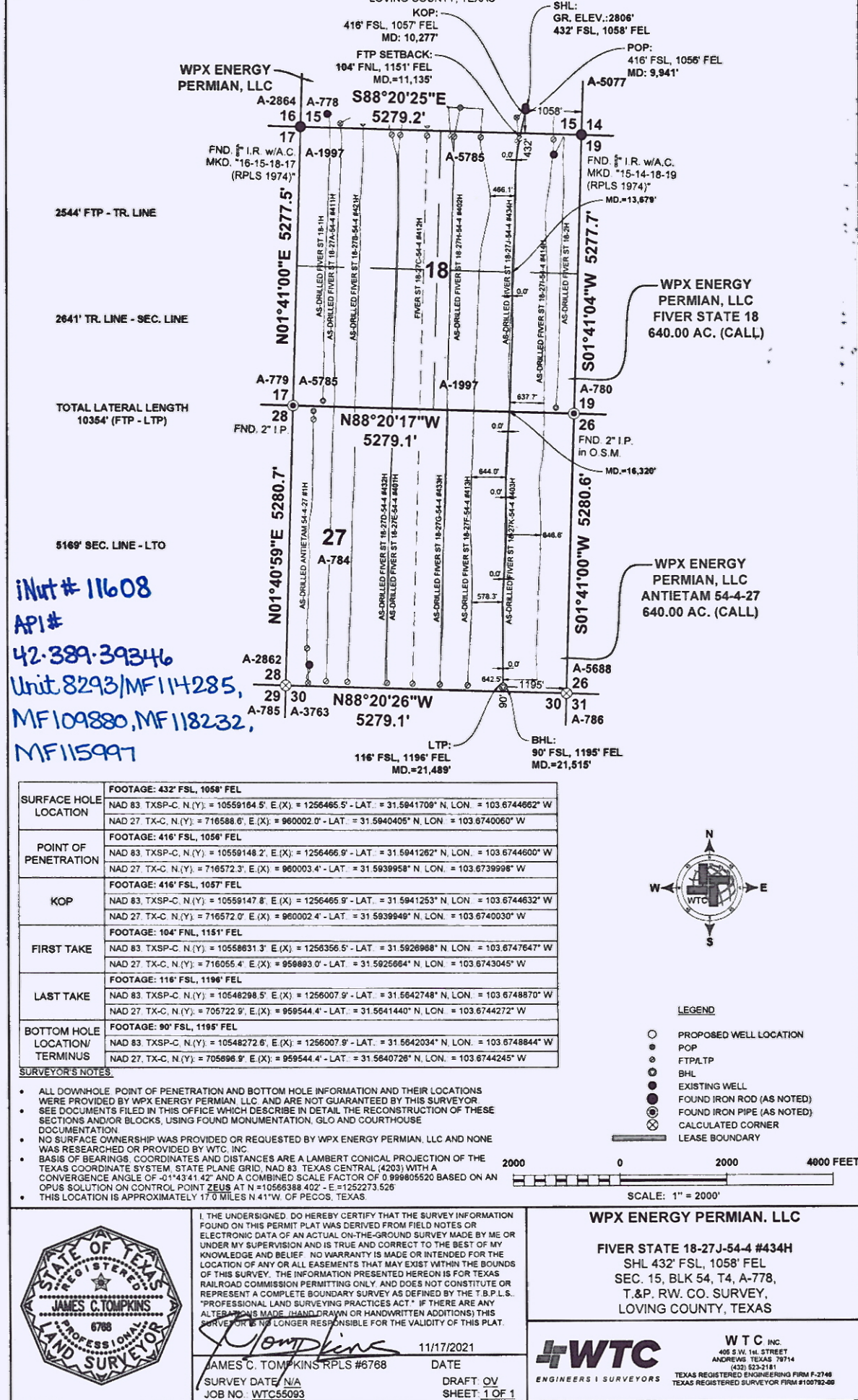
<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
RAL	MF109880	0.12500000	06/16/2017	5 years	160.000000	0.000000	0.01564915
RAL	MF114285	0.12500000	06/16/2017	5 years	320.000000	0.000000	0.03129829
RAL	MF115997	0.12500000	01/02/2017	3 years	80.000000	0.000000	0.00782457
RAL	MF118232	0.12500000	09/14/2019	3 years	80.000000	0.000000	0.00782457

Private Acres:	0.000000
State Acres:	0.000000
Total Unit Acres:	0.000000

<u>Participation Basis:</u>	Length of Lateral
Surface Acreage	
<u>State Acreage:</u>	50.08%
<u>State Net Revenue Interest:</u>	6.26%

<u>Unit Type:</u>	<u>Unitized for:</u>
iNut	Oil And Gas
<u>Term:</u>	

<u>RRC Rules:</u>	<u>Spacing Acres:</u>
No	

SECTION 15, BLOCK 54, T4, A-778, TEXAS & PACIFIC RAILWAY COMPANY SURVEY,
LOVING COUNTY, TEXAS

File No. MF109880
Rooves County
iNut 11608-API 42-389-39346
Date Filed: 08/30/2022
George P. Bush, Commissioner
By Jm

Matthew Scott

From: Matthew Scott
Sent: Wednesday, October 18, 2023 4:35 PM
To: Brown, Amy
Cc: Robert Hatter; Brian Raygon
Subject: 08-9590 10-18-23 Commingling and Gas Lift Approval Fiver State 18-27(x)-54-4 INUTS Fiver St 18D East Pad
Attachments: 08-9590 10-18-23 Commingling and Gas Lift Approval 11268 11269 11270 Fiver State 18D East.pdf; Fiver State 18D East Pad - REV1 Submitted GLO Application 10.2023.pdf

Ms. Brown,

Thank you for (a) submitting the application, per attachment "Fiver State 18D East Pad - REV1 Submitted GLO Application 10.2023.pdf", to commingle production at the Fiver State 18D East Pad from PSA 00263, Fiver State 18-27(X)-54-4, INUTs 11268, 11269, and 11270 and (b) the request to use gas lift as an artificial lift method in the INUT 11268, 11269, and 11270 wells.

Please find attached the approval of the application, dated 10/18/2023, for the surface commingling of the production from the INUTs 11268, 11269, and 11270 wells listed in the application and as part of RRC P17 08-9590.

Gas Lift

In addition, as Lessee and operator of the PSA 00263, Fiver State 18-27(X)-54-4, INUTs 11268, 11269, and 11270 wells, it was requested that the GLO approve of the use of gas lift as a form of artificial lift to produce these wells.

The GLO approves of the use of gas lift to produce the Fiver State 18-27(X)-54-4, INUTs 11268, 11269, and 11270 wells from the portion of state mineral leases MF109880, MF114285, MF115977, and MF118232 that are included in the scope of RRC P-17 08-9590.

Thank you,

Matthew

Matthew T. Scott, P.E.
Petroleum Engineer
(512) 463-5296
Energy Resources Division
Texas General Land Office
Commissioner Dawn Buckingham, M.D.

From: Brown, Amy <Amy.Brown@dvn.com>
Sent: Tuesday, October 17, 2023 12:50 PM
To: Matthew Scott <Matthew.Scott@glo.texas.gov>
Subject: [EXTERNAL] Fiver State 18D East Pad - REV1 GLO Surface Commingle / Gas Lift Permit Application

Good afternoon, Matthew. Please see the attached (revised) application for our Fiver State 18D East pad. The attached includes the following:

- GLO application page
- GLO lease list (UPDATED WITH LEASE AND PSA NUMBERS)
- Process Narrative
- Process Flow Diagram
- Approved P17A

Thank you!

Amy A. Brown

Regulatory Compliance Professional
Devon Energy Production Co.
(405) 552-6137

Confidentiality Warning: This message and any attachments are intended only for the use of the intended recipient(s), are confidential, and may be privileged. If you are not the intended recipient, you are hereby notified that any review, retransmission, conversion to hard copy, copying, circulation or other use of all or any portion of this message and any attachments is strictly prohibited. If you are not the intended recipient, please notify the sender immediately by return e-mail, and delete this message and any attachments from your system.

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Texas General Land Office
Application to Surface Commingle State Leases

Application Revision
April 15, 2023

Provide a GLO Lease List that includes all applicable mineral lease, GLO pooled unit, PSA, and i-Nut information for all wells in the scope of an RRC Form P-17/17A or a request to utilize gas lift, and process flow diagram(s) showing the unique meter identification number or serial number for all flow meters used to identify a meter in the field and the unique identification number for each piece of major equipment (i.e., pressure vessel, heater treater, compressor, VRU, tank, flare, etc.). **Each facility that commingles production must have: (1) all the Oil (O), Gas (G), and Water (W) meters and/or GLO pre-approved full well stream/multi-phase flow meters (MPFM) necessary for the measurement and allocation of production, (2) all meters necessary to measure lease use volumes (fuel, vent, flare, and instrument gas), (3) lift gas supply and distribution meters and individual well lift gas supply meters, and (4) all sales/custody transfer meters.**

Certifications Form P-17/P-17A District: 08 Permit Number: 9590 Effective Month/Year: 04/2021

- ☒ All State lease oil and gas separators are of ample capacity as required by 31 Texas Administrative Code (TAC) §9.35(a)(2) and the terms of any lease that is the subject of this commingling.
- ☒ If applicable, the appropriate Form P-17 or P-17A has been filed with the Railroad Commission of Texas with respect to all leases associated with this application, and the GLO has been furnished with a copy.
- ☒ All non-sales (e.g., fuel, instrument, vent, flash, flare, and lift gas) dispositions of hydrocarbon are metered as required by 31 TAC §9.35(a)(2) and the terms of any lease that is the subject of this commingling. If any required meters are missing, they will be installed within 12 months of the date of this application.
- ☒ All sales dispositions of hydrocarbon are metered as required by 31 TAC §9.35(a)(2) and pursuant to the terms of any lease that is the subject of this commingling.
- ☒ No material changes to the commingled facility or equipment as represented in this application will be made without prior written permission of the GLO.
- ☐ Where applicable, the Lessee has obtained prior written permission to inject recycled or off-lease gas for secondary or enhanced recovery operations or for gas lift purposes as an artificial lift method, and all gas supply and distribution points are metered per 31 TAC §9.35(a)(2). If gas is not injected into a formation or utilized for gas lift, then leave the check box blank.
- ☒ Lessee requests permission to recycle gas or utilize gas lift pursuant to the terms of each state lease, with all gas supply and distribution points metered, on the following state leases and/or units as follows:
Fiver State 18-27F-54-4 413H (iNut 11268), Fiver State 18-27G-54-4 433H (iNut 11269), Fiver State 18-27H-54-4 402H (iNut 11270)
- ☒ I acknowledge and agree that royalty is due on 100% of the hydrocarbons produced from each lease and that the GLO will use molecular (component) balance software to verify the fractionated value of all processed gas. The GLO acknowledges that nothing in this statement is intended to amend or modify any lease that is the subject of this commingling. Gas royalty payment will be due on a molecular balance basis for non-processed gas and processed gas irrespective of the method of allocation I have used to report such production if underpayment is discovered during an audit.

Company Name, Address: WPX ENERGY PERMIAN, LLC 333 W. SHERIDAN AVE OKC, OK 73102

Responsible Official Name, Title: Amy Brown, Regulatory Compliance Signature: Amy A. Brown
Date: 10/5/2023 Phone: (405) 552-6137 Email Address: amy.brown@wpx.com

GLO Approval by: Matthew T. Scott Signature: Matthew T. Scott Date: 10/18/2023

GLO Notes: Surface commingling and gas lift in PSA 00263, Fiver State 18-27(X)-54-4, INUTs 11268, 11269, and 11270.

REVISION: 4/15/2023

GLO LEASE LIST		SEE NOTE 3			SEE NOTE 1			SEE NOTE 2			
RRC Designated Field Name & (Reservoir)	RRC Lease Name	RRC Well Number	RRC Lease Number or Identifier	Wellbore 10 Digit API No.	RRC Form P-17 Action Status	RRC Lease Type (Oil/Gas)	State Mineral Lease No.	Production Sharing Agreement (PSA) Number	GLO Unit Name Per Unit Agreement	GLO Unit Number or PSA i-Nut Number	State Mineral Lease or Unit Decimal NRI
Phantom (Wolfcamp)	Fiver State 18-27F-54-4	413H	290719	42-389-39151	Approved	Gas	MF109880	263	Fiver State 18-27F-54-4 #413H	11268	0.06262054
Phantom (Wolfcamp)	Fiver State 18-27G-54-4	433H	290585	42-389-39152	Approved	Gas	MF109880	263	Fiver State 18-27G-54-4 #433H	11269	0.06254227
Phantom (Wolfcamp)	Fiver State 18-27H-54-4	402H	290586	42-389-39153	Approved	Gas	MF109880	263	Fiver State 18-27H-54-4 #402H	11270	0.06245166

MTS
GLO
SAMPLE GLO COMMINGLE LEASE LIST 4-15-23.XLS
4/15/2023

Process Narrative – FIVER STATE 18 D EAST PAD Central Tank Battery

All Wells

Gross production from each well flows from its respective wellsite through a 3-phase flowline to the FIVER STATE 18 D EAST PAD Central Tank Battery. At the Central Tank Battery, it flows through a dedicated 3-phase separator which meters gas and water. The water is comingled and stored in tanks. The gas is measured individually and flows to a 3rd party gatherer. The oil is measured individually downstream of the dedicated Heater Treater before being comingled and stored in tanks. Any hydrocarbon liquid collected from gas scrubbers will be sold from the tanks as oil.

Oil

Gross production of oil is processed at a dedicated 3-phase separator for the wells. Oil is then processed further at a dedicated Heater Treater and measured using a Coriolis Meter. The oil is then comingled and flows to the common tanks where it is sold through a LACT unit to a 3rd party gatherer. The oil is measured by a Coriolis meter. Tank vent emissions are routed to a low pressure flare.

Gas

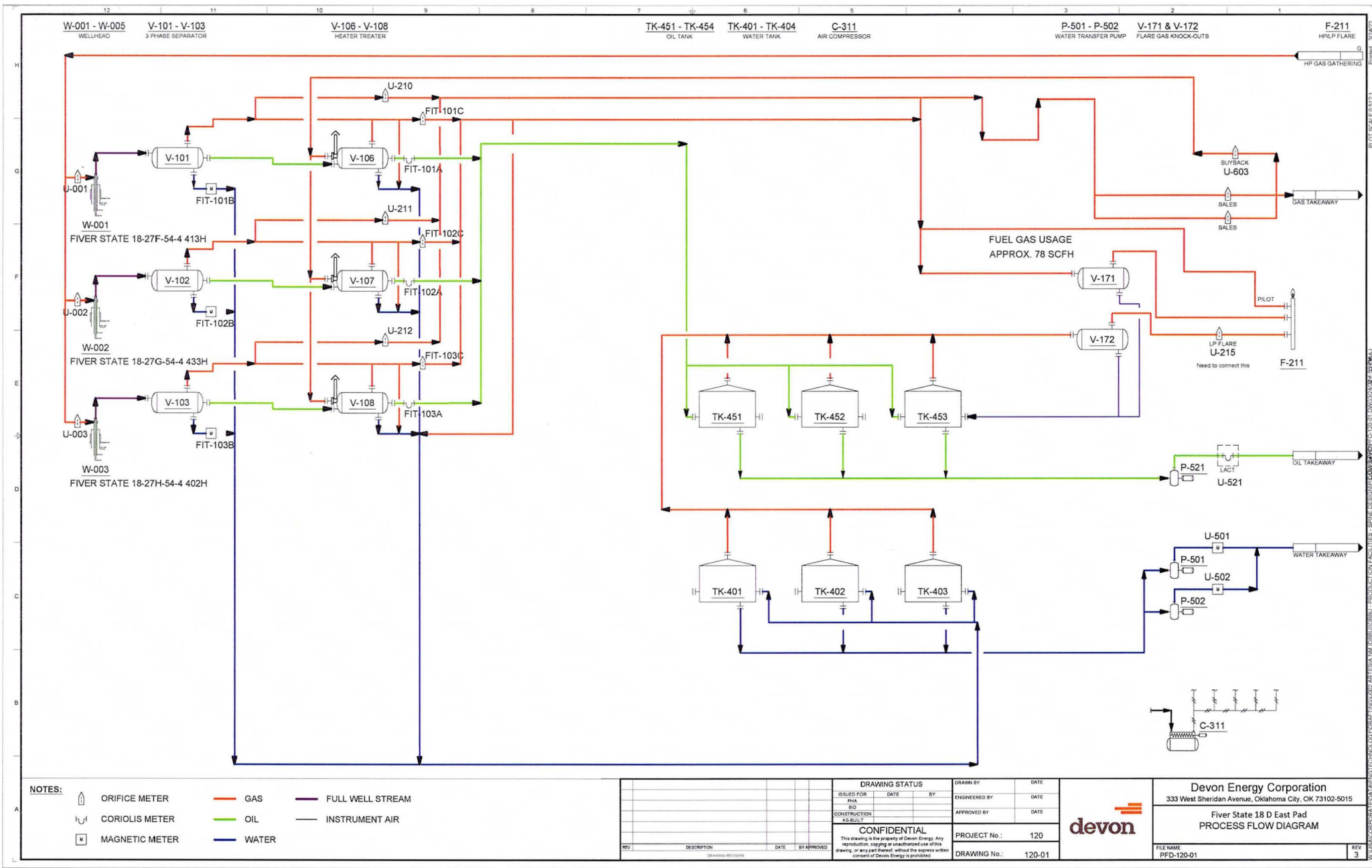
Gross production of the gas is measured at the outlet of the dedicated separator using an orifice meter. It will then flow through a common gas line to a lease custody transfer meter where it will be measured using an orifice meter and gathered by a 3rd party. If the gathering system pressure gets too high each well will send gas will flow through an orifice flare meter and flow to a high pressure flare. Fuel gas will be bought back from the gathering system and used for all wells. Flare royalties will be paid off a monthly statement using a MMBTU value for each well.

Gas Lift

Lift gas will be metered from the high pressure gathering through an individual well injection orifice meter and sent down the well bore.

Water

Gross production of water is measured at the outlet of the dedicated separator using a Mag meter. The water is comingled and sent to common storage tanks. The water from the treater is sent to common storage tanks. Tank vent emissions are routed to a low pressure. From the tanks, the water is sent to a pump and measured using a Mag meter. The pump moves the water to a Salt Water Disposal system.



**RAILROAD COMMISSION OF TEXAS**

1701 N. Congress
P.O. Box 12967
Austin, Texas 78711-2967

Form P-17A

Rev. 03/2019

**APPLICATION FOR COMMINGLE PERMIT
PURSUANT TO STATEWIDE
RULES 26 AND OR 27**

☐ New
☒ Amended Existing Permit
No. 9590
Effective Month/Year of Requested
Exception: 04 / 2021
District 08
County REEVES

SECTION 1. OPERATOR INFORMATION

Operator Name: WPX ENERGY PERMIAN, LLC Operator P-5 No.: 942623
Operator Address: 333 WEST SHERIDAN AVE, OKLAHOMA CITY, OK 73102

SECTION 2. GATHERER (of oil or condensate) INFORMATION (not required if 3b is checked)

Gatherer Name: STATELINE CRUDE, LLC Gatherer P-5 No.: 816087
Gatherer Address: 16211 LA CANTERA PKWY STE 202, SAN ANTONIO, TX 78256

Gatherer E-mail Address:

(Optional - If provided, e-mail address will become part of this public record.)

SECTION 3. APPLICATION APPLIES TO (CHECK ALL THAT APPLY): ☒ OIL ☐ CASINGHEAD GAS ☐ GAS WELL GAS ☒ CONDENSATE

- a) ☐ Gas well full well stream into common separation and storage facility with liquids reported on Form PR.
b) ☐ Gas well full well stream into a gasoline plant/common separation and storage facility with liquids reported on Form R-3 Serial # _____ (If full well stream is checked, the results of periodic tests to determine the number of stock tank barrels of liquid hydrocarbons recovered per 1,000 standard cubic feet of gas must be reported on Form G-10 in accordance with SWR 55. Attach an explanation of any exceptions to SWR 55.)
c) ☐ Condensate and low-pressure Gas Well Gas are commingled into low-pressure separation and storage facilities.
d) ☐ This request is for off lease: ☐ Storage ☐ Separation ☐ Metering
e) ☒ This application is for common storage.
f) ☐ This application is for common separation.
g) ☐ This application is for casinghead gas metering by: ☐ Deduct Metering ☐ Allocation by well test ☐ Other _____
h) ☐ This application is for gas well gas metering by: ☐ Deduct Metering ☐ Allocation by well test ☐ Other _____

SECTION 4. COMMINGLING PURSUANT TO §3.26(b) or §3.27(e) - (CHECK ALL THAT APPLY)

a) ☒ The production stream from each tract and each Commission-designated reservoir is measured separately before combining it with a stream from another tract or Commission-designated reservoir.

Production will be allocated by: ☒ W-10 (oil) ☐ W-2 retest (oil) ☐ PD Meter (oil & condensate) ☒ G-10 (gas) ☐ Other _____

b) ☐ The tracts and Commission-designated reservoirs have identical royalty interest and working interest ownership in identical percentages.

Production will be allocated by: ☐ W-10 (oil) ☐ W-2 retest (oil) ☐ PD Meter (oil & condensate) ☐ G-10 (gas) ☐ Other _____

SECTION 5. ☐ Any one of the wells proposed for commingling produces from a Commission-designated reservoir for which special field rules regarding surface commingling have been adopted. (Notice may be required; see instructions)

SECTION 6. ☐ Wells proposed for commingling have an operator's name other than the applicant listed in SECTION 1. (See instructions)

SECTION 7. ☐ For oil production, the production from all oil wells on each oil lease is to be commingled. (See instructions)

SECTION 8. IDENTIFY LEASES AS SHOWN ON COMMISSION RECORDS (attach additional pages as needed)

DISTRICT	RRC IDENTIFIER	ACTION	LEASE AND FIELD NAME	WELL NO.
08	290719	☒ Existing ☐ Add ☐ Delete	FIVER STATE 18-27F-54-4 / PHANTOM (WOLFCAMP)	413H
08	290585	☒ Existing ☐ Add ☐ Delete	FIVER STATE 18-27G-54-4 / PHANTOM (WOLFCAMP)	433H
08	290586	☒ Existing ☐ Add ☐ Delete	FIVER STATE 18-27H-54-4 / PHANTOM (WOLFCAMP)	402H
		☐ Existing ☐ Add ☐ Delete		

ATTACH ADDITIONAL PAGES AS NEEDED. ☒ No additional pages ☐ Additional pages 0 (# of additional pages)

CERTIFICATE: I declare under penalties in Sec. 91.143, Texas Natural Resources Code, that I am authorized to file this application, that this application was prepared by me or under my supervision and direction, and that the data and facts stated therein are true, correct, and complete to be the best of my knowledge. I certify that all requests for related required approvals from other affected state agencies have been submitted and that I understand that any authorization granted by Commission approval of this application is contingent upon the approvals from other affected state agencies being obtained.

Signature: Caitlin O'Hair Title: Regulatory Compliance Professional Date: 06/09/2021

Operator E-mail Address: caitlin.o'hair@dvn.com Operator Phone No. 405-552-3330
(Optional - If provided, e-mail address will become part of this public record.)

RRC USE ONLY
Commingling Permit No. 9590 Approval date: 6/21/21 Approved by: [Signature]



Texas General Land Office
Application to Surface Commingle State Leases

Application Revision
April 15, 2023

Provide a GLO Lease List that includes all applicable mineral lease, GLO pooled unit, PSA, and i-Nut information for all wells in the scope of an RRC Form P-17/17A or a request to utilize gas lift, and process flow diagram(s) showing the unique meter identification number or serial number for all flow meters used to identify a meter in the field and the unique identification number for each piece of major equipment (i.e., pressure vessel, heater treater, compressor, VRU, tank, flare, etc.). **Each facility that commingles production must have: (1) all the Oil (O), Gas (G), and Water (W) meters and/or GLO pre-approved full well stream/multi-phase flow meters (MPFM) necessary for the measurement and allocation of production, (2) all meters necessary to measure lease use volumes (fuel, vent, flare, and instrument gas), (3) lift gas supply and distribution meters and individual well lift gas supply meters, and (4) all sales/custody transfer meters.**

Certifications Form P-17/P-17A District: 08 Permit Number: 9590 Effective Month/Year: 04/2021

- ☒ All State lease oil and gas separators are of ample capacity as required by 31 Texas Administrative Code (TAC) §9.35(a)(2) and the terms of any lease that is the subject of this commingling.
- ☒ If applicable, the appropriate Form P-17 or P-17A has been filed with the Railroad Commission of Texas with respect to all leases associated with this application, and the GLO has been furnished with a copy.
- ☒ All non-sales (e.g., fuel, instrument, vent, flash, flare, and lift gas) dispositions of hydrocarbon are metered as required by 31 TAC §9.35(a)(2) and the terms of any lease that is the subject of this commingling. If any required meters are missing, they will be installed within 12 months of the date of this application.
- ☒ All sales dispositions of hydrocarbon are metered as required by 31 TAC §9.35(a)(2) and pursuant to the terms of any lease that is the subject of this commingling.
- ☒ No material changes to the commingled facility or equipment as represented in this application will be made without prior written permission of the GLO.
- ☐ Where applicable, the Lessee has obtained prior written permission to inject recycled or off-lease gas for secondary or enhanced recovery operations or for gas lift purposes as an artificial lift method, and all gas supply and distribution points are metered per 31 TAC §9.35(a)(2). If gas is not injected into a formation or utilized for gas lift, then leave the check box blank.
- ☒ Lessee requests permission to recycle gas or utilize gas lift pursuant to the terms of each state lease, with all gas supply and distribution points metered, on the following state leases and/or units as follows:
Fiver State 18-27F-54-4 413H (iNut 11268), Fiver State 18-27G-54-4 433H (iNut 11269), Fiver State 18-27H-54-4 402H (iNut 11270)
- ☒ I acknowledge and agree that royalty is due on 100% of the hydrocarbons produced from each lease and that the GLO will use molecular (component) balance software to verify the fractionated value of all processed gas. The GLO acknowledges that nothing in this statement is intended to amend or modify any lease that is the subject of this commingling. Gas royalty payment will be due on a molecular balance basis for non-processed gas and processed gas irrespective of the method of allocation I have used to report such production if underpayment is discovered during an audit.

Company Name, Address: WPX ENERGY PERMIAN, LLC 333 W. SHERIDAN AVE OKC, OK 73102

Responsible Official Name, Title: Amy Brown, Regulatory Compliance Signature: Amy A. Brown

Date: 10/5/2023 Phone: (405) 552-6137 Email Address: amy.brown@wpx.com

GLO Approval by: _____ Signature: _____ Date: _____

GLO Notes:

(50)

File No. MF 109880

County

Comm Exempt N 3 Gas lift Approval 10/18/23

Date Filed: 12/26/23

Commissioner Dawn Buckingham, M.D.

By: AT

Matthew Scott

From: Matthew Scott
Sent: Thursday, October 19, 2023 9:06 AM
To: Brown, Amy
Cc: Robert Hatter; Brian Raygon
Subject: RE: Fiver State 18D West Pad - REV1 GLO Surface Commingle / Gas Lift Permit Application
Attachments: 08-9129 10-19-23 COMMINGLING AND GAS LIFT APPROVAL FIVER ST 18-27-54-4 18D WEST PAD.pdf; Fiver State 18D West Pad - REV1 Submitted GLO Application 10.2023.pdf

Ms. Brown,

Thank you for (a) submitting the application, per attachment "Fiver State 18D West Pad - REV1 Submitted GLO Application 10.2023.pdf", to commingle production at the Fiver State 18D West Pad from PSA 00263, Fiver State 18-27(X)-54-4, INUTs 10520, 10521, 11265, 11266, and 11267 and (b) the request to use gas lift as an artificial lift method in the INUT 10520, 10521, 11265, 11266, and 11267 wells.

Please find attached the approval of the application, dated 10/19/2023, for the surface commingling of the production from the INUT 10520, 10521, 11265, 11266, and 11267 wells listed in the application and as part of RRC P17 08-9129.

Gas Lift

In addition, as Lessee and operator of the PSA 00263, Fiver State 18-27(X)-54-4, 10520, 10521, 11265, 11266, and 11267 wells, it was requested that the GLO approve of the use of gas lift as a form of artificial lift to produce these wells.

The GLO approves of the use of gas lift to produce the Fiver State 18-27(X)-54-4, INUT 10520, 10521, 11265, 11266, and 11267 wells from the portion of state mineral leases MF109880, MF114285, MF115977, and MF118232 that are included in the scope of RRC P-17 08-9129.

Thank you,

Matthew

Matthew T. Scott, P.E.
Petroleum Engineer
(512) 463-5296
Energy Resources Division
Texas General Land Office
Commissioner Dawn Buckingham, M.D.

From: Brown, Amy <Amy.Brown@dvn.com>
Sent: Tuesday, October 17, 2023 3:09 PM
To: Matthew Scott <Matthew.Scott@glo.texas.gov>
Subject: [EXTERNAL] Fiver State 18D West Pad - REV1 GLO Surface Commingle / Gas Lift Permit Application

Good afternoon, Matthew. Please see the attached (REVISED) application for our Fiver State 18D West pad. The attached includes the following:

- GLO application page
- GLO lease list (UPDATED TO INCLUDE LEASE AND PSA NUMBERS)
- Process Narrative
- Process Flow Diagram
- Approved P17A

Thank you so much!

Amy A. Brown

Regulatory Compliance Professional
Devon Energy Production Co.
(405) 552-6137

Confidentiality Warning: This message and any attachments are intended only for the use of the intended recipient(s), are confidential, and may be privileged. If you are not the intended recipient, you are hereby notified that any review, retransmission, conversion to hard copy, copying, circulation or other use of all or any portion of this message and any attachments is strictly prohibited. If you are not the intended recipient, please notify the sender immediately by return e-mail, and delete this message and any attachments from your system.

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.



Texas General Land Office
Application to Surface Commingle State Leases

Application Revision
April 15, 2023

Provide a GLO Lease List that includes all applicable mineral lease, GLO pooled unit, PSA, and i-Nut information for all wells in the scope of an RRC Form P-17/17A or a request to utilize gas lift, and process flow diagram(s) showing the unique meter identification number or serial number for all flow meters used to identify a meter in the field and the unique identification number for each piece of major equipment (i.e., pressure vessel, heater treater, compressor, VRU, tank, flare, etc.). **Each facility that commingles production must have: (1) all the Oil (O), Gas (G), and Water (W) meters and/or GLO pre-approved full well stream/multi-phase flow meters (MPFM) necessary for the measurement and allocation of production, (2) all meters necessary to measure lease use volumes (fuel, vent, flare, and instrument gas), (3) lift gas supply and distribution meters and individual well lift gas supply meters, and (4) all sales/custody transfer meters.**

Certifications Form P-17/P-17A District: 08 Permit Number: 9129 Effective Month/Year: 04/2021

- ☒ All State lease oil and gas separators are of ample capacity as required by 31 Texas Administrative Code (TAC) §9.35(a)(2) and the terms of any lease that is the subject of this commingling.
- ☒ If applicable, the appropriate Form P-17 or P-17A has been filed with the Railroad Commission of Texas with respect to all leases associated with this application, and the GLO has been furnished with a copy.
- ☒ All non-sales (e.g., fuel, instrument, vent, flash, flare, and lift gas) dispositions of hydrocarbon are metered as required by 31 TAC §9.35(a)(2) and the terms of any lease that is the subject of this commingling. If any required meters are missing, they will be installed within 12 months of the date of this application.
- ☒ All sales dispositions of hydrocarbon are metered as required by 31 TAC §9.35(a)(2) and pursuant to the terms of any lease that is the subject of this commingling.
- ☒ No material changes to the commingled facility or equipment as represented in this application will be made without prior written permission of the GLO.
- ☐ Where applicable, the Lessee has obtained prior written permission to inject recycled or off-lease gas for secondary or enhanced recovery operations or for gas lift purposes as an artificial lift method, and all gas supply and distribution points are metered per 31 TAC §9.35(a)(2). If gas is not injected into a formation or utilized for gas lift, then leave the check box blank.
- ☒ Lessee requests permission to recycle gas or utilize gas lift pursuant to the terms of each state lease, with all gas supply and distribution points metered, on the following state leases and/or units as follows:
Fiver State 18-27A-54-4 411H (iNut 10520), Fiver State 18-27B-54-4 421H (iNut 10521), Fiver State 18-27C-54-4 412H (iNut 11265)
Fiver State 18-27D-54-4 432H (iNut 11266), Fiver State 18-27E-54-4 401H (iNut 11267)
- ☒ I acknowledge and agree that royalty is due on 100% of the hydrocarbons produced from each lease and that the GLO will use molecular (component) balance software to verify the fractionated value of all processed gas. The GLO acknowledges that nothing in this statement is intended to amend or modify any lease that is the subject of this commingling. Gas royalty payment will be due on a molecular balance basis for non-processed gas and processed gas irrespective of the method of allocation I have used to report such production if underpayment is discovered during an audit.

Company Name, Address: WPX ENERGY PERMIAN, LLC 333 W. SHERIDAN AVE OKC, OK 73102

Responsible Official Name, Title: Amy Brown, Regulatory Compliance Signature: Amy A. Brown
Date: 10/5/2023 Phone: (405) 552-6137 Email Address: amy.brown@dvn.com

GLO Approval by: Matthew T. Scott Signature: Matthew T. Scott Date: 10/19/2023

GLO Notes: Surface commingling and gas lift in PSA 00263, Fiver State 18-27(X)-54-4, INUTs 10520, 10521, 11265, 11266, and 11267.

REVISION: 4/15/2023

GLO LEASE LIST		SEE NOTE 3			SEE NOTE 1			SEE NOTE 2			
RRC Designated Field Name & (Reservoir)	RRC Lease Name	RRC Well Number	RRC Lease Number or Identifier	Wellbore 10 Digit API No.	RRC Form P-17 Action Status	RRC Lease Type (Oil/Gas)	State Mineral Lease No.	Production Sharing Agreement (PSA) Number	GLO Unit Name Per Unit Agreement	GLO Unit Number or PSA i-Nut Number	State Mineral Lease or Unit Decimal NRI
Phantom (Wolfcamp)	Fiver State 18-27A-54-4	411H	288270	42-389-38517	Approved	Gas	MF109880	263	Fiver State 18-27A-54-4 #411H	10520	0.06286844
Phantom (Wolfcamp)	Fiver State 18-27B-54-4	421H	288300	42-389-38518	Approved	Gas	MF109880	263	Fiver State 18-27B-54-4 #421H	10521	0.06282458
Phantom (Wolfcamp)	Fiver State 18-27C-54-4	412H	290550	42-389-39146	Approved	Gas	MF109880	263	Fiver State 18-27C-54-4 #412H	11265	0.06136864
Phantom (Wolfcamp)	Fiver State 18-27D-54-4	432H	290555	42-389-39148	Approved	Gas	MF109880	263	Fiver State 18-27D-54-4 #432H	11266	0.06222901
Phantom (Wolfcamp)	Fiver State 18-27E-54-4	401H	290556	42-389-39149	Approved	Gas	MF109880	263	Fiver State 18-27E-54-4 #401H	11267	0.06245156

NOTES:

IF DUE TO HORIZONTAL SEVERANCE OR DEPTH LIMITATIONS SEVERAL LEASES EXIST WITHIN A COMMON WELLBORE, THEN ENTER THE MINERAL LEASE NUMBER FOR THE RRC DESIGNATED PRODUCING FIELD AND RESERVOIR INTERVAL.

IF THE WELLBORE OF A HORIZONTAL WELL OR DIRECTIONAL WELL TRAVERSES MULTIPLE STATE AND PRIVATE MINERAL LEASES AND THE WELLBORE IS NOT INCLUDED IN A GLO POOLED UNIT, THEN ENTER EITHER:

THE LOWEST LEVEL BASE MINERAL FILE NUMBER IS THE LOWEST NUMERICAL MINERAL FILE NUMBER OF ALL OF THE STATE MINERAL LEASES NUMBERS THAT MAY BE INCLUDED IN THE SCOPE OF A PSA THAT WAS EXECUTED BY ALL PARTIES.

AN I-NUT NUMBER IS A UNIQUE NUMBER THAT IS ASSIGNED TO EACH API WELLBORE THAT IS DRILLED AS AN ALLOCATION WELL WITH ALLOCATION BASED ON THE LENGTH OF LATERAL OR HORIZONTAL DRAINHOLE AREA WITHIN THE PRODUCTION RESERVOIR THAT IS AUTHORIZED PER A SPECIFIC UPLANDS LEASE PRODUCTION SHARING AGREEMENT (PSA). A HIGHWAY ROW (HROW) AND OTHER STATE AGENCY LANDS TYPE LEASE WILL NOT BE ASSOCIATED WITH A PSA. IF AN APPLICATION TO COMMINGLE STATE LEASES IS SUBMITTED AND AN I-NUT NUMBER HAS NOT YET BEEN ASSIGNED BY GLO STAFF, THEN ENTER "PENDING" AS THE REFERENCE PSA I-NUT NUMBER.

I-NUT IS AN ACRONYM FOR "INTERNAL NON-UNIT TRANSACTION" THAT IS ASSIGNED BY GLO STAFF TO AN ALLOCATION WELL PER A SPECIFIC PRODUCTION SHARING AGREEMENT (PSA) THAT IS ASSOCIATED WITH ONE OR MORE STATE LEASES. GLO STAFF VERIFIES/DETERMINES THE NRI BASED ON AS-DRILLED LENGTH OF LATERAL INFORMATION PROVIDED BY THE LESSEE AND THE PARTICIPATION FACTOR OF EACH CONTRIBUTING STATE LEASE DEFINED BY THE APPLICABLE PSA.

3. IF A RRC LEASE NUMBER IS PENDING ASSIGNMENT OR THE WELL HAS NOT BEEN COMPLETED THEN ENTER "DP" FOLLOWED BY THE RRC DRILLING PERMIT NUMBER ASSIGNED BY THE RRC.

THE NOTES SECTION ABOVE IS FOR INFORMATION AND GUIDANCE ONLY AND THUS MAY BE DELETED FROM THE GLO LEASE LIST THAT IS SUBMITTED TO THE GLO AS PART OF AN APPLICATION REQUEST TO COMMINGLE STATE LEASES.

Process Narrative – FIVER STATE 18 D WEST PAD Central Tank Battery

All Wells

Gross production from each well flows from its respective wellsite through a 3-phase flowline to the FIVER STATE 18 D WEST PAD Central Tank Battery. At the Central Tank Battery, it flows through a dedicated 3-phase separator which meters gas and water. The water is comingled and stored in tanks. The gas is measured individually and flows to a 3rd party gatherer. The oil is measured individually downstream of the dedicated Heater Treater before being comingled and stored in tanks. Any hydrocarbon liquid collected from gas scrubbers will be sold from the tanks as oil.

Oil

Gross production of oil is processed at a dedicated 3-phase separator for the wells. Oil is then processed further at a dedicated Heater Treater and measured using a Coriolis Meter. The oil is then comingled and flows to the common tanks where it is sold through a LACT unit to a 3rd party gatherer. The oil is measured by a Coriolis meter. Tank vent emissions are routed to a low pressure flare.

Gas

Gross production of the gas is measured at the outlet of the dedicated separator using an orifice meter. It will then flow through a common gas line to a lease custody transfer meter where it will be measured using an orifice meter and gathered by a 3rd party. If the gathering system pressure gets too high each well will send gas will flow through an orifice flare meter and flow to a high pressure flare. Fuel gas will be bought back from the gathering system and used for all wells. Flare royalties will be paid off a monthly statement using a MMBTU value for each well.

Gas Lift

Lift gas will be metered from the high pressure gathering through an individual well injection orifice meter and sent down the well bore.

Water

Gross production of water is measured at the outlet of the dedicated separator using a Mag meter. The water is comingled and sent to common storage tanks. The water from the treater is sent to common storage tanks. Tank vent emissions are routed to a low pressure. From the tanks, the water is sent to a pump and measured using a Mag meter. The pump moves the water to a Salt Water Disposal system.



RAILROAD COMMISSION OF TEXAS

1701 N. Congress
P.O. Box 12967
Austin, Texas 78711-2967

Form P-17A

Rev. 03/2019

APPLICATION FOR COMMINGLE PERMIT
PURSUANT TO STATEWIDE
RULES 26 AND OR 27

☐ New
☒ Amended Existing Permit
No. 9129
Effective Month/Year of Requested
Exception: 04 / 2021
District 08
County REEVES

SECTION 1. OPERATOR INFORMATION

Operator Name: WPX ENERGY PERMIAN, LLC Operator P-5 No.: 942623
Operator Address: 333 WEST SHERIDAN AVE, OKLAHOMA CITY, OK 73102

SECTION 2. GATHERER (of oil or condensate) INFORMATION (not required if 3b is checked)

Gatherer Name: STATELINE CRUDE, LLC Gatherer P-5 No.: 816087
Gatherer Address: 16211 LA CANTERA PKWY STE 202, SAN ANTONIO, TX 78256

Gatherer E-mail Address:

(Optional – If provided, e-mail address will become part of this public record.)

SECTION 3. APPLICATION APPLIES TO (CHECK ALL THAT APPLY): ☒ OIL ☐ CASINGHEAD GAS ☐ GAS WELL GAS ☒ CONDENSATE

- a) ☐ Gas well full well stream into common separation and storage facility with liquids reported on Form PR.
b) ☐ Gas well full well stream into a gasoline plant/common separation and storage facility with liquids reported on Form R-3 Serial # _____ (If full well stream is checked, the results of periodic tests to determine the number of stock tank barrels of liquid hydrocarbons recovered per 1,000 standard cubic feet of gas must be reported on Form G-10 in accordance with SWR 55. Attach an explanation of any exceptions to SWR 55.)
c) ☐ Condensate and low-pressure Gas Well Gas are commingled into low-pressure separation and storage facilities.
d) ☐ This request is for off lease: ☐ Storage ☐ Separation ☐ Metering
e) ☒ This application is for common storage.
f) ☐ This application is for common separation.
g) ☐ This application is for casinghead gas metering by: ☐ Deduct Metering ☐ Allocation by well test ☐ Other _____
h) ☐ This application is for gas well gas metering by: ☐ Deduct Metering ☐ Allocation by well test ☐ Other _____

SECTION 4. COMMINGLING PURSUANT TO §3.26(b) or §3.27(e) – (CHECK ALL THAT APPLY)

a) ☒ The production stream from each tract and each Commission-designated reservoir is measured separately before combining it with a stream from another tract or Commission-designated reservoir.

Production will be allocated by: ☒ W-10 (oil) ☐ W-2 retest (oil) ☐ PD Meter (oil & condensate) ☒ G-10 (gas) ☐ Other _____

b) ☐ The tracts and Commission-designated reservoirs have identical royalty interest and working interest ownership in identical percentages.

Production will be allocated by: ☐ W-10 (oil) ☐ W-2 retest (oil) ☐ PD Meter (oil & condensate) ☐ G-10 (gas) ☐ Other _____

SECTION 5. ☐ Any one of the wells proposed for commingling produces from a Commission-designated reservoir for which special field rules regarding surface commingling have been adopted. (Notice may be required; see instructions)

SECTION 6. ☐ Wells proposed for commingling have an operator's name other than the applicant listed in SECTION 1. (See instructions)

SECTION 7. ☐ For oil production, the production from all oil wells on each oil lease is to be commingled. (See instructions)

SECTION 8. IDENTIFY LEASES AS SHOWN ON COMMISSION RECORDS (attach additional pages as needed)

DISTRICT	RRC IDENTIFIER	ACTION	LEASE AND FIELD NAME	WELL NO.
08	288270	☒ Existing ☐ Add ☐ Delete	FIVER STATE 18-27A-54-4 / PHANTOM (WOLFCAMP)	411H
08	288300	☒ Existing ☐ Add ☐ Delete	FIVER STATE 18-27B-54-4 / PHANTOM (WOLFCAMP)	421H
08	290550	☒ Existing ☐ Add ☐ Delete	FIVER STATE 18-27C-54-4 / PHANTOM (WOLFCAMP)	412H
08	290555	☒ Existing ☐ Add ☐ Delete	FIVER STATE 18-27D-54-4 / PHANTOM (WOLFCAMP)	432H

ATTACH ADDITIONAL PAGES AS NEEDED. ☐ No additional pages ☒ Additional pages 1 (# of additional pages)

CERTIFICATE: I declare under penalties in Sec. 91.143, Texas Natural Resources Code, that I am authorized to file this application, that this application was prepared by me or under my supervision and direction, and that the data and facts stated therein are true, correct, and complete to be the best of my knowledge. I certify that all requests for related required approvals from other affected state agencies have been submitted and that I understand that any authorization granted by Commission approval of this application is contingent upon the approvals from other affected state agencies being obtained.

Signature: Caitlin O'Hair Title: Regulatory Compliance Professional Date: 04/28/2021

Operator E-mail Address: caitlin.o'hair@dv.com Operator Phone No. 405-552-3330

(Optional – If provided, e-mail address will become part of this public record.)

RRC USE ONLYCommingling Permit No. 9129Approval date: 5/20/21Approved by: [Signature]

FORM P-17 ATTACHMENT

SECTION 7. (CONT'D) IDENTIFY LEASES AS SHOWN ON COMMISSION RECORDS (attach additional pages as needed)

[illegible]



Texas General Land Office
Application to Surface Commingle State Leases

Application Revision
April 15, 2023

Provide a GLO Lease List that includes all applicable mineral lease, GLO pooled unit, PSA, and i-Nut information for all wells in the scope of an RRC Form P-17/17A or a request to utilize gas lift, and process flow diagram(s) showing the unique meter identification number or serial number for all flow meters used to identify a meter in the field and the unique identification number for each piece of major equipment (i.e., pressure vessel, heater treater, compressor, VRU, tank, flare, etc.). **Each facility that commingles production must have: (1) all the Oil (O), Gas (G), and Water (W) meters and/or GLO pre-approved full well stream/multi-phase flow meters (MPFM) necessary for the measurement and allocation of production, (2) all meters necessary to measure lease use volumes (fuel, vent, flare, and instrument gas), (3) lift gas supply and distribution meters and individual well lift gas supply meters, and (4) all sales/custody transfer meters.**

Certifications Form P-17/P-17A District: 08 Permit Number: 9129 Effective Month/Year: 04/2021

- ☒ All State lease oil and gas separators are of ample capacity as required by 31 Texas Administrative Code (TAC) §9.35(a)(2) and the terms of any lease that is the subject of this commingling.
- ☒ If applicable, the appropriate Form P-17 or P-17A has been filed with the Railroad Commission of Texas with respect to all leases associated with this application, and the GLO has been furnished with a copy.
- ☒ All non-sales (e.g., fuel, instrument, vent, flash, flare, and lift gas) dispositions of hydrocarbon are metered as required by 31 TAC §9.35(a)(2) and the terms of any lease that is the subject of this commingling. If any required meters are missing, they will be installed within 12 months of the date of this application.
- ☒ All sales dispositions of hydrocarbon are metered as required by 31 TAC §9.35(a)(2) and pursuant to the terms of any lease that is the subject of this commingling.
- ☒ No material changes to the commingled facility or equipment as represented in this application will be made without prior written permission of the GLO.
- ☐ Where applicable, the Lessee has obtained prior written permission to inject recycled or off-lease gas for secondary or enhanced recovery operations or for gas lift purposes as an artificial lift method, and all gas supply and distribution points are metered per 31 TAC §9.35(a)(2). If gas is not injected into a formation or utilized for gas lift, then leave the check box blank.
- ☒ Lessee requests permission to recycle gas or utilize gas lift pursuant to the terms of each state lease, with all gas supply and distribution points metered, on the following state leases and/or units as follows:
Fiver State 18-27A-54-4 411H (iNut 10520), Fiver State 18-27B-54-4 421H (iNut 10521), Fiver State 18-27C-54-4 412H (iNut 11265)
Fiver State 18-27D-54-4 432H (iNut 11266), Fiver State 18-27E-54-4 401H (iNut 11267)
- ☒ I acknowledge and agree that royalty is due on 100% of the hydrocarbons produced from each lease and that the GLO will use molecular (component) balance software to verify the fractionated value of all processed gas. The GLO acknowledges that nothing in this statement is intended to amend or modify any lease that is the subject of this commingling. Gas royalty payment will be due on a molecular balance basis for non-processed gas and processed gas irrespective of the method of allocation I have used to report such production if underpayment is discovered during an audit.

Company Name, Address: WPX ENERGY PERMIAN, LLC 333 W. SHERIDAN AVE OKC, OK 73102

Responsible Official Name, Title: Amy Brown, Regulatory Compliance Signature: Amy A. Brown

Date: 10/5/2023 Phone: (405) 552-6137 Email Address: amy.brown@dm.com

GLO Approval by: _____ Signature: _____ Date: _____

GLO Notes:

51

File No. MF 109880

County

Comm Exempt 3 Gas lift Approval 10/19/23

Date Filed: 10/30/23

Commissioner Dawn Buckingham, M.D.

By: AS

Matthew Scott

From: Matthew Scott
Sent: Thursday, October 19, 2023 10:40 AM
To: Brown, Amy
Cc: Robert Hatter; Brian Raygon
Subject: 08-9818 10-19-23 COMMINGLONG AND GAS LIFT APPROVAL FIVER ST HERC ST FIVER HERC EAST ST PAD
Attachments: 08-9818 10-19-23 COMMINGLING AND GAS LIFT APPROVAL FIVER ST HERC ST FIVER HERC EAST ST PAD.pdf; Fiver Herc East State Pad - REV1 Submitted GLO Application 10.2023.pdf

Ms. Brown,

Thank you for (a) submitting the application, per attachment "Fiver Herc East State Pad - REV1 Submitted GLO Application 10.2023.pdf", to commingle production at the Fiver Herc East State Pad from PSA 00263, Fiver State 18-27(X)-54-4, INUTs 11607, 11608, 11606 and PSA 00286, Herc State 6-15-54-4(X), INUTs 11695, 11677, 11694, and 11676 and (b) the request to use gas lift as an artificial lift method in the in PSA 00263, Fiver State 18-27(X)-54-4, INUT 11607, 11608, 11606 wells.

Please find attached the approval of the application, dated 10/19/2023, for the surface commingling of the production from the PSA 00263, Fiver State 18-27(X)-54-4, INUTs 11607, 11608, 11606 and PSA 00286, Herc State 6-15-54-4(X), INUTs 11695, 11677, 11694, and 11676 wells listed in the application and as part of RRC P17 08-9818.

Gas Lift

In addition, as Lessee and operator of the PSA 00263, Fiver State 18-27(X)-54-4, INUT 11607, 11608, and 11606 wells, it was requested that the GLO approve of the use of gas lift as a form of artificial lift to produce these wells.

The GLO approves of the use of gas lift to produce the Fiver State 18-27(X)-54-4, INUT 11607, 11608, and 11606 wells from the portion of state mineral leases MF109880, MF114285, MF115977, and MF118232 that are included in the scope of RRC P-17 08-9818.

Thank you,

Matthew

Matthew T. Scott, P.E.
Petroleum Engineer
(512) 463-5296
Energy Resources Division
Texas General Land Office
Commissioner Dawn Buckingham, M.D.

From: Brown, Amy <Amy.Brown@dvn.com>
Sent: Tuesday, October 17, 2023 3:13 PM
To: Matthew Scott <Matthew.Scott@glo.texas.gov>
Subject: [EXTERNAL] Fiver Herc East State Pad - REV1 GLO Surface Commingle / Gas Lift Permit Application

Good afternoon, Matthew. Please see the attached (REVISED) application for our Fiver Herc East State pad. The attached includes the following:

- GLO application page
- GLO lease list (UPDATED WITH LEASE AND PSA NUMBERS)
- Process Narrative
- Process Flow Diagram
- Approved P17A

Thank you so much!

Amy A. Brown

Regulatory Compliance Professional

Devon Energy Production Co.

(405) 552-6137

Confidentiality Warning: This message and any attachments are intended only for the use of the intended recipient(s), are confidential, and may be privileged. If you are not the intended recipient, you are hereby notified that any review, retransmission, conversion to hard copy, copying, circulation or other use of all or any portion of this message and any attachments is strictly prohibited. If you are not the intended recipient, please notify the sender immediately by return e-mail, and delete this message and any attachments from your system.

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.



Texas General Land Office
Application to Surface Commingle State Leases

Application Revision
April 15, 2023

Provide a GLO Lease List that includes all applicable mineral lease, GLO pooled unit, PSA, and i-Nut information for all wells in the scope of an RRC Form P-17/17A or a request to utilize gas lift, and process flow diagram(s) showing the unique meter identification number or serial number for all flow meters used to identify a meter in the field and the unique identification number for each piece of major equipment (i.e., pressure vessel, heater treater, compressor, VRU, tank, flare, etc.). **Each facility that commingles production must have: (1) all the Oil (O), Gas (G), and Water (W) meters and/or GLO pre-approved full well stream/multi-phase flow meters (MPFM) necessary for the measurement and allocation of production, (2) all meters necessary to measure lease use volumes (fuel, vent, flare, and instrument gas), (3) lift gas supply and distribution meters and individual well lift gas supply meters, and (4) all sales/custody transfer meters.**

Certifications Form P-17/P-17A District: 08 Permit Number: 9818 Effective Month/Year: 11/2021

- ☒ All State lease oil and gas separators are of ample capacity as required by 31 Texas Administrative Code (TAC) §9.35(a)(2) and the terms of any lease that is the subject of this commingling.
- ☒ If applicable, the appropriate Form P-17 or P-17A has been filed with the Railroad Commission of Texas with respect to all leases associated with this application, and the GLO has been furnished with a copy.
- ☒ All non-sales (e.g., fuel, instrument, vent, flash, flare, and lift gas) dispositions of hydrocarbon are metered as required by 31 TAC §9.35(a)(2) and the terms of any lease that is the subject of this commingling. If any required meters are missing, they will be installed within 12 months of the date of this application.
- ☒ All sales dispositions of hydrocarbon are metered as required by 31 TAC §9.35(a)(2) and pursuant to the terms of any lease that is the subject of this commingling.
- ☒ No material changes to the commingled facility or equipment as represented in this application will be made without prior written permission of the GLO.
- ☐ Where applicable, the Lessee has obtained prior written permission to inject recycled or off-lease gas for secondary or enhanced recovery operations or for gas lift purposes as an artificial lift method, and all gas supply and distribution points are metered per 31 TAC §9.35(a)(2). If gas is not injected into a formation or utilized for gas lift, then leave the check box blank.
- ☒ Lessee requests permission to recycle gas or utilize gas lift pursuant to the terms of each state lease, with all gas supply and distribution points metered, on the following state leases and/or units as follows:
Fiver State 18-27I-54-4 #414H (iNut 11607), Fiver State 18-27J-54-4 #434H (iNut 11608), Fiver State 18-27K-54-4 #403H (iNut 11606)
Herc State 6-15-54-4F #415H (iNut 11695) Herc State 6-15-54-4G #435H (iNut 11677) Herc State 6-15-54-4H #414H (iNut 11694) Herc State 6-15-54-4I #422H (iNut 11676)
- ☒ I acknowledge and agree that royalty is due on 100% of the hydrocarbons produced from each lease and that the GLO will use molecular (component) balance software to verify the fractionated value of all processed gas. The GLO acknowledges that nothing in this statement is intended to amend or modify any lease that is the subject of this commingling. Gas royalty payment will be due on a molecular balance basis for non-processed gas and processed gas irrespective of the method of allocation I have used to report such production if underpayment is discovered during an audit.

Company Name, Address: WPX ENERGY PERMIAN, LLC 333 W. SHERIDAN AVE OKC, OK 73102

Responsible Official Name, Title: Amy Brown, Regulatory Compliance Signature: Amy A. Brown

Date: 10/9/2023 Phone: (405) 552-6137 Email Address: amy.brown@wpx.com

GLO Approval by: Matthew T. Scott Signature: Matthew T. Scott Date: 10/19/2023

GLO Notes: Surface commingling in PSA 00263, Fiver State 18-27(X)-54-4, INUT 11607, 11608, 11606 and PSA 00286, Herc State 6-15-54-4(X), INUT 11695, 11677, 11694, and 11676 and gas lift in PSA 00263, Fiver State 18-27(X)-54-4, INUT 11607, 11608, 11606.

REVISION: 4/15/2023

GLO LEASE LIST			SEE NOTE 3				SEE NOTE 1				SEE NOTE 2	
RRC Designated Field Name & (Reservoir)	RRC Lease Name	RRC Well Number	RRC Lease Number or Identifier	Wellbore 10 Digit API No.	RRC Form P-17 Action Status	RRC Lease Type (Oil/Gas)	State Mineral Lease No.	Production Sharing Agreement (PSA) Number	GLO Unit Name Per Unit Agreement	GLO Unit Number or PSA i-Nut Number	State Mineral Lease or Unit Decimal NRI	
Phantom (Wolfcamp)	Fiver State 18-27I-54-4	414H	291602	42-389-39342	Approved	Gas	MF109880	263	Fiver State 18-27I-54-4 #414H	11607	0.06261459	
Phantom (Wolfcamp)	Fiver State 18-27J-54-4	434H	291533	42-389-38346	Approved	Gas	MF109880	263	Fiver State 18-27J-54-4 #434H	11608	0.06259658	
Phantom (Wolfcamp)	Fiver State 18-27K-54-4	403H	291668	42-389-39347	Approved	Gas	MF109880	263	Fiver State 18-27K-54-4 #403H	11606	0.06228764	
Phantom (Wolfcamp)	Herc State 6-15-54-4F	415H	291750	42-389-39328	Approved	Gas	MF117669	286	Herc State 6-15-54-4F #415H	11695	0.06251813	
Phantom (Wolfcamp)	Herc State 6-15-54-4G	435H	291604	42-389-39329	Approved	Gas	MF117669	286	Herc State 6-15-54-4G #435H	11677	0.06239122	
Phantom (Wolfcamp)	Herc State 6-15-54-4H	414H	291607	42-389-39330	Approved	Gas	MF117669	286	Herc State 6-15-54-4H #414H	11694	0.06274287	
Phantom (Wolfcamp)	Herc State 6-15-54-4I	422H	291608	42-389-39331	Approved	Gas	MF117669	286	Herc State 6-15-54-4I #422H	11676	0.06255502	

NOTES:

IF DUE TO HORIZONTAL SEVERANCE OR DEPTH LIMITATIONS SEVERAL LEASES EXIST WITHIN A COMMON WELLBORE, THEN ENTER THE MINERAL LEASE NUMBER FOR THE RRC DESIGNATED PRODUCING FIELD AND RESERVOIR INTERVAL.

IF THE WELLBORE OF A HORIZONTAL WELL OR DIRECTIONAL WELL TRAVERSES MULTIPLE STATE AND PRIVATE MINERAL LEASES AND THE WELLBORE IS NOT INCLUDED IN A GLO POOLED UNIT, THEN ENTER EITHER:
 (A) THE PSA NUMBER AND LOWEST LEVEL BASE MINERAL FILE NUMBER FOR THAT PSA BASED ON SHARED AREA AND ITS APPLICABLE NRI BASED ON ACREAGE PARTICIPATION IN THE APPROPRIATE COLUMNS, OR
 (B) THE PSA NUMBER, LOWEST LEVEL BASE MINERAL FILE NUMBER, AND THE ASSOCIATED I-NUT NUMBER (ELSE "PENDING" IF THE I-NUT NUMBER HAS NOT YET BEEN ASSIGNED) FOR EACH ALLOCATION WELL WELLBORE BASED ON LENGTH OF LATERAL OR HORIZONTAL DRAINHOLE AREA IN THE PRODUCTIVE INTERVAL AND THE APPLICABLE STATE NRI FOR THAT WELLBORE IN THE APPROPRIATE COLUMNS.

AN I-NUT NUMBER IS A UNIQUE NUMBER THAT IS ASSIGNED TO EACH API WELLBORE THAT IS DRILLED AS AN ALLOCATION WELL WITH ALLOCATION BASED ON THE LENGTH OF LATERAL OR HORIZONTAL DRAINHOLE AREA WITHIN THE PRODUCTIVE RESERVOIR THAT IS AUTHORIZED PER A SPECIFIC UPLANDS LEASE PRODUCTION SHARING AGREEMENT (PSA). A HIGHWAY ROW (HROW) AND OTHER STATE AGENCY LANDS TYPE LEASE WILL NOT BE ASSOCIATED WITH A PSA. IF AN APPLICATION TO COMMINGLE STATE LEASES IS SUBMITTED AND AN I-NUT NUMBER HAS NOT YET BEEN ASSIGNED BY GLO STAFF, THEN ENTER "PENDING" AS THE REFERENCE PSA I-NUT NUMBER. I-NUT IS AN ACRONYM FOR "INTERNAL NON-UNIT TRANSACTION" THAT IS ASSIGNED BY GLO STAFF TO AN ALLOCATION WELL PER A SPECIFIC PRODUCTION SHARING AGREEMENT (PSA) THAT IS ASSOCIATED WITH ONE OR MORE STATE LEASES. GLO STAFF VERIFIES/DETERMINES THE NRI BASED ON AS-DRILLED LENGTH OF LATERAL INFORMATION PROVIDED BY THE LESSEE AND THE PARTICIPATION FACTOR OF EACH CONTRIBUTING STATE LEASE DEFINED BY THE APPLICABLE PSA.

3. IF A RRC LEASE NUMBER IS PENDING ASSIGNMENT OR THE WELL HAS NOT BEEN COMPLETED THEN ENTER "DP" FOLLOWED BY THE RRC DRILLING PERMIT NUMBER ASSIGNED BY THE RRC.

4. ALL WELLS ASSOCIATED WITH EACH RRC LEASE NUMBER INCLUDED IN THE SCOPE OF A COMMINGLING PERMIT SHALL BE INCLUDED ON THE GLO LEASE LIST SUBMITTED WITH THE APPLICATION TO COMMINGLE STATE LEASES.

THE NOTES SECTION ABOVE IS FOR INFORMATION AND GUIDANCE ONLY AND THUS MAY BE DELETED FROM THE GLO LEASE LIST THAT IS SUBMITTED TO THE GLO AS PART OF AN APPLICATION REQUEST TO COMMINGLE STATE LEASES.

Process Narrative – FIVER HERC EAST PAD Central Tank Battery

All Wells

Gross production from each well flows from its respective wellsite through a 3-phase flowline to the FIVER HERC EAST PAD Central Tank Battery. At the Central Tank Battery, it flows through a dedicated 3-phase separator which meters gas, oil, and water. The water is comingled and stored in tanks. The oil is measured individually, comingled, and stored in tanks. The gas is measured individually and flows to a 3rd party gatherer. Any hydrocarbon liquid collected from gas scrubbers will be sold from the tanks as oil.

Oil

Gross production of oil is processed at a dedicated 3-phase separator for the wells. Oil is then processed further at a Vapor Recovery Tower. The oil then flows to the common tanks where it is sold through a LACT unit to a 3rd party gatherer. The oil is measured by a Coriolis meter. Tank vent emissions are routed to a low pressure flare.

Gas

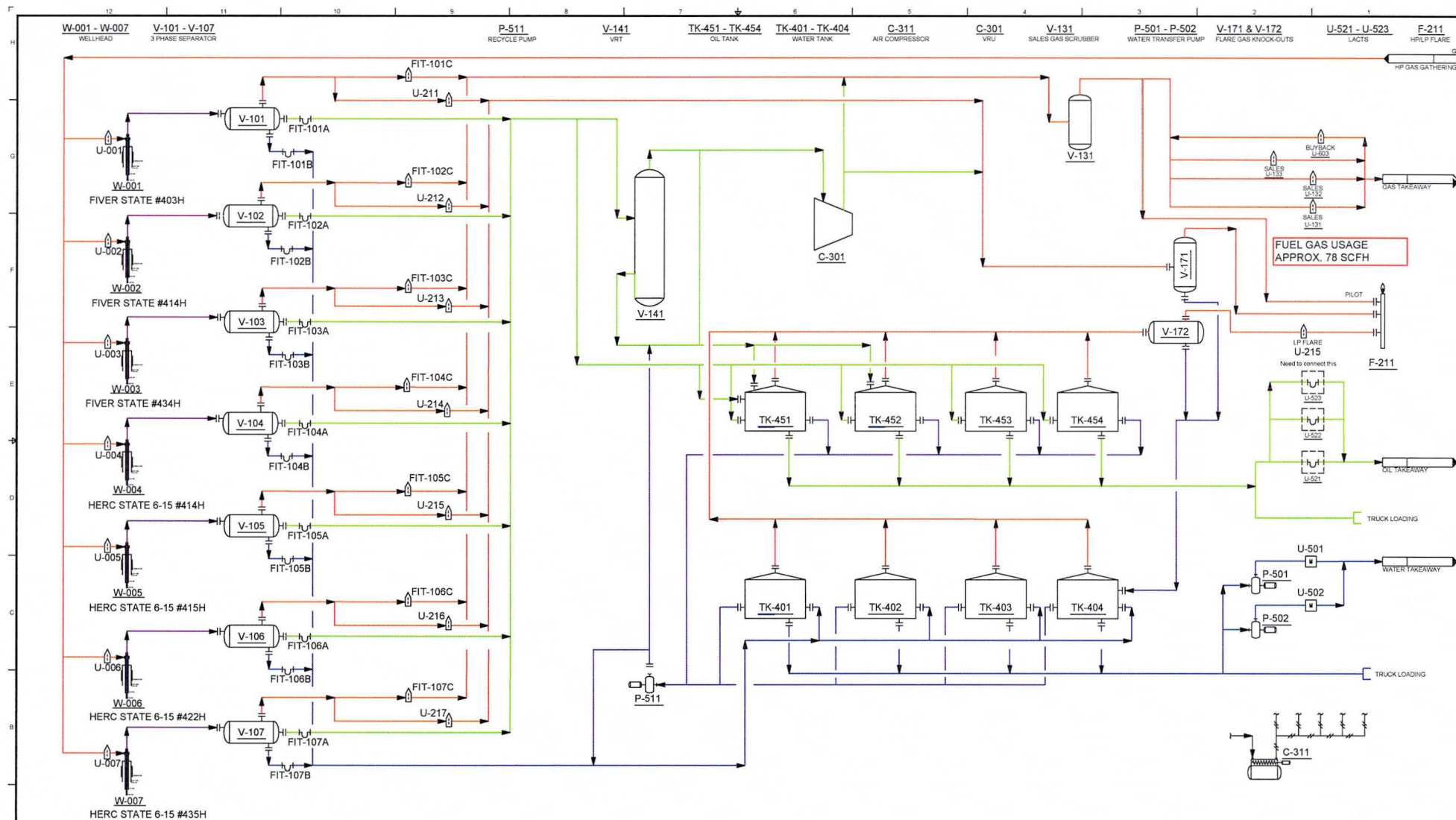
Gross production of the gas is measured at the outlet of the dedicated separator using an orifice meter. It will then flow through a common gas line to a lease custody transfer meter where it will be measured using an orifice meter and gathered by a 3rd party. If the gathering system pressure gets too high each well will send gas will flow through an orifice flare meter and flow to a high pressure flare. Fuel gas will be bought back from the gathering system and used for all wells. Flare royalties will be paid off a monthly statement using a MMBTU value for each well.

Gas Lift

Lift gas will be metered from the high pressure gathering through an individual well injection orifice meter and sent down the well bore.

Water

Gross production of water is measured at the outlet of the dedicated separator using a coriolis meter. The water is comingled and sent to common storage tanks. Tank vent emissions are routed to a low pressure. From the tanks, the water is sent to a pump and measured using a Mag meter. The pump moves the water to a Salt Water Disposal system.



NOTES:

- ORIFICE METER
- CORIOLIS METER
- MAGNETIC METER
- GAS
- OIL
- WATER
- FULL WELL STREAM
- INSTRUMENT AIR

DRAWING STATUS			
ISSUED FOR	DATE	BY	
PROJ.			
CONSTRUCTION			
AS-BUILT			

DRAWING STATUS			
ISSUED FOR	DATE	BY	
PROJ.			
CONSTRUCTION			
AS-BUILT			

DRAWING STATUS			
ISSUED FOR	DATE	BY	
PROJ.			
CONSTRUCTION			
AS-BUILT			

DRAWING STATUS			
ISSUED FOR	DATE	BY	
PROJ.			
CONSTRUCTION			
AS-BUILT			

Devon Energy Corporation 333 West Sheridan Avenue, Oklahoma City, OK 73102-5015	
FIVER HERC EAST STATE PROCESS FLOW DIAGRAM	
FILE NAME:	FIVER HERC EAST STATE PFD
REV	0



RAILROAD COMMISSION OF TEXAS

1701 N. Congress
P.O. Box 12967
Austin, Texas 78711-2967

Form P-17A

Rev. 03/2019

APPLICATION FOR COMMINGLE PERMIT PURSUANT TO STATEWIDE RULES 26 AND OR 27

☐ New
☒ Amended Existing Permit
No. 0810
Effective Month/Year of Requested
Exception: 11 / 2021
District: 00
County: LOUISIANA

SECTION 1. OPERATOR INFORMATION						
Operator Name: WPX ENERGY PERMIAN, LLC			Operator P-5 No.: 942623			
Operator Address: 333 WEST SHERIDAN AVENUE OKC, OK 73102						
SECTION 2. GATHERER (of oil or condensate) INFORMATION (not required if 3b is checked)						
Gatherer Name: STATELINE CRUDE, LLC			Gatherer P-5 No.: 818087			
Gatherer Address:						
Gatherer E-mail Address:						
(Optional - If provided, e-mail address will become part of this public record.)						
SECTION 3. APPLICATION APPLIES TO (CHECK ALL THAT APPLY): ☐ OIL ☐ CASINGHEAD GAS ☐ GAS WELL GAS ☐ CONDENSATE						
a) ☐ Gas well full well stream into common separation and storage facility with liquids reported on Form PR.						
b) ☐ Gas well full well stream into a gasoline plant/common separation and storage facility with liquids reported on Form R-3 Serial # _____ (If full well stream is checked, the results of periodic tests to determine the number of stock tank barrels of liquid hydrocarbons recovered per 1,000 standard cubic feet of gas must be reported on Form G-10 in accordance with SWR 55. Attach an explanation of any exceptions to SWR 55.)						
c) ☐ Condensate and low-pressure Gas Well Gas are commingled into low-pressure separation and storage facilities.						
d) ☐ This request is for off lease: ☐ Storage ☐ Separation ☐ Metering						
e) ☐ This application is for common storage.						
f) ☐ This application is for common separation.						
g) ☐ This application is for casinghead gas metering by: Deduct Metering Allocation by well test Other _____						
h) ☐ This application is for gas well gas metering by: Deduct Metering Allocation by well test Other _____						
SECTION 4. COMMINGLING PURSUANT TO §3.26(b) or §3.27(a) - (CHECK ALL THAT APPLY)						
a) ☐ The production stream from each tract and each Commission-designated reservoir is measured separately before combining it with a stream from another tract or Commission-designated reservoir. Production will be allocated by: W-10 (oil) W-2 retest (oil) PD Meter (oil & condensate) ☐ G-10 (gas) Other _____						
b) ☐ The tracts and Commission-designated reservoirs have identical royalty interest and working interest ownership in identical percentages. Production will be allocated by: W-10 (oil) W-2 retest (oil) PD Meter (oil & condensate) G-10 (gas) Other _____						
SECTION 5. Any one of the wells proposed for commingling produces from a Commission-designated reservoir for which special field rules regarding surface commingling have been adopted. (Notice may be required; see Instructions)						
SECTION 6. Wells proposed for commingling have an operator's name other than the applicant listed in SECTION 1. (See Instructions)						
SECTION 7. For oil production, the production from all oil wells on each oil lease is to be commingled. (See Instructions)						
SECTION 8. IDENTIFY LEASES AS SHOWN ON COMMISSION RECORDS (attach additional pages as needed)						
DISTRICT	RRC IDENTIFIER	ACTION			LEASE AND FIELD NAME	WELL NO.
08	291688	☐ Existing	Add	Delete	FIVER STATE 18-27K-54-4 / PHANTOM (WOLFCAMP)	403H
08	291692	☐ Existing	Add	Delete	FIVER STATE 18-27L-54-4 / PHANTOM (WOLFCAMP)	414H
08	291633	☐ Existing	Add	Delete	FIVER STATE 18-27J-54-4 / PHANTOM (WOLFCAMP)	434H
08	291750	☐ Existing	Add	Delete	HERC STATE 8-15-54-4F / PHANTOM (WOLFCAMP)	415H
ATTACH ADDITIONAL PAGES AS NEEDED. No additional pages ☐ Additional pages 1 (# of additional pages)						
CERTIFICATE: I declare under penalties in Sec. 91.143, Texas Natural Resources Code, that I am authorized to file this application, that this application was prepared by me or under my supervision and direction, and that the data and facts stated therein are true, correct, and complete to be the best of my knowledge. I certify that all requests for related required approvals from other affected state agencies have been submitted and that I understand that any authorization granted by Commission approval of this application is contingent upon the approvals from other affected state agencies being obtained.						
Signature: <u>Amy Brown</u>		Title: <u>Regulatory Compliance Professional</u>			Date: <u>01/20/2023</u>	
Operator E-mail Address: <u>amy.brown@wp.com</u>		Operator Phone No. <u>(405) 552-6137</u>				
(Optional - If provided, e-mail address will become part of this public record.)						
RRC USE ONLY						
Commingling Permit No. <u>9818</u>		Approval date: <u>2/6/23</u>		<u>[Signature]</u>		

**RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION**

**ATTACHMENT FOR
APPLICATION FOR EXCEPTION TO
STATEWIDE RULES (SWR) 26 AND/OR 27
COMMINGLE PERMIT APPLICATION**

FORM P-17 ATTACHMENT

SECTION 8. (CONT'D) IDENTIFY LEASES AS SHOWN ON COMMISSION RECORDS (attach additional pages as needed)

[illegible]



Texas General Land Office
Application to Surface Commingle State Leases

Application Revision
April 15, 2023

Provide a GLO Lease List that includes all applicable mineral lease, GLO pooled unit, PSA, and i-Nut information for all wells in the scope of an RRC Form P-17/17A or a request to utilize gas lift, and process flow diagram(s) showing the unique meter identification number or serial number for all flow meters used to identify a meter in the field and the unique identification number for each piece of major equipment (i.e., pressure vessel, heater treater, compressor, VRU, tank, flare, etc.). **Each facility that commingles production must have: (1) all the Oil (O), Gas (G), and Water (W) meters and/or GLO pre-approved full well stream/multi-phase flow meters (MPFM) necessary for the measurement and allocation of production, (2) all meters necessary to measure lease use volumes (fuel, vent, flare, and instrument gas), (3) lift gas supply and distribution meters and individual well lift gas supply meters, and (4) all sales/custody transfer meters.**

Certifications Form P-17/P-17A District: 08 Permit Number: 9818 Effective Month/Year: 11/2021

- ☒ All State lease oil and gas separators are of ample capacity as required by 31 Texas Administrative Code (TAC) §9.35(a)(2) and the terms of any lease that is the subject of this commingling.
- ☒ If applicable, the appropriate Form P-17 or P-17A has been filed with the Railroad Commission of Texas with respect to all leases associated with this application, and the GLO has been furnished with a copy.
- ☒ All non-sales (e.g., fuel, instrument, vent, flash, flare, and lift gas) dispositions of hydrocarbon are metered as required by 31 TAC §9.35(a)(2) and the terms of any lease that is the subject of this commingling. If any required meters are missing, they will be installed within 12 months of the date of this application.
- ☒ All sales dispositions of hydrocarbon are metered as required by 31 TAC §9.35(a)(2) and pursuant to the terms of any lease that is the subject of this commingling.
- ☒ No material changes to the commingled facility or equipment as represented in this application will be made without prior written permission of the GLO.
- ☐ Where applicable, the Lessee has obtained prior written permission to inject recycled or off-lease gas for secondary or enhanced recovery operations or for gas lift purposes as an artificial lift method, and all gas supply and distribution points are metered per 31 TAC §9.35(a)(2). If gas is not injected into a formation or utilized for gas lift, then leave the check box blank.
- ☒ Lessee requests permission to recycle gas or utilize gas lift pursuant to the terms of each state lease, with all gas supply and distribution points metered, on the following state leases and/or units as follows:
Fiver State 18-27I-54-4 #414H (iNut 11607), Fiver State 18-27J-54-4 #434H (iNut 11608), Fiver State 18-27K-54-4 #403H (iNut 11606)
Herc State 6-15-54-4F #415H (iNut 11695) Herc State 6-15-54-4G #435H (iNut 11677) Herc State 6-15-54-4H #414H (iNut 11694) Herc State 6-15-54-4I #422H (iNut 11676)
- ☒ I acknowledge and agree that royalty is due on 100% of the hydrocarbons produced from each lease and that the GLO will use molecular (component) balance software to verify the fractionated value of all processed gas. The GLO acknowledges that nothing in this statement is intended to amend or modify any lease that is the subject of this commingling. Gas royalty payment will be due on a molecular balance basis for non-processed gas and processed gas irrespective of the method of allocation I have used to report such production if underpayment is discovered during an audit.

Company Name, Address: WPX ENERGY PERMIAN, LLC 333 W. SHERIDAN AVE OKC, OK 73102

Responsible Official Name, Title: Amy Brown, Regulatory Compliance Signature: Amy A. Brown

Date: 10/9/2023 Phone: (405) 552-6137 Email Address: amy.brown@dyn.com

GLO Approval by: _____ Signature: _____ Date: _____

GLO Notes:

52

File No. MF 109880

County

Comm Exempt N 3 Bas 1.174 Appr V 10/19/23

Date Filed: 10/30/23

Commissioner Dawn Buckingham, M.D.

By: 

POOLING AGREEMENT
PANTHER ENERGY COMPANY II, LLC
FIVER STATE 18 1H UNIT
GLO UNIT NO. 8293
REEVES COUNTY, TEXAS

THIS AGREEMENT is entered into by and between the Commissioner of the General Land Office, on behalf of the State of Texas, as "Lessor" and Panther Energy Company II, LLC, herein referred to as "Lessee", and such other interested parties as may join in the execution hereof, the undersigned parties herein collectively referred to as the "parties", in consideration of the mutual agreements hereinafter set forth and other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, and for the purposes and upon the terms and conditions which follow:

PURPOSES:

1.

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

UNIT DESCRIPTION:

2.

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

MINERAL POOLED:

3.

The mineral pooled and unitized ("pooled mineral") hereby shall be oil and gas including all hydrocarbons that may be produced from an oil well or a gas well as such wells are recognized and designated by the Railroad Commission of Texas or other state regulatory agency having jurisdiction of the drilling and production of oil and gas wells. The pooled mineral shall extend to those depths underlying the surface boundaries of the pooled unit from the surface to the base of the Wolfcamp formation, subject to the provision in the State Lease or Leases for Horizontal Severance ("unitized interval").

POOLING AND EFFECT:

4.

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

- (a) The unit, to the extent as above described, shall be operated as an entirety for the exploration, development and production of the pooled mineral, rather than as separate tracts.
- (b) All drilling operations, reworking or other operations with respect to the pooled mineral on land within the unit shall be considered as though the same were on each separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Agreement. In the event the unitized area covered by this Agreement is maintained in force by drilling or reworking operations conducted on a directional or horizontal well drilled under the unitized area from a surface location on adjacent or adjoining lands not included within the boundaries of the unitized area, such operations shall be considered to have been commenced on the unitized area when drilling is commenced on the adjacent or adjoining land for the purpose of directionally drilling under the unitized area and production of oil or gas from the unitized area through any directional or horizontal well surfaced on adjacent or adjoining land or drilling or reworking of any such well shall be considered production or drilling or reworking operations, as the case may be, on the unitized area for all purposes under this Agreement. Nothing in this Agreement is intended or shall be construed as granting to Lessee any leasehold interest, easements, or other rights in or with respect to any such adjacent or adjoining land in addition to any such leasehold interests, easements, or other rights which the lessee, operator or other interest owner in the unitized area may have lawfully acquired from the state or others.
- (c) Production of the pooled mineral from the unit allocated to each separate tract, respectively, as hereinafter provided, shall be deemed to have been produced from each such separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Agreement.
- (d) All rights to the production of the pooled mineral from the unit, including royalties and other payments, shall be determined and governed by the lease or other contract pertaining to each separate tract, respectively, based upon the production so allocated to such tract only, in lieu of the actual production of the pooled mineral therefrom. Provided that, payments that are made on a per acre basis shall be reduced according to the number of acres pooled and included herein, so that payments made on a per acre basis shall be calculated based upon the number of acres actually included within the boundaries of the pooled unit covered by this Agreement.
- (e) A shut-in oil or gas well located upon any land or lease included within said unit shall be considered as a shut-in oil or gas well located upon each land or lease included

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within said unit; provided, however, that shut-in oil or gas well royalty shall be paid to the State on each State lease wholly or partially within the unit, according to the terms of such lease as though such shut-in oil or gas well were located on said lease, it being agreed that shut-in royalties provided in each State lease shall not be shared with other royalty owners.

- (f) Notwithstanding any other provision hereof, it is expressly agreed that each State lease may be maintained in force as to areas lying outside the unitized area described in Exhibit "B" only as provided in each such lease without regard to unit operations or unit production. Neither production of the pooled mineral, nor unit operations with respect thereto, nor the payment of shut-in royalties from a unit well, shall serve to hold any State lease in force as to any area outside the unitized area described in Exhibit "B" regardless of whether the production or operations on the unit are actually located on the State lease or not. "Area" as used in this paragraph shall be based upon surface acres to the end that, except as may otherwise be provided in each State Lease, the area inside the surface boundaries of the pooled unit, if held, will be held as to all depths and horizons.
- (g) If the Railroad Commission of Texas (or any other Texas regulatory body having jurisdiction) shall adopt special field rules providing for oil and/or gas proration units of less than the number of acres included in the pooled unit, then Lessee agrees to either (1) drill to the density permitted by the Railroad Commission, (2) make application to the School Land Board of the State of Texas to reform the unit to comply with Railroad Commission unit rules, or (3) make application to the School Land Board of the State of Texas for such remedy as may be agreeable to the Board.
- (h) This Agreement shall not relieve Lessee from the duty of protecting the State leases described in Exhibit "A" and the State lands within the boundaries of the pooled unit described in Exhibit "B" from drainage from any well situated on privately owned land, lying outside the unitized area described in Exhibit "B", but, subject to such obligation, Lessee may produce the allowable for the entire unit as fixed by the Railroad Commission of Texas or other lawful authority, from any one or more wells completed thereon.
- (i) There shall be no obligation to drill internal offsets to any other well on separate tracts within the pooled unit, nor to develop the lands within the boundaries thereof separately, as to the pooled mineral.
- (j) Should this Agreement terminate for any cause, the leases and other contracts affecting the lands within the unit, if not then otherwise maintained in force and effect, shall remain and may be maintained in force and effect under their respective terms and conditions in the same manner as though there had been production or operations under said lease or contract and the same had ceased on the date of the termination of this Agreement.

ALLOCATION OF PRODUCTION:

5.

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

TAKING ROYALTY IN KIND:

6.

Notwithstanding anything contained herein to the contrary, the State may, at its option, upon not less than sixty (60) days notice to Lessee, require that payment of all or any royalties accruing to the State under this pooling or unitization agreement be made in kind, without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting and otherwise making the oil, gas and other products produced hereunder ready for sale or use.

EFFECTIVE DATE:

7.

Upon execution by the Commissioner of the General Land Office of the State of Texas this Agreement shall become effective as of January 17, 2017.

SPECIAL TERMS AND CONDITIONS:

8.

Notwithstanding anything contained herein to the contrary, this Agreement is subject to the terms and conditions of the attached Addendum "A".

TERM:

9.

This Agreement shall remain in effect so long as the pooled mineral is being produced from said unit, or so long as all leases included in the pooled unit are maintained in force by payment of delay rentals or shut-in oil or gas well royalties, by drilling or rework, or by other means, in accordance with the terms of said leases. Nothing herein shall amend or modify Section 52.031 of the Natural Resources Code, or any of the provisions thereof, which are contained in any State lease covered by this Agreement.

STATE LAND:

10.

Insofar as the royalty interest of the State of Texas in and under any State tract committed to the unit is concerned, this Agreement is entered into, made and executed by the undersigned Commissioner of the General Land Office by virtue of the authority and pursuant to the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, authorizing the same, after the prerequisites, findings and approval hereof, as provided in said Code having been duly considered, made and obtained.

DISSOLUTION:

11.

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

RATIFICATION/WAIVER:

12.

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

COUNTERPARTS:

13.

This Agreement may be executed in counterparts and if so executed shall be valid, binding and have the same effect as if all the parties hereto actually joined in and executed one and the same document. For recording purposes and in the event counterparts of this Agreement are executed, the executed pages, together with the pages necessary to show acknowledgments, may be combined with the other pages of this Agreement so as to form what shall be deemed and treated as a single original instrument showing execution by all parties hereto.

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

Date Executed 4/6/17

STATE OF TEXAS

By:

George P. Bush, Commissioner
General Land Office

Legal
Content
Geology
Executive

Date Executed 1-1-17

PANTHER ENERGY COMPANY II, LLC

By:

James R. Stone

Executive Vice President

CERTIFICATE

I, Stephanie Crenshaw, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 17th day of January, 2017, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the 6th day of April, 2017.

Stephanie Crenshaw
Secretary of the School Land Board

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STATE OF OKLAHOMA

COUNTY OF TULSA

This instrument was acknowledged before me on Jan 1, 2017, by James R. Stone
as EXCVP of Panther Energy Company II, LLC, a Delaware limited liability
company on behalf of said company.



Diane Wehrenberg
Notary Public in and for the
State of Oklahoma

Date Executed 2-6-17

CP2 Operating, LLC

By: Mark A. Clemans

Mark A. Clemans

Its: President / CEO

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STATE OF TEXAS

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COUNTY OF _____

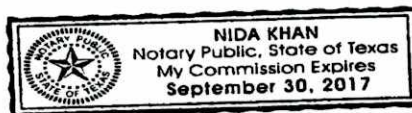
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This instrument was acknowledged before me on this the 6th day of February, 2017,
by Mark A. Clemans, as Pres/CEO of CP2 OPERATING, LLC, a Delaware Limited
Liability Company, acting for and on behalf of said company.

Nida Khan

Notary Public in and for the State of Texas

Notary ID # _____



Date Executed 2/14/2017

SWEPI LP

By: *Jeff Turnbull*

DAA

Its: Jeff Turnbull
Attorney-In-Fact

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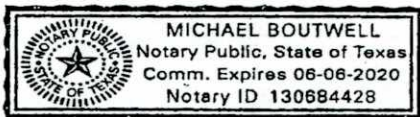
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COUNTY OF Harris

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This instrument was acknowledged before me on this the 14th day of February, 2017,
by Jeff Turnbull, as Attorney-in-Fact of SWEPI LP, a Delaware Limited ~~Liability~~
~~Company~~, acting for and on behalf of said ~~company~~. Partnership



Michael Boutwell
Notary Public in and for the State of Texas

130684428

Notary ID #

Date Executed 1/1/2017

Anadarko E&P Onshore, LLC

By: [Signature]
Joseph M. Colerick

Its: Agent and Attorney-in-Fact

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Date

STATE OF TEXAS

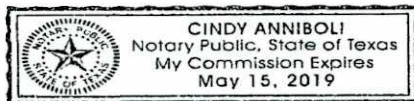
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COUNTY OF Montgomery §

This instrument was acknowledged before me on this the 1st day of Jan, 2017,
by Joe M. Colerick as Agent of Anadarko E&P Onshore, LLC, a Delaware
Limited Liability Company, acting for and on behalf of said company.
Attorney-in-Fact

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



Notary ID #

Addendum "A"

To that certain Pooling Agreement for the Fiver State 18-1H Unit

The Parties hereby agree that should a conflict exist between this addendum and the body of the agreement that this Addendum shall prevail.

The pooled unit shall consist of all of the lands herein described in the attached Exhibit "B" and depicted in the attached plat as Exhibit "C". Lessee agrees to drill a minimum of four (4) Horizontal wells within the unit with Horizontal lateral that extend extensively in the lands included in the unit, provide however that, should Lessee fail to meet the "Drilling Obligation Timeframe", as specifically defined below, then such unit shall remain in full force and effect as to any and all wells drilled upon the unit acreage, but shall shrink down to allow for a maximum size of 160 acres per well drilled in the unit, as close as is reasonably practicable to the shape of a rectangle surrounding the well or wells. In the event that Lessee chooses to drill wells ahead of the Drilling Obligation Timeframe detailed below, then Lessee shall not be penalized for doing so and shall still conserve the benefit of the Drilling Obligation Timeframe described below.

Drilling Obligation Timeframe:

Lessee shall have commenced actual Drilling Operations in the Following manner:

- | | | |
|-------------|---|--|
| First well | - | spud on or before 6/16/2017 |
| Second well | - | Spud before or within 180 days after the completion the First well |
| Third Well | - | spud on or before 9/14/2019 |
| Fourth well | - | Spud before or within 180 days after the completion the third well |

Once actual drilling operations have been commenced on a particular well, Lessee shall continue drilling and completion operations thereafter on such well with due diligence, as a reasonable prudent operator would under the same or similar circumstances.

In the event Lessee commences actual drilling operations on all four (4) wells committed to be drilled hereunder as provided above and such well are thereafter completed as wells being capable of producing oil or gas in paying quantities, the parties hereby agree that the pooled unit shall remain in the original, unaltered size and shape as described in Exhibit "B" and depicted in Exhibit "C", in accordance with paragraph nine (9) of this Agreement.

End of Addendum "A"

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Exhibit "A"

<u>Lease Name</u>	<u>Lessee</u>	<u>Lease Date</u>	<u>Volume</u>	<u>Page</u>	<u>State Lease Number</u>	<u>State</u>	<u>County</u>	<u>Legal Description</u>
State of Texas, acting by and through its agent, Vaughan-McElvain Energy, Inc.	Petrohawk Properties, LP	6/16/2012	951	365	MF 114285A	Texas	Reeves	The NE/4 and the SW/4 of Section 18, Block 54, Township 4 South, T.&P. Ry. Co. Survey, A-5785
State of Texas, acting by and through its agent, J&M Raymond, Ltd.	Petrohawk Properties, LP	6/16/2012	951	358	MF 114285B	Texas	Reeves	The NE/4 and the SW/4 of Section 18, Block 54, Township 4 South, T.&P. Ry. Co. Survey, A-5785
State of Texas, acting by and through its agent, The Revocable Living Trust of E.P. Williams and Dorothy Jane Williams Dated August 19, 1998, by Linda J. Marooney, Successor Trustee	Petrohawk Properties, LP	6/16/2012	951	372	MF 114285C	Texas	Reeves	The NE/4 and the SW/4 of Section 18, Block 54, Township 4 South, T.&P. Ry. Co. Survey, A-5785
State of Texas, acting by and through its agent, Dean Eric Skinner	Petrohawk Properties, LP	6/16/2012	951	344	MF 114285D	Texas	Reeves	The NE/4 and the SW/4 of Section 18, Block 54, Township 4 South, T.&P. Ry. Co. Survey, A-5785
State of Texas, acting by and through its agent, Timothy A. Skinner	Petrohawk Properties, LP	6/16/2012	951	351	MF 114285E	Texas	Reeves	The NE/4 and the SW/4 of Section 18, Block 54, Township 4 South, T.&P. Ry. Co. Survey, A-5785
State of Texas, acting by and through its agent, Petco Limited	Petrohawk Properties, LP	6/16/2012	951	409	MF 109880D	Texas	Reeves	The SE/4 and the NW/4 of Section 18, Block 54, Township 4 South, T.&P. Ry. Co. Survey, A-1997
State of Texas, acting by and through its agent, Nancy Dean Investments Corporation	Panther Energy Company, II, LLC, d/b/a Panther Exploration, LLC	9/14/2016	1326	499	MF 118232	Texas	Reeves	The SE/4 and the NW/4 of Section 18, Block 54, Township 4 South, T.&P. Ry. Co. Survey, A-1997

Exhibit "A"

<u>Lease Name</u>	<u>Lessee</u>	<u>Lease Date</u>	<u>Volume</u>	<u>Page</u>	<u>State Lease Number</u>	<u>State</u>	<u>County</u>	<u>Legal Description</u>
State of Texas, acting by and through its agent, Charlotte T. Slack	SWEPI LP	1/2/2014	1074	656	MF 115997B	Texas	Reeves	The SE/4 and the NW/4 of Section 18, Block 54, Township 4 South, T.&P. Ry. Co. Survey, A-1997
State of Texas, acting by and through its agent, Cynthia S. Shaw	SWEPI LP	1/30/2014	1074	635	MF 115997C	Texas	Reeves	The SE/4 and the NW/4 of Section 18, Block 54, Township 4 South, T.&P. Ry. Co. Survey, A-1997
State of Texas, acting by and through its agent, Anne S. Mackey	SWEPI LP	1/30/2014	1074	677	MF 115997D	Texas	Reeves	The SE/4 and the NW/4 of Section 18, Block 54, Township 4 South, T.&P. Ry. Co. Survey, A-1997
State of Texas, acting by and through its agent, Richard C. Slack, II	SWEPI LP	1/30/2014	1077	561	MF 115997E	Texas	Reeves	The SE/4 and the NW/4 of Section 18, Block 54, Township 4 South, T.&P. Ry. Co. Survey, A-1997

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Exhibit "B"

The Fiver State 18 1H Unit covers all of the below described land:

All of Section 18, Block 54, Township 4 South, T.&P. Ry. Co. Survey, Reeves County, Texas, containing
640 acres, more or less

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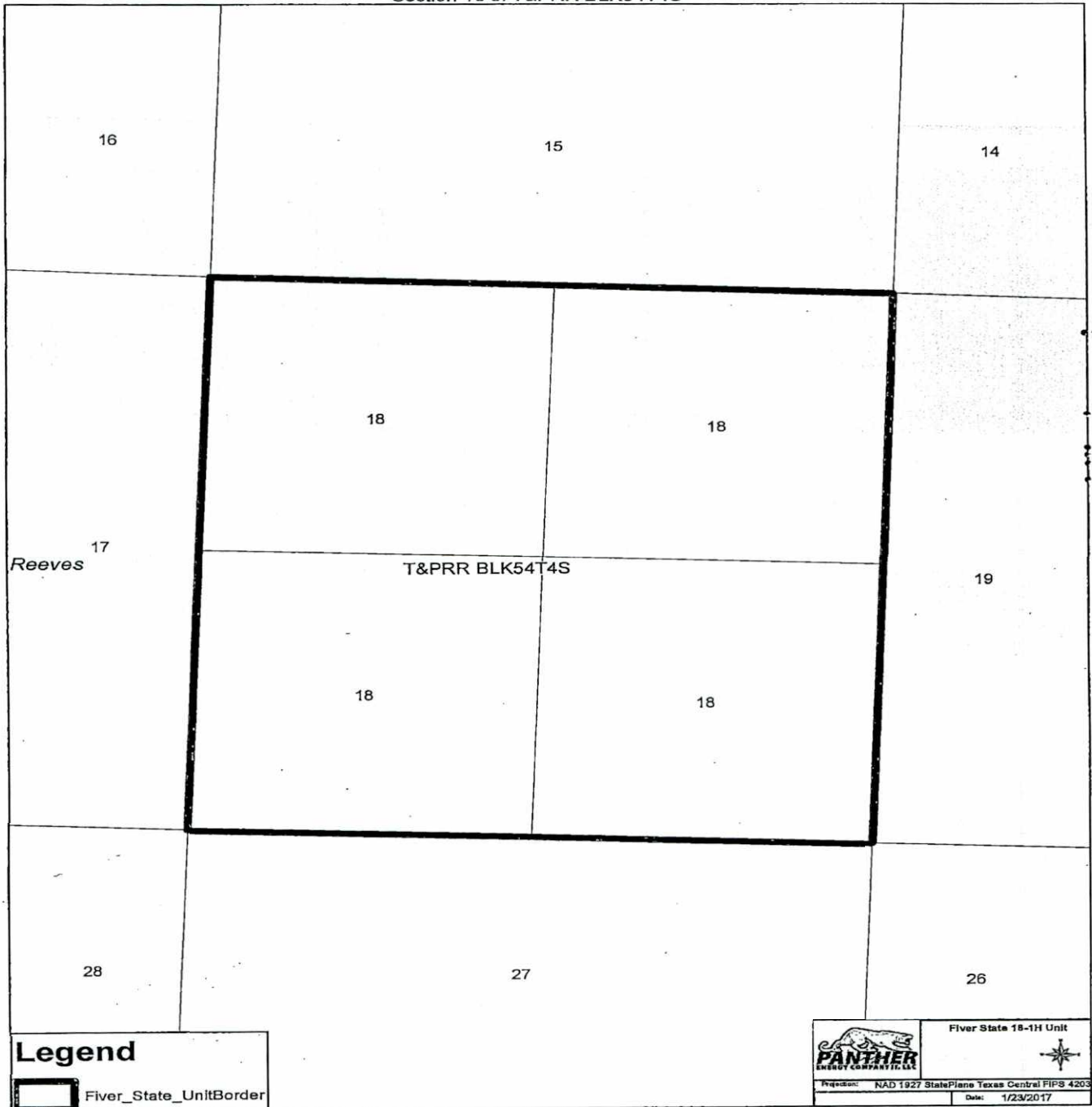
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Exhibit "C"
Fiver State 18-1H Unit

Section 18 of T&PRR BLK54T4S



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Communities Like Georgetown, MD
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Inst No. 17-07538
DIANNE O. FLOREZ
COUNTY CLERK
2017 May 03 at 10:30 AM
REEVES COUNTY, TEXAS
By: ER E. Rayds, DEPUTY

File No. MF 109880
Reeves County
Copy- Pooling Agreement 8293
Date Filed: 09/04/2024
Commissioner Dawn Buckingham, M.D.
By: [Signature]



TEXAS GENERAL LAND OFFICE
COMMISSIONER DAWN BUCKINGHAM, M.D.

September 10, 2024

Email: meredith.hall@dvn.com

Meredith Hall
Devon Energy Production Company, LLC

Re: Partial Release of State Leases MF109880; MF114285; MF115997; MF118232; GLO Unit
No. 8293
Fiver State 18 Well No. 2H / API No. 42-389-35732 / RRC Lease No. 08-283260

320.00 acres, more or less, being the SE/4 and the NW/4, and
320.00 acres, more or less, being the SW/4 and the NE/4
Both being Block 54, Township 4, T&P RR Co. Survey, Reeves County, Texas.

Mrs. Hall,

The Texas General Land Office (GLO) has completed a review of the above captioned State Leases and their associated unit all of which Devon Energy Production Company is the current operator. The review of our internal records indicated that the GLO has not received a Partial Release as required under the Retained Acreage Clause located in Paragraph Nos. 7, 16, and 41 of the above referenced State Leases and Paragraph 3 of the Pooling Agreement.

In accordance with the above named Paragraphs, it appears the above referenced State Leases and Unit terminated as to See Exhibit "A."

Please provide the GLO with a Partial Release of the above referenced State Leases as to the terminated depths as required under Paragraph No. 7, 16 and 41, effective as of the date of said termination. Additionally, Title 31, §9.92, of the Texas Administrative Code requires that a recorded original or certified copy of the Partial Release, along with a filing fee of twenty-five dollars (\$25.00) for each State Lease affected by said Partial Release, is to be filed with our office.

Should you disagree with this assessment please provide evidence to the GLO at the address shown below within thirty (30) days of receipt of this letter. If you have questions concerning this matter, please feel free to e-mail me at the address below my signature.

Kindly,
Kirstin Scherer
Energy Resources
(512) 463-5759
Kirstin.Scherer@glo.texas.gov

EXHIBIT "A"

MF 109880 Lease D: In accordance with Paragraph 41, it appears the above referenced State Lease terminated as to 100' below the base of the Wolfcamp Formation.

MF 114285 Leases A-E: In accordance with Paragraph 41, it appears the above referenced State Leases terminated as to 100' below the base of the Wolfcamp Formation.

MF 115997 Leases B-E: In accordance with Paragraph 16(B), it appears the above referenced State Leases terminated as to 11,688' being 100' below the total depth drilled in the Fiver State 18 Well No. 2H (API No. 42-389-35732), said well being the deepest well drilled, as reflected in the Gyrodata Directional Survey Report.

MF 118232: In accordance with Paragraph 16(b), it appears the above referenced State Lease terminated as to all depths (above) and below the unitized interval. The Unitized interval maintains depths from the surface to the base of the Wolfcamp formation thus it appears MF 118232 loses depths only below the unitized interval only, at this itme.

GLO Unit No. 8293: In accordance with Paragraph 3 of the Pooling Agreement, it appears the above referenced Unit terminated as to depths below the base of the Wolfcamp Formation.

RE: [EXTERNAL] Devon Reeves County landman contact needed please

Hall, Meredith <Meredith.Hall@dvn.com>

Tue 9/10/2024 9:34 AM

To: Kirstin Scherer <kirstin.scherer@glo.texas.gov>

Received. I will review and be in touch with any questions.

Thanks!

Meredith Hall
Senior Landman

From: Kirstin Scherer <kirstin.scherer@glo.texas.gov>

Sent: Tuesday, September 10, 2024 9:25 AM

To: Hall, Meredith <Meredith.Hall@dvn.com>

Subject: Re: [EXTERNAL] Devon Reeves County landman contact needed please

Please see the attached depth release letter. Please also let me know that you are in receipt of this email.

Thank you for your help in this, Merideth.

Kindly,

Kirstin Scherer, Landman

Mineral Specialist II

Energy Resources Division

Texas General Land Office

Commissioner Dawn Buckingham, M.D.

512-463-5759 office

Kirstin.Scherer@glo.texas.gov

From: Hall, Meredith <Meredith.Hall@dvn.com>

Sent: Tuesday, September 10, 2024 8:03 AM

To: Kirstin Scherer <kirstin.scherer@glo.texas.gov>

Subject: RE: [EXTERNAL] Devon Reeves County landman contact needed please

Right? Sounds great!

Meredith Hall
Senior Landman

From: Kirstin Scherer <kirstin.scherer@glo.texas.gov>

Sent: Tuesday, September 10, 2024 8:03 AM

To: Hall, Meredith <Meredith.Hall@dvn.com>

Subject: Re: [EXTERNAL] Devon Reeves County landman contact needed please

Great,

I will just button this up and email directly to you then. Email is also my preference as I know it will get there



Kirstin Scherer, Landman

RE: [EXTERNAL] Devon Reeves County landman contact needed please

From Hall, Meredith <Meredith.Hall@dvn.com>
Date Thu 10/24/2024 9:50 AM
To Kirstin Scherer <kirstin.scherer@glo.texas.gov>

Kirstin,

Thank you for the note, once fully processed and filed on our end, I will send you the release and filing fee.

Meredith Hall
Senior Landman

From: Kirstin Scherer <kirstin.scherer@glo.texas.gov>
Sent: Thursday, October 24, 2024 9:37 AM
To: Hall, Meredith <Meredith.Hall@dvn.com>
Subject: Re: [EXTERNAL] Devon Reeves County landman contact needed please

Hi Merideth,
I just wanted to reach out and let you know that we are processing this release internally and will look forward to the Certified Copy of the Release(s) when they are sent.

Thank You,

Kirstin Scherer, Landman

Mineral Specialist II

Energy Resources Division

Texas General Land Office

Commissioner Dawn Buckingham, M.D.

512-463-5759 office

Kirstin.Scherer@glo.texas.gov

From: Kirstin Scherer <kirstin.scherer@glo.texas.gov>
Sent: Monday, October 7, 2024 2:41 PM
To: Hall, Meredith <Meredith.Hall@dvn.com>
Subject: Re: [EXTERNAL] Devon Reeves County landman contact needed please

Thank you for letting me know.

Kirstin Scherer, Landman

Mineral Specialist II

Energy Resources Division

Texas General Land Office

Commissioner Dawn Buckingham, M.D.

512-463-5759 office

Kirstin.Scherer@glo.texas.gov

From: Hall, Meredith <Meredith.Hall@div.com>

Sent: Monday, October 7, 2024 2:40 PM

To: Kirstin Scherer <kirstin.scherer@glo.texas.gov>

Subject: RE: [EXTERNAL] Devon Reeves County landman contact needed please

Kirstin,

Want to keep you updated here, it doesn't look like I will have the release back to you within the requested 30 day timeline, but it is in queue. Will be in touch with any questions. Appreciate your patience.

Thanks!

Meredith Hall
Senior Landman

From: Hall, Meredith

Sent: Tuesday, September 10, 2024 9:34 AM

To: Kirstin Scherer <kirstin.scherer@glo.texas.gov>

Subject: RE: [EXTERNAL] Devon Reeves County landman contact needed please

Received. I will review and be in touch with any questions.

Thanks!

Meredith Hall
Senior Landman

From: Kirstin Scherer <kirstin.scherer@glo.texas.gov>

Sent: Tuesday, September 10, 2024 9:25 AM

To: Hall, Meredith <Meredith.Hall@div.com>

Subject: Re: [EXTERNAL] Devon Reeves County landman contact needed please

Please see the attached depth release letter. Please also let me know that you are in receipt of this email.

Thank you for your help in this, Merideth.

Kindly,

Kirstin Scherer, Landman

Mineral Specialist II

Energy Resources Division

Texas General Land Office

Commissioner Dawn Buckingham, M.D.

512-463-5759 office

Kirstin.Scherer@glo.texas.gov

A Gyrodata Directional Survey

WPX Energy

Lease: Fiver State Well: 18-2H, 17.5", 12.25", 8.75", 6" Hole

Location: Latshaw 11, Reeves County, Texas/Reeves

Job Number: FD0317DPM112

MEASURED DEPTH feet	INCL deg.	AZIMUTH deg.	VERTICAL SECTION feet	DOGLEG SEVERITY deg./ 100 ft.	VERTICAL DEPTH feet	CLOSURE DIST. AZIMUTH feet deg.	HORIZONTAL COORDINATES feet
END 8.75 INCH HOLE SECTION START 6 INCH HOLE SECTION							
11632.00	60.37	181.24	19.7	6.72	11468.80	175.4 98.1	24.71 S 173.62 E
11663.00	64.66	178.87	47.2	15.41	11483.11	181.3 106.7	52.20 S 173.61 E
11695.00	66.95	178.45	76.3	7.26	11496.22	192.4 115.0	81.38 S 174.29 E
11726.00	67.04	178.29	104.8	0.56	11508.33	206.7 122.1	109.91 S 175.10 E
11757.00	68.58	178.67	133.5	5.10	11520.04	223.9 128.2	138.60 S 175.86 E
11789.00	69.69	179.23	163.3	3.83	11531.44	243.9 133.7	168.49 S 176.41 E
11820.00	70.73	180.38	192.5	4.84	11541.94	265.0 138.2	197.66 S 176.51 E
11851.00	72.29	179.49	221.9	5.72	11551.77	287.6 142.1	227.06 S 176.54 E
11883.00	73.91	179.49	252.5	5.06	11561.07	312.5 145.5	257.68 S 176.82 E
11914.00	74.72	179.83	282.3	2.82	11569.45	337.6 148.4	287.52 S 176.99 E
11945.00	77.52	180.32	312.4	9.16	11576.89	363.6 150.9	317.61 S 176.95 E
11977.00	83.22	180.20	343.9	17.82	11582.24	391.4 153.1	349.15 S 176.81 E
12039.00	89.73	178.39	405.7	10.90	11586.05	447.7 156.6	410.99 S 177.58 E
12133.00	89.06	176.73	499.5	1.90	11587.04	536.6 160.2	504.90 S 181.58 E
12227.00	90.38	180.48	593.3	4.23	11587.50	626.4 162.9	598.85 S 183.86 E
12321.00	90.83	181.16	687.3	0.87	11586.51	716.5 165.2	692.83 S 182.52 E

File No. _____

County

Date Filed: _____

Commissioner Dawn Buckingham, M.D.

By: _____

**RAILROAD COMMISSION OF TEXAS****Form G-1**

1701 N. Congress
P.O. Box 12967
Austin, Texas 78701-2967

Status: Approved
Date: 04/23/2020
Tracking No.: 228222

GAS WELL BACK PRESSURE TEST, COMPLETION OR RECOMPLETION REPORT,

OPERATOR INFORMATION				
Operator	WPX ENERGY PERMIAN, LLC		Operator	942623
Operator	ATTN REGULATORY DEPARTMENT 333 WEST SHERIDAN AVE OKLAHOMA CITY, OK 73102-			

WELL INFORMATION			
API	42-389-38517	County:	REEVES
Well	411H	RRC District	08
Lease	FIVER STATE 18-27A-54-4		
RRC Gas ID	288270	Field	PHANTOM (WOLFCAMP)
		Field No.:	71052900
Location	Section: 15, Block: 54 T4S, Survey: T&P RR CO / PERMANENT SCHOOL FUND LAND, Abstract: 778		
Latitude		Longitude	
This well is	16.1	miles in	NW
direction	PECOS,		
which is the nearest town in the			

FILING INFORMATION			
Purpose of	Initial Potential		
Type of	New Well		
Well Type:	Producing	Completion or Recompletion	11/10/2019
Type of Permit		Date	Permit No.
Permit to Drill, Plug Back, or		08/06/2019	855495
Rule 37 Exception			
Fluid Injection			
O&G Waste Disposal			
Other:			

COMPLETION INFORMATION			
Spud	08/15/2019	Date of first production after rig	11/10/2019
Date plug back, deepening, drilling operation	08/15/2019	Date plug back, deepening, recompletion, drilling operation	09/15/2019
Number of producing wells on this lease this field (reservoir) including this	4	Distance to nearest well in lease & reservoir	180.0
Total number of acres in	1280.00	Elevation	2859 RKB
Total depth TVD	10656	Total depth MD	20984
Plug back depth TVD	10656	Plug back depth MD	20980
Was directional survey made other inclination (Form W-	Yes	Rotation time within surface casing	82.0
Recompletion or	No	Is Cementing Affidavit (Form W-15)	Yes
Type(s) of electric or other log(s)	Gamma Ray (MWD)		
Electric Log Other Description:			
Location of well, relative to nearest lease boundaries of lease on which this well is	Off Lease: No		
	449.0 Feet from the	South	Line and
	1420.0 Feet from the	West	Line of the
	FIVER STATE 18-27A-54-4 Lease.		

FORMER FIELD (WITH RESERVOIR) & GAS ID OR OIL LEASE NO.			
Field & Reservoir	Gas ID or Oil Lease	Well No.	Prior Service Type



**RAILROAD COMMISSION OF TEXAS**

1701 N. Congress
P.O. Box 12967
Austin, Texas 78701-2967

Form G-1

Status: Approved
Date: 03/19/2020
Tracking No.: 225333

GAS WELL BACK PRESSURE TEST, COMPLETION OR RECOMPLETION REPORT,**OPERATOR INFORMATION**

Operator	WPX ENERGY PERMIAN, LLC	Operator	942623
Operator	ATTN REGULATORY DEPARTMENT 333 WEST SHERIDAN AVE OKLAHOMA CITY, OK 73102-		

WELL INFORMATION

API	42-389-38518	County:	REEVES
Well	421H	RRC District	08
Lease	FIVER STATE 18-27B-54-4		
RRC Gas ID	288300	Field	PHANTOM (WOLFCAMP)
		Field No.:	71052900
Location	Section: 15, Block: 54 T4S, Survey: T&P RR CO / PERMANENT SCHOOL FUND LAND, Abstract: 778		
Latitude		Longitud	
This well is	16.1	miles in	NW
direction	PECOS,		
which is the nearest town in the			

FILING INFORMATION

Purpose of	Well Record Only		
Type of	New Well		
Well Type:	Shut-In Producer	Completion or Recompletion	11/13/2019
Type of Permit		Date	Permit No.
Permit to Drill, Plug Back, or		08/06/2019	855496
Rule 37 Exception			
Fluid Injection			
O&G Waste Disposal			
Other:			

COMPLETION INFORMATION

Spud	08/17/2019	Date of first production after rig	11/13/2019
Date plug back, deepening, drilling operation	08/17/2019	Date plug back, deepening, recompletion, drilling operation	09/26/2019
Number of producing wells on this lease this field (reservoir) including this	5	Distance to nearest well in lease & reservoir	420.0
Total number of acres in	1280.00	Elevation	2869 RKB
Total depth TVD	10761	Total depth MD	21115
Plug back depth TVD	10761	Plug back depth MD	21111
Was directional survey made other inclination (Form W- Yes		Rotation time within surface casing Is Cementing Affidavit (Form W-15)	28.0 Yes
Recompletion or No		Multiple No	
Type(s) of electric or other log(s)	Gamma Ray (MWD)		
Electric Log Other Description:			
Location of well, relative to nearest lease boundaries of lease on which this well is	474.0 Feet from the South Line and 1420.0 Feet from the West Line of the Lease.	Off Lease:	No

FORMER FIELD (WITH RESERVOIR) & GAS ID OR OIL LEASE NO.

Field & Reservoir	Gas ID or Oil Lease	Well No.	Prior Service Type
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SURFACE HOLE

FOOTAGE: 474' FSL & 1420' FWL
LAT. 31.594278°N
LONG. 103.683464°W
LAT. 31.594147°N
LONG. 103.683003°W
NORTH 10559287.50
EAST 1253666.50
NORTH 716711.63
EAST 957203.08

POINT OF PENETRATION

FOOTAGE: 105' FNL & 1175' FWL
LAT. 31.593263°N
LONG. 103.684265°W
LAT. 31.593133°N
LONG. 103.683805°W
NORTH 10558926.15
EAST 1253405.88
NORTH 716350.29
EAST 956942.47

KICK OFF POINT

FOOTAGE: 105' FNL & 1175' FWL
LAT. 31.593249°N
LONG. 103.684261°W
LAT. 31.593119°N
LONG. 103.683801°W
NORTH 10558921.14
EAST 1253406.96
NORTH 716345.28
EAST 956943.54

FIRST TAKE POINT

FOOTAGE: 406' FNL & 1194' FWL
LAT. 31.591853°N
LONG. 103.684186°W
LAT. 31.591722°N
LONG. 103.683725°W
NORTH 10558412.65
EAST 1253415.14
NORTH 715836.80
EAST 956951.71

LAST TAKE POINT

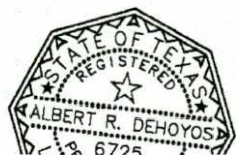
FOOTAGE: 100' FSL & 1155' FWL
LAT. 31.564223°N
LONG. 103.684274°W
LAT. 31.564092°N
LONG. 103.683814°W
NORTH 10548367.70
EAST 1253084.96
NORTH 705792.06
EAST 956621.49

BOTTOM HOLE

FOOTAGE: 90' FSL & 1155' FWL
LAT. 31.564197°N
LONG. 103.684274°W
LAT. 31.564066°N
LONG. 103.683814°W
NORTH 10548358.13
EAST 1253084.63
NORTH 705782.49
EAST 956621.15

LEGEND

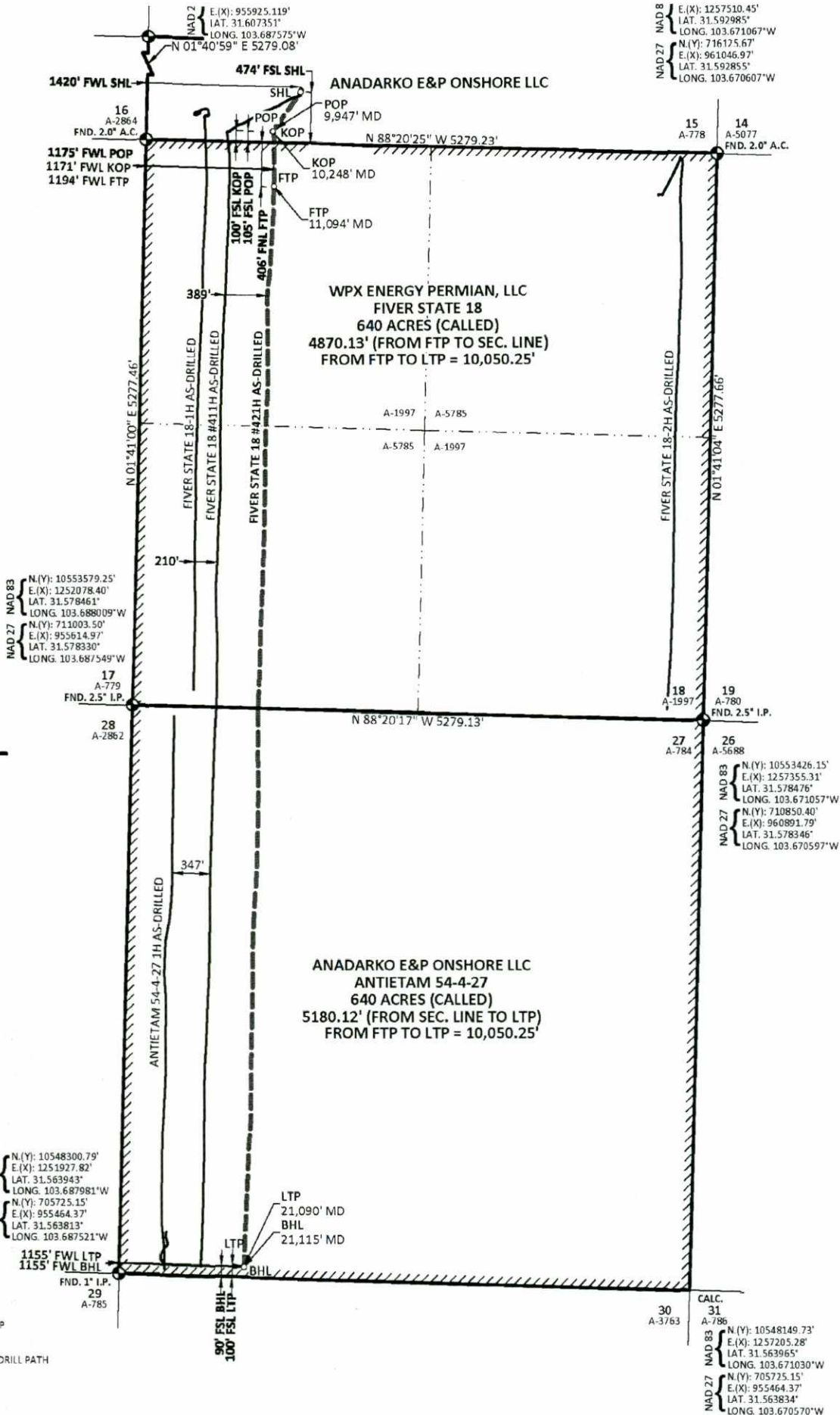
- FOUND MONUMENT
- SHL/BHL/FTP/LTP/POP
- SECTION LINE
- AS-DRILLED PATH
- EXISTING/PERMITTED DRILL PATH
- LEASE BOUNDARY
- A.C. ALUMINUM CAP
- I.P. IRON PIPE



I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT THE SURVEY INFORMATION FOUND ON THIS PERMIT PLAT WAS DERIVED FROM FIELD NOTES OR ELECTRONIC DATA OF AN ON-THE-GROUND SURVEY MADE BY ME OR UNDER MY SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. NO WARRANTY IS MADE OR INTENDED FOR THE LOCATION OF ANY OR ALL EASEMENTS THAT MAY EXIST WITHIN THE BOUNDS OF THIS SURVEY. THE INFORMATION PRESENTED HEREON IS FOR TEXAS RAILROAD COMMISSION PERMITTING ONLY. IF ANY ALTERATIONS ARE MADE, (HAND DRAWN, HANDWRITTEN OR DIGITAL ADDITIONS) THIS SURVEYOR IS NO LONGER RESPONSIBLE FOR THE VALIDITY OF THIS PLAT.

NOTES:
UNGRADED GROUND ELEVATION AT SHL: 2849.00'
THIS LOCATION IS APPROXIMATELY 16.1 MILES N.42°W. OF PECOS, TEXAS.
BASIS OF BEARINGS, COORDINATES AND DISTANCES ARE A LAMBERT CONICAL PROJECTION OF THE TEXAS COORDINATE SYSTEM, STATE PLANE GRID, NAD 83, TEXAS CENTRAL (4203) WITH A CONVERGENCE ANGLE OF -01°44'26.50" AND A COMBINED SCALE FACTOR OF 0.99980519 BASED ON CONTROL POINT S 510 55 T-4 AT N. 10564429.832' - E. 1244642.724'.

WHS
ENGINEERING • SURVEYING • PLANNING
1515 9TH STREET, STE A, ROCK SPRINGS, WY 82901
307.362.6065 | 866.938.3088 | www.whsmithpc.com
TEXAS FIRM REGISTRATION No. 10193907
WPXENERGY





RAILROAD COMMISSION OF TEXAS

Form G-1

1701 N. Congress
P.O. Box 12967
Austin, Texas 78701-2967

Status: Approved
Date: 08/12/2021
Tracking No.: 252649

GAS WELL BACK PRESSURE TEST, COMPLETION OR RECOMPLETION REPORT,

OPERATOR INFORMATION

Operator WPX ENERGY PERMIAN, LLC Operator 942623
Operator ATTN REGULATORY DEPARTMENT 333 WEST SHERIDAN AVE OKLAHOMA CITY, OK 73102-

WELL INFORMATION

API 42-389-39146 County: REEVES
Well 412H RRC District 08
Lease FIVER STATE 18-27C-54-4 Field PHANTOM (WOLFCAMP)
RRC Gas ID 290550 Field No.: 71052900
Location Section: 15, Block: 54 T4S, Survey: T&P RR CO / PERMANENT SCHOOL FUND LAND, Abstract: 778
Latitude Longitud
This well is 17 miles in NW
direction PECOS,
which is the nearest town in the

FILING INFORMATION

Purpose of Initial Potential
Type of Other/Recompletion
Well Type: Producing Completion or Recompletion 04/08/2021
Type of Permit Date Permit No.
Permit to Drill, Plug Back, or 08/19/2020 864700
Rule 37 Exception
Fluid Injection
O&G Waste Disposal
Other:

COMPLETION INFORMATION

Spud 10/22/2020 Date of first production after rig 04/08/2021
Date plug back, deepening, drilling operation 02/22/2021 Date plug back, deepening, recompletion, drilling operation 04/08/2021
Number of producing wells on this lease this field (reservoir) including this 11 Distance to nearest well in lease & reservoir 490.0
Total number of acres in 1280.00 Elevation 2850 RKB
Total depth TVD 10622 Total depth MD 21026
Plug back depth TVD 10622 Plug back depth MD 21020
Was directional survey made other inclination (Form W- Yes Rotation time within surface casing Is Cementing Affidavit (Form W-15) Yes
Recompletion or Yes Multiple No
Type(s) of electric or other log(s) Gamma Ray (MWD)
Electric Log Other Description:
Location of well, relative to nearest lease boundaries Off Lease: Yes
of lease on which this well is 535.0 Feet from the South Line and
1419.0 Feet from the West Line of the
FIVER STATE 18-27C-54-4 Lease.

FORMER FIELD (WITH RESERVOIR) & GAS ID OR OIL LEASE NO.

Field & Reservoir Gas ID or Oil Lease Well No. Prior Service Type

**RAILROAD COMMISSION OF TEXAS****Form G-1**

1701 N. Congress
P.O. Box 12967
Austin, Texas 78701-2967

Status: Approved
Date: 04/21/2021
Tracking No.: 248517

GAS WELL BACK PRESSURE TEST, COMPLETION OR RECOMPLETION REPORT,

OPERATOR INFORMATION				
Operator	WPX ENERGY PERMIAN, LLC		Operator	942623
Operator	ATTN REGULATORY DEPARTMENT 333 WEST SHERIDAN AVE OKLAHOMA CITY, OK 73102-			

WELL INFORMATION				
API	42-389-39146	County:	REEVES	
Well	412H	RRC District	08	
Lease	FIVER STATE 18-27C-54-4		Field	PHANTOM (WOLFCAMP)
RRC Gas ID	290550	Field No.:	71052900	
Location	Section: 15, Block: 54 T4S, Survey: T&P RR CO / PERMANENT SCHOOL FUND LAND, Abstract: 778			
Latitude			Longitude	
This well is	17	miles in	NW	
direction	PECOS,			
which is the nearest town in the				

FILING INFORMATION			
Purpose of	Well Record Only		
Type of	New Well		
Well Type:	Shut-In Producer	Completion or Recompletion	04/07/2021
Type of Permit		Date	Permit No.
Permit to Drill, Plug Back, or		08/19/2020	864700
Rule 37 Exception			
Fluid Injection			
O&G Waste Disposal			
Other:			

COMPLETION INFORMATION			
Spud	10/22/2020	Date of first production after rig	04/07/2021
Date plug back, deepening, drilling operation	10/22/2020	Date plug back, deepening, recompletion, drilling operation	12/05/2020
Number of producing wells on this lease this field (reservoir) including this	11	Distance to nearest well in lease & reservoir	513.0
Total number of acres in	1280.00	Elevation	2850 RKB
Total depth TVD	10622	Total depth MD	21026
Plug back depth TVD	10622	Plug back depth MD	21020
Was directional survey made other inclination (Form W-	Yes	Rotation time within surface casing	38.0
Recompletion or	No	Is Cementing Affidavit (Form W-15)	Yes
Type(s) of electric or other log(s)	Gamma Ray (MWD)		
Electric Log Other Description:			
Location of well, relative to nearest lease boundaries of lease on which this well is	Off Lease: Yes		
	535.0 Feet from the	South Line and	
	1419.0 Feet from the	West Line of the	
	FIVER STATE 18-27C-54-4 Lease.		

FORMER FIELD (WITH RESERVOIR) & GAS ID OR OIL LEASE NO.			
Field & Reservoir	Gas ID or Oil Lease	Well No.	Prior Service Type

**RAILROAD COMMISSION OF TEXAS****Form G-1**

1701 N. Congress
P.O. Box 12967
Austin, Texas 78701-2967

Status: Approved
Date: 04/26/2021
Tracking No.: 248600

GAS WELL BACK PRESSURE TEST, COMPLETION OR RECOMPLETION REPORT,**OPERATOR INFORMATION**

Operator WPX ENERGY PERMIAN, LLC Operator 942623
Operator ATTN REGULATORY DEPARTMENT 333 WEST SHERIDAN AVE OKLAHOMA CITY, OK 73102-

WELL INFORMATION

API 42-389-39148 County: REEVES
Well 432H RRC District 08
Lease FIVER STATE 18-27D-54-4 Field PHANTOM (WOLFCAMP)
RRC Gas ID 290555 Field No.: 71052900
Location Section: 15, Block: 54 T4S, Survey: T&P RR CO / PERMANENT SCHOOL FUND LAND, Abstract: 778
Latitude Longitud
This well is 17 miles in NW
direction PECOS,
which is the nearest town in the

FILING INFORMATION

Purpose of Well Record Only
Type of New Well
Well Type: Shut-In Producer Completion or Recompletion 04/07/2021
Type of Permit Date Permit No.
Permit to Drill, Plug Back, or 08/19/2020 864727
Rule 37 Exception
Fluid Injection
O&G Waste Disposal
Other:

COMPLETION INFORMATION

Spud 10/21/2020 Date of first production after rig 04/07/2021
Date plug back, deepening, drilling operation 10/21/2020 Date plug back, deepening, recompletion, drilling operation 12/23/2020
Number of producing wells on this lease this field (reservoir) including this 11 Distance to nearest well in lease & reservoir 513.0
Total number of acres in 1280.00 Elevation 2850 RKB
Total depth TVD 10846 Total depth MD 21221
Plug back depth TVD 10846 Plug back depth MD 21217
Was directional survey made other inclination (Form W- Yes Rotation time within surface casing 23.0
Is Cementing Affidavit (Form W-15) Yes
Recompletion or No Multiple No
Type(s) of electric or other log(s) Gamma Ray (MWD)
Electric Log Other Description:
Location of well, relative to nearest lease boundaries Off Lease: Yes
of lease on which this well is 505.0 Feet from the South Line and
1419.0 Feet from the West Line of the
FIVER STATE 18-27D-54-4 Lease.

FORMER FIELD (WITH RESERVOIR) & GAS ID OR OIL LEASE NO.

Field & Reservoir Gas ID or Oil Lease Well No. Prior Service Type

**RAILROAD COMMISSION OF TEXAS****Form G-1**

1701 N. Congress
P.O. Box 12967
Austin, Texas 78701-2967

Status: Approved
Date: 04/26/2021
Tracking No.: 248600

GAS WELL BACK PRESSURE TEST, COMPLETION OR RECOMPLETION REPORT,**OPERATOR INFORMATION**

Operator WPX ENERGY PERMIAN, LLC Operator 942623
Operator ATTN REGULATORY DEPARTMENT 333 WEST SHERIDAN AVE OKLAHOMA CITY, OK 73102-

WELL INFORMATION

API 42-389-39148 County: REEVES
Well 432H RRC District 08
Lease FIVER STATE 18-27D-54-4 Field PHANTOM (WOLFCAMP)
RRC Gas ID 290555 Field No.: 71052900
Location Section: 15, Block: 54 T4S, Survey: T&P RR CO / PERMANENT SCHOOL FUND LAND, Abstract: 778
Latitude Longitud
This well is 17 miles in NW
direction PECOS,
which is the nearest town in the

FILING INFORMATION

Purpose of Well Record Only
Type of New Well
Well Type: Shut-In Producer Completion or Recompletion 04/07/2021
Type of Permit Date Permit No.
Permit to Drill, Plug Back, or 08/19/2020 864727
Rule 37 Exception
Fluid Injection
O&G Waste Disposal
Other:

COMPLETION INFORMATION

Spud 10/21/2020 Date of first production after rig 04/07/2021
Date plug back, deepening, drilling operation 10/21/2020 Date plug back, deepening, recompletion, drilling operation 12/23/2020
Number of producing wells on this lease this field (reservoir) including this 11 Distance to nearest well in lease & reservoir 513.0
Total number of acres in 1280.00 Elevation 2850 RKB
Total depth TVD 10846 Total depth MD 21221
Plug back depth TVD 10846 Plug back depth MD 21217
Was directional survey made other inclination (Form W- Yes Rotation time within surface casing 23.0
Is Cementing Affidavit (Form W-15) Yes
Recompletion or No Multiple No
Type(s) of electric or other log(s) Gamma Ray (MWD)
Electric Log Other Description:
Location of well, relative to nearest lease boundaries Off Lease: Yes
of lease on which this well is 505.0 Feet from the South Line and
1419.0 Feet from the West Line of the
FIVER STATE 18-27D-54-4 Lease.

FORMER FIELD (WITH RESERVOIR) & GAS ID OR OIL LEASE NO.

Field & Reservoir Gas ID or Oil Lease Well No. Prior Service Type

Survey Report

NO. Feet	GR Feet	NR Feet	YR Feet	MR Feet	SR Feet	YR Feet	MR Feet	SR Feet	YR Feet	MR Feet
4550.00	7.30	152.30	4528.20	-343.25	192.77	337.45	1.93	1.91	1.91	
4645.00	8.60	152.60	4622.28	-354.90	188.84	348.92	1.37	1.37	0.32	
4739.00	8.00	152.40	4715.30	-366.94	205.11	360.77	0.64	-0.64	-0.21	
4834.00	7.60	152.00	4809.42	-378.34	211.12	371.99	0.42	-0.42	-0.42	
4929.00	7.30	153.70	4903.62	-389.30	216.74	382.78	0.39	-0.32	1.79	
5023.00	6.30	155.00	4996.96	-399.33	221.57	392.66	1.08	-1.06	1.38	
5118.00	5.10	158.10	5091.48	-407.97	226.34	401.19	1.30	-1.26	3.26	
5213.00	4.50	159.60	5186.15	-415.38	228.22	406.51	0.65	-0.63	1.58	
5307.00	4.20	158.70	5279.88	-422.07	230.70	416.12	0.32	-0.32	0.11	
5402.00	4.10	158.80	5374.63	-428.50	233.13	421.48	0.13	-0.11	-0.95	
5497.00	3.70	157.90	5469.41	-434.50	235.51	427.41	0.43	-0.42	-0.95	
5591.00	3.70	156.50	5563.21	-440.09	237.87	432.93	0.10	0.00	-1.49	
5686.00	3.50	158.80	5658.02	-445.61	240.14	438.38	0.26	-0.21	2.42	
5780.00	2.90	162.20	5751.88	-450.55	241.90	443.26	0.67	-0.64	3.62	
5875.00	2.60	165.90	5846.77	-454.93	243.16	447.60	0.37	-0.32	3.89	
5970.00	1.40	168.30	5941.71	-458.15	243.92	450.80	1.27	-1.26	2.53	
6065.00	0.60	158.90	6036.69	-459.75	244.33	452.39	0.86	-0.84	-0.89	
6159.00	0.80	189.40	6130.69	-460.86	244.40	453.50	0.44	0.21	32.45	
6254.00	0.70	181.00	6225.68	-462.09	244.29	454.73	0.16	-0.11	-8.84	
6349.00	0.80	189.60	6320.67	-463.33	244.17	455.97	0.16	0.11	9.05	
6444.00	0.90	193.50	6415.66	-464.71	243.88	457.38	0.12	0.11	4.11	
6538.00	0.90	189.40	6509.65	-466.15	243.59	458.81	0.07	0.00	-4.36	
6633.00	1.10	214.00	6604.63	-467.65	242.96	460.32	0.49	0.21	25.89	
6728.00	1.30	218.30	6699.61	-469.25	241.78	461.96	0.23	0.21	4.53	
6823.00	0.10	242.20	6794.60	-470.13	241.04	462.86	1.27	-1.26	25.16	
6917.00	0.20	184.30	6888.60	-470.33	240.95	463.07	0.18	0.11	-41.60	
7012.00	0.30	196.70	6983.60	-470.74	240.87	463.47	0.12	0.11	13.05	
7107.00	0.60	202.40	7078.60	-471.44	240.81	464.18	0.32	0.32	6.00	
7201.00	0.80	219.90	7172.59	-472.39	240.00	465.15	0.31	0.21	18.62	
7296.00	0.90	308.90	7267.59	-472.43	238.99	465.22	1.26	0.11	93.68	
7391.00	1.20	317.20	7362.57	-471.24	237.74	464.06	0.35	0.32	8.74	
7486.00	0.70	319.10	7456.56	-470.08	238.69	462.94	0.53	-0.53	2.02	
7580.00	0.80	303.00	7551.55	-469.28	235.76	462.17	0.24	0.11	-16.95	
7674.00	0.70	287.30	7645.54	-468.75	234.66	461.67	0.24	-0.11	-16.70	
7769.00	0.40	306.50	7740.54	-468.38	233.84	461.33	0.37	-0.32	20.21	
7863.00	0.40	309.00	7834.53	-467.98	233.32	460.94	0.02	0.00	2.86	
7958.00	0.50	247.70	7929.53	-467.93	232.68	460.91	0.49	0.11	-64.53	
8052.00	0.80	292.60	8023.53	-468.28	231.67	461.29	0.32	0.32	5.21	
8147.00	1.20	260.30	8118.51	-468.65	230.06	461.70	0.44	0.42	8.11	
8241.00	0.60	243.90	8212.50	-469.03	228.64	462.12	0.69	-0.64	-17.45	
8336.00	0.60	236.90	8307.49	-469.52	227.78	462.64	0.08	0.00	-7.37	
8430.00	1.00	206.80	8401.49	-470.52	227.00	463.66	0.60	0.43	-32.02	
8525.00	1.10	208.20	8496.47	-472.06	226.19	465.23	0.11	0.11	1.47	
8620.00	0.90	220.60	8591.45	-473.43	225.28	466.63	0.31	-0.21	13.05	
8714.00	1.00	223.90	8686.44	-474.59	224.23	467.81	0.12	0.11	3.51	
8809.00	1.10	229.80	8780.43	-475.77	222.96	469.03	0.15	0.11	6.21	
8904.00	0.80	231.50	8875.41	-476.77	221.74	470.07	0.32	-0.32	1.79	
8998.00	0.80	235.10	8969.40	-477.56	220.69	470.88	0.05	0.00	3.83	
9093.00	0.30	60.00	9064.40	-477.81	220.36	471.15	1.16	-0.53	-184.32	
9188.00	0.30	71.00	9159.40	-477.61	220.81	470.93	0.06	0.00	11.58	
9282.00	0.10	61.60	9253.40	-477.49	221.12	470.80	0.21	-0.21	-10.00	
9377.00	0.10	259.20	9348.40	-477.46	221.11	470.78	0.21	0.00	170.95	
9472.00	0.10	211.90	9443.40	-477.55	220.98	470.87	0.08	0.00	-49.79	
9566.00	0.20	225.70	9537.40	-477.73	220.82	471.05	0.11	0.11	14.68	
9660.00	0.50	231.50	9631.40	-478.10	220.38	471.44	0.32	0.32	6.17	
9754.00	0.80	243.90	9725.39	-478.65	219.47	472.01	0.35	0.32	13.19	
9849.00	0.60	253.30	9820.38	-479.08	218.40	472.47	0.24	-0.21	9.89	
9943.00	1.60	73.30	9914.37	-478.85	219.19	472.21	2.34	1.06	191.49	
10038.00	1.70	72.80	10009.33	-478.05	221.80	471.34	0.11	0.11	-0.53	
10132.00	1.20	71.90	10103.30	-477.33	224.07	470.56	0.53	-0.53	-0.96	
10227.00	0.80	86.10	10198.29	-476.98	225.68	470.16	0.49	-0.42	14.95	
10325.00	0.60	96.20	10296.28	-477.00	226.87	470.15	0.25	-0.20	12.35	
10420.00	6.90	146.30	10391.04	-481.83	230.53	474.86	6.86	5.63	50.83	
10515.00	19.50	144.40	10483.34	-499.54	242.98	492.20	13.27	13.26	-2.00	
10609.00	27.40	158.20	10569.57	-532.45	260.18	524.60	10.18	8.40	14.68	
10704.00	35.30	166.20	10650.68	-579.50	274.88	571.19	9.38	8.32	8.42	
10798.00	40.90	169.60	10724.63	-636.20	286.92	627.51	6.36	5.96	3.82	
10893.00	50.60	168.30	10790.84	-702.89	300.01	693.79	10.26	10.21	-1.37	
10938.00	56.70	167.60	10817.50	-738.31	307.58	728.98	13.61	13.56	-1.56	
11051.00	64.20	166.00	10873.19	-833.93	330.06	823.90	6.75	6.64	-1.42	
11181.00	77.10	163.70	10916.18	-952.04	362.14	941.02	10.06	9.92	-1.77	
11240.00	89.50	169.40	10923.06	-1008.91	375.70	997.46	23.10	21.02	9.66	
11335.00	92.30	177.50	10921.56	-1103.19	386.53	1091.38	9.02	9.02	8.53	
11427.00	91.50	178.20	10918.51	-1195.07	389.98	1183.12	1.16	-0.87	0.76	
11519.00	90.50	179.10	10916.90	-1287.03	392.15	1274.98	1.46	-1.09	0.98	
11612.00	90.40	179.50	10916.17	-1380.02	393.28	1367.89	0.44	-0.11	0.43	
11703.00	90.50	180.00	10915.46	-1471.01	393.68	1458.84	0.56	0.11	0.55	
11796.00	90.80	180.60	10914.40	-1564.01	393.19	1551.81	0.72	0.32	0.65	





RAILROAD COMMISSION OF TEXAS

Form G-1

1701 N. Congress
P.O. Box 12967
Austin, Texas 78701-2967

Status: Approved
Date: 04/26/2021
Tracking No.: 248601

GAS WELL BACK PRESSURE TEST, COMPLETION OR RECOMPLETION REPORT,

OPERATOR INFORMATION

Operator WPX ENERGY PERMIAN, LLC Operator 942623
Operator ATTN REGULATORY DEPARTMENT 333 WEST SHERIDAN AVE OKLAHOMA CITY, OK 73102-

WELL INFORMATION

API 42-389-39149 County: REEVES
Well 401H RRC District 08
Lease FIVER STATE 18-27E-54-4 Field PHANTOM (WOLFCAMP)
RRC Gas ID 290556 Field No.: 71052900
Location Section: 15, Block: 54 T4S, Survey: T&P RR CO / PERMANENT SCHOOL FUND LAND, Abstract: 778

Latitude Longitud
This well is 17 miles in NW
direction PECOS,
which is the nearest town in the

FILING INFORMATION

Purpose of Well Record Only
Type of New Well
Well Type: Shut-In Producer Completion or Recompletion 04/07/2021
Type of Permit Date Permit No.
Permit to Drill, Plug Back, or 08/19/2020 864728
Rule 37 Exception
Fluid Injection
O&G Waste Disposal
Other:

COMPLETION INFORMATION

Spud 10/24/2020 Date of first production after rig 04/07/2021
Date plug back, deepening, drilling operation 10/24/2020 Date plug back, deepening, recompletion, drilling operation 11/24/2020
Number of producing wells on this lease this field (reservoir) including this 11 Distance to nearest well in lease & reservoir 513.0
Total number of acres in 1280.00 Elevation 2850 RKB
Total depth TVD 10461 Total depth MD 21197
Plug back depth TVD 10461 Plug back depth MD 21191
Was directional survey made other inclination (Form W- Yes Rotation time within surface casing 20.0
Is Cementing Affidavit (Form W-15) Yes
Recompletion or No Multiple No
Type(s) of electric or other log(s) Gamma Ray (MWD)
Electric Log Other Description:
Location of well, relative to nearest lease boundaries Off Lease: Yes
of lease on which this well is 565.0 Feet from the South Line and
1419.0 Feet from the West Line of the
FIVER STATE 18-27E-54-4 Lease.

FORMER FIELD (WITH RESERVOIR) & GAS ID OR OIL LEASE NO.

Field & Reservoir Gas ID or Oil Lease Well No. Prior Service Type

**RAILROAD COMMISSION OF TEXAS****Form G-1**

1701 N. Congress
P.O. Box 12967
Austin, Texas 78701-2967

Status: Approved
Date: 05/26/2021
Tracking No.: 247640

GAS WELL BACK PRESSURE TEST, COMPLETION OR RECOMPLETION REPORT,

OPERATOR INFORMATION				
Operator	WPX ENERGY PERMIAN, LLC		Operator	942623
Operator	ATTN REGULATORY DEPARTMENT 333 WEST SHERIDAN AVE OKLAHOMA CITY, OK 73102-			

WELL INFORMATION				
API	42-389-39151	County:	REEVES	
Well	413H	RRC District	08	
Lease	FIVER STATE 18-27F-54-4		Field	PHANTOM (WOLFCAMP)
RRC Gas ID	290719	Field No.:	71052900	
Location	Section: 15, Block: 54 T4S, Survey: T&P RR CO / PERMANENT SCHOOL FUND LAND, Abstract: 778			
Latitude		Longitude		
This well is	16.8	miles in	NW	
direction	PECOS,			
which is the nearest town in the				

FILING INFORMATION			
Purpose of	Well Record Only		
Type of	New Well		
Well Type:	Shut-In Producer	Completion or Recompletion	04/06/2021
Type of Permit		Date	Permit No.
Permit to Drill, Plug Back, or		08/19/2020	864733
Rule 37 Exception			
Fluid Injection			
O&G Waste Disposal			
Other:			

COMPLETION INFORMATION			
Spud	10/11/2020	Date of first production after rig	04/06/2021
Date plug back, deepening, drilling operation	10/11/2020	Date plug back, deepening, recompletion, drilling operation	11/30/2020
Number of producing wells on this lease this field (reservoir) including this	11	Distance to nearest well in lease & reservoir	513.0
Total number of acres in	1280.00	Elevation	2851 RKB
Total depth TVD	10629	Total depth MD	21412
Plug back depth TVD	10629	Plug back depth MD	21404
Was directional survey made other inclination (Form W-	Yes	Rotation time within surface casing Is Cementing Affidavit (Form W-15)	17.0 Yes
Recompletion or	No	Multiple	No
Type(s) of electric or other log(s)	Gamma Ray (MWD)		
Electric Log Other Description:			
Location of well, relative to nearest lease boundaries of lease on which this well is	469.0 Feet from the	South Line and	Off Lease: Yes
	2570.0 Feet from the	West Line of the	
	FIVER STATE 18-27F-54-4		Lease.

FORMER FIELD (WITH RESERVOIR) & GAS ID OR OIL LEASE NO.			
Field & Reservoir	Gas ID or Oil Lease	Well No.	Prior Service Type

**RAILROAD COMMISSION OF TEXAS****Form G-1**

1701 N. Congress
P.O. Box 12967
Austin, Texas 78701-2967

Status: Approved
Date: 08/09/2021
Tracking No.: 252666

GAS WELL BACK PRESSURE TEST, COMPLETION OR RECOMPLETION REPORT,

OPERATOR INFORMATION				
Operator	WPX ENERGY PERMIAN, LLC		Operator	942623
Operator	ATTN REGULATORY DEPARTMENT 333 WEST SHERIDAN AVE OKLAHOMA CITY, OK 73102-			

WELL INFORMATION			
API	42-389-39151	County:	REEVES
Well	413H	RRC District	08
Lease	FIVER STATE 18-27F-54-4		
RRC Gas ID	290719	Field	PHANTOM (WOLFCAMP)
		Field No.:	71052900
Location	Section: 15, Block: 54 T4S, Survey: T&P RR CO / PERMANENT SCHOOL FUND LAND, Abstract: 778		
Latitude		Longitude	
This well is	16.8	miles in	NW
direction	PECOS,		
which is the nearest town in the			

FILING INFORMATION			
Purpose of	Initial Potential		
Type of	Other/Recompletion		
Well Type:	Producing	Completion or Recompletion	04/05/2021
Type of Permit		Date	Permit No.
Permit to Drill, Plug Back, or		08/19/2020	864733
Rule 37 Exception			
Fluid Injection			
O&G Waste Disposal			
Other:			

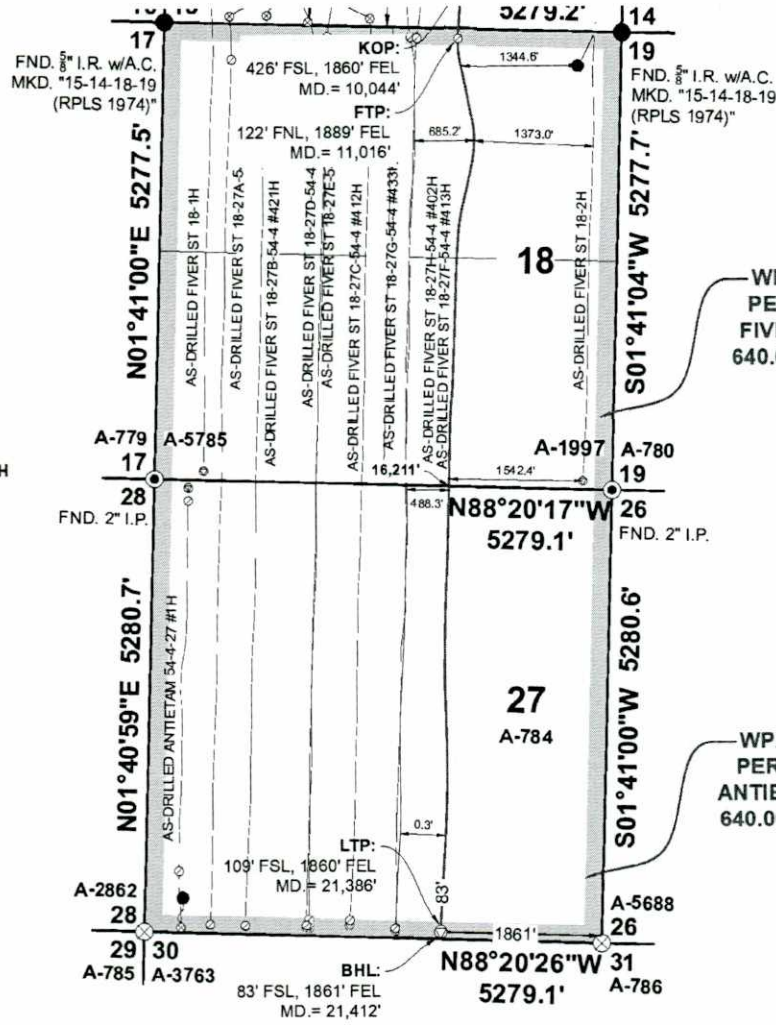
COMPLETION INFORMATION			
Spud	10/11/2020	Date of first production after rig	04/05/2021
Date plug back, deepening, drilling operation	03/10/2021	Date plug back, deepening, recompletion, drilling operation	04/05/2021
Number of producing wells on this lease this field (reservoir) including this	11	Distance to nearest well in lease & reservoir	483.0
Total number of acres in	1280.00	Elevation	2851 RKB
Total depth TVD	10629	Total depth MD	21412
Plug back depth TVD	10629	Plug back depth MD	21404
Was directional survey made other inclination (Form W-	Yes	Rotation time within surface casing	
Recompletion or	Yes	Is Cementing Affidavit (Form W-15)	Yes
Type(s) of electric or other log(s)	Gamma Ray (MWD)	Multiple	No
Electric Log Other Description:			
Location of well, relative to nearest lease boundaries		Off Lease:	Yes
of lease on which this well is	469.0 Feet from the	South Line and	
	2570.0 Feet from the	West Line of the	
	FIVER STATE 18-27F-54-4		Lease.

FORMER FIELD (WITH RESERVOIR) & GAS ID OR OIL LEASE NO.			
Field & Reservoir	Gas ID or Oil Lease	Well No.	Prior Service Type

5195' FTP -
SECTION LINE

10,370' TOTAL
LATERAL LENGTH
(FTP - LTP)

5175' SECTION
LINE - LTP



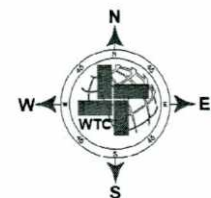
WPX ENERGY
PERMIAN, LLC
FIVER STATE 18
640.00 AC. (CALL)

WPX ENERGY
PERMIAN, LLC
ANTIETAM 54-4-27
640.00 AC. (CALL)

SURFACE HOLE LOCATION	FOOTAGE: 469' FSL, 2570' FWL
	NAD 83, TXSP-C, N.(Y): = 10559248.8', E.(X): = 1254815.7' - LAT.: = 31.5942662° N, LON.: = 103.6797705° W
POINT OF PENETRATION	FOOTAGE: 427' FSL, 1860' FEL
	NAD 83, TXSP-C, N.(Y): = 10559182.2', E.(X): = 1255663.6' - LAT.: = 31.5941533° N, LON.: = 103.6770422° W
KOP	FOOTAGE: 426' FSL, 1860' FEL
	NAD 83, TXSP-C, N.(Y): = 10559181.6', E.(X): = 1255663.6' - LAT.: = 31.5941519° N, LON.: = 103.6770421° W
FIRST TAKE	FOOTAGE: 122' FNL, 1889' FEL
	NAD 83, TXSP-C, N.(Y): = 10558633.9', E.(X): = 1255618.4' - LAT.: = 31.5926430° N, LON.: = 103.6771344° W
LAST TAKE	FOOTAGE: 109' FSL, 1860' FEL
	NAD 83, TXSP-C, N.(Y): = 10548310.8', E.(X): = 1255344.1' - LAT.: = 31.5642536° N, LON.: = 103.6770185° W
BOTTOM HOLE LOCATION/ TERMINUS	FOOTAGE: 83' FSL, 1861' FEL
	NAD 83, TXSP-C, N.(Y): = 10548284.8', E.(X): = 1255342.5' - LAT.: = 31.5641822° N, LON.: = 103.6770210° W

SURVEYOR'S NOTES:

- ALL DOWNHOLE, POINT OF PENETRATION AND BOTTOM HOLE INFORMATION AND THEIR LOCATIONS WERE PROVIDED BY WPX ENERGY PERMIAN, LLC, AND ARE NOT GUARANTEED BY THIS SURVEYOR.
- SEE DOCUMENTS FILED IN THIS OFFICE WHICH DESCRIBE IN DETAIL THE RECONSTRUCTION OF THESE SECTIONS AND/OR BLOCKS, USING FOUND MONUMENTATION, GLO AND COURTHOUSE DOCUMENTATION.
- NO SURFACE OWNERSHIP WAS PROVIDED OR REQUESTED BY WPX ENERGY PERMIAN, LLC AND NONE WAS RESEARCHED OR PROVIDED BY WTC, INC.
- BASIS OF BEARINGS, COORDINATES AND DISTANCES ARE A LAMBERT CONICAL PROJECTION OF THE TEXAS COORDINATE SYSTEM, STATE PLANE GRID, NAD 83, TEXAS CENTRAL (4203) WITH A CONVERGENCE ANGLE OF -01°43'41.42" AND A COMBINED SCALE FACTOR OF 0.999805520 BASED ON AN OPUS SOLUTION ON CONTROL POINT ZEUS AT N=10566388.402' - E=1252273.526'
- THIS LOCATION IS APPROXIMATELY 20.8 MILES N.24°W., OF MENTONE, TEXAS.



LEGEND

- PROPOSED WELL LOCATION
- ⊗ POP
- ⊗ FTP/LTP
- ⊗ BHL
- EXISTING WELL
- FOUND IRON ROD (AS NOTED)
- FOUND IRON PIPE (AS NOTED)
- ⊗ CALCULATED CORNER
- LEASE BOUNDARY

2000 0 2000 4000 FEET

SCALE: 1" = 2000'



I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT THE SURVEY INFORMATION FOUND ON THIS PERMIT PLAT WAS DERIVED FROM FIELD NOTES OR ELECTRONIC DATA OF AN ACTUAL ON-THE-GROUND SURVEY MADE BY ME OR UNDER MY SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. NO WARRANTY IS MADE OR INTENDED FOR THE LOCATION OF ANY OR ALL EASEMENTS THAT MAY EXIST WITHIN THE BOUNDS OF THIS SURVEY. THE INFORMATION PRESENTED HEREON IS FOR TEXAS RAILROAD COMMISSION PERMITTING ONLY, AND DOES NOT CONSTITUTE OR REPRESENT A COMPLETE BOUNDARY SURVEY AS DEFINED BY THE T.B.P.L.S., "PROFESSIONAL LAND SURVEYING PRACTICES ACT." IF THERE ARE ANY ALTERATIONS MADE (HAND DRAWN OR HANDWRITTEN ADDITIONS) THIS

WPX ENERGY PERMIAN, LLC

FIVER STATE 18-27F-54-4 #413H
SHL 469' FSL, 2570' FWL
SEC. 15, BLK 54, T4, A-778,
T.&P. RW. CO SURVEY, REEVES COUNTY, TEXAS

**RAILROAD COMMISSION OF TEXAS****Form G-1**

1701 N. Congress
P.O. Box 12967
Austin, Texas 78701-2967

Status: Approved
Date: 08/09/2021
Tracking No.: 252668

GAS WELL BACK PRESSURE TEST, COMPLETION OR RECOMPLETION REPORT,

OPERATOR INFORMATION				
Operator	WPX ENERGY PERMIAN, LLC		Operator	942623
Operator	ATTN REGULATORY DEPARTMENT 333 WEST SHERIDAN AVE OKLAHOMA CITY, OK 73102-			

WELL INFORMATION			
API	42-389-39152	County:	REEVES
Well	433H	RRC District	08
Lease	FIVER STATE 18-27G-54-4		
RRC Gas ID	290585	Field	PHANTOM (WOLFCAMP)
		Field No.:	71052900
Location	Section: 15, Block: 54 T4S, Survey: T&P RR CO / PERMANENT SCHOOL FUND LAND, Abstract: 778		
Latitude		Longitude	
This well is	16.8	miles in	NW
direction	PECOS,		
which is the nearest town in the			

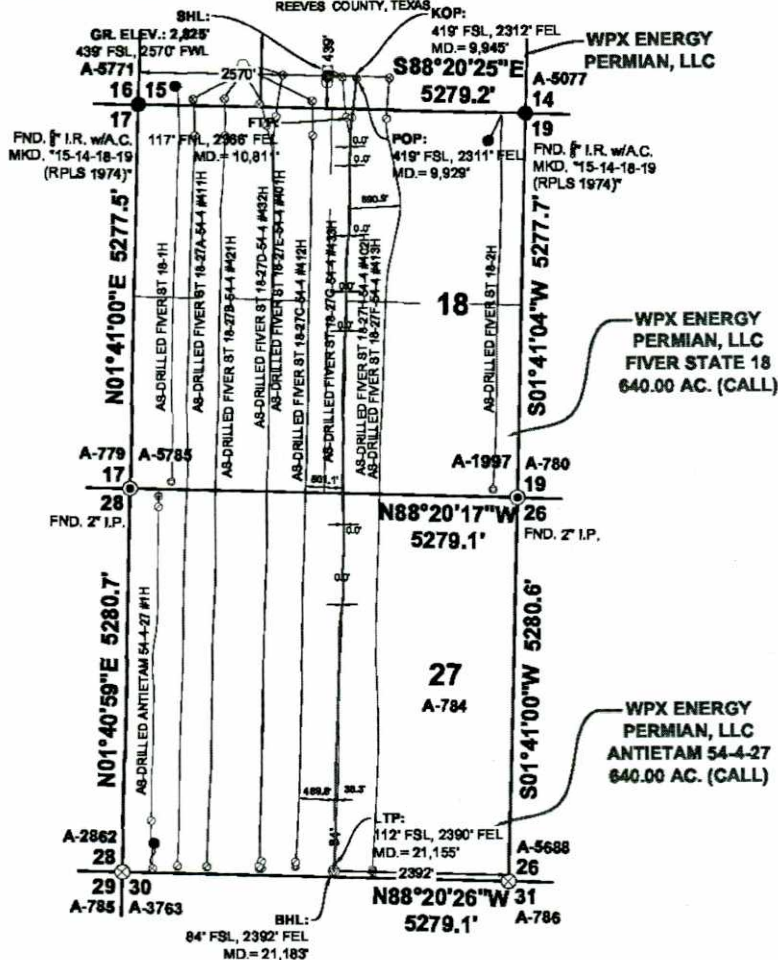
FILING INFORMATION			
Purpose of	Initial Potential		
Type of	Other/Recompletion		
Well Type:	Producing	Completion or Recompletion	04/05/2021
Type of Permit		Date	Permit No.
Permit to Drill, Plug Back, or		08/19/2020	864735
Rule 37 Exception			
Fluid Injection			
O&G Waste Disposal			
Other:			

COMPLETION INFORMATION			
Spud	10/12/2020	Date of first production after rig	04/05/2021
Date plug back, deepening, drilling operation	03/10/2021	Date plug back, deepening, recompletion, drilling operation	04/05/2021
Number of producing wells on this lease this field (reservoir) including this	11	Distance to nearest well in lease & reservoir	1.0
Total number of acres in	1280.00	Elevation	2850 RKB
Total depth TVD	10836	Total depth MD	21576
Plug back depth TVD	10836	Plug back depth MD	21567
Was directional survey made other inclination (Form W-	Yes	Rotation time within surface casing	
Recompletion or	Yes	Is Cementing Affidavit (Form W-15)	Yes
Type(s) of electric or other log(s)	Gamma Ray (MWD)	Multiple	No
Electric Log Other Description:			
Location of well, relative to nearest lease boundaries of lease on which this well is	499.0 Feet from the	South Line and	Off Lease: Yes
	2570.0 Feet from the	West Line of the	
	FIVER STATE 18-27G-54-4 Lease.		

FORMER FIELD (WITH RESERVOIR) & GAS ID OR OIL LEASE NO.			
Field & Reservoir	Gas ID or Oil Lease	Well No.	Prior Service Type



SECTION 15, BLOCK 54, T4, A-778, TEXAS & PACIFIC RAILWAY COMPANY SURVEY,



SURFACE HOLE LOCATION	FOOTAGE: 439' FSL, 2570' FWL
	NAD 83, TXSP-C, N(Y) = 10559278.7, E(X) = 1254816.7 - LAT. = 31.5943486° N, LON. = 103.6797704° W
POINT OF PENETRATION	NAD 27, TX-C, N(Y) = 716702.8, E(X) = 958353.2 - LAT. = 31.5942182° N, LON. = 103.6793101° W
	FOOTAGE: 419' FSL, 2311' FEL
KOP	NAD 83, TXSP-C, N(Y) = 10559187.8, E(X) = 1255017.7 - LAT. = 31.5941422° N, LON. = 103.6791173° W
	NAD 27, TX-C, N(Y) = 716621.7, E(X) = 958554.2 - LAT. = 31.5940118° N, LON. = 103.6786569° W
FIRST TAKE	FOOTAGE: 419' FSL, 2312' FEL
	NAD 83, TXSP-C, N(Y) = 10559198.4, E(X) = 1255016.5 - LAT. = 31.5941445° N, LON. = 103.6791211° W
LAST TAKE	NAD 27, TX-C, N(Y) = 716622.5, E(X) = 958553.1 - LAT. = 31.5940141° N, LON. = 103.6786077° W
	FOOTAGE: 112' FSL, 2390' FEL
BOTTOM HOLE LOCATION/TERMINUS	NAD 83, TXSP-C, N(Y) = 10559080.8, E(X) = 1255087.1 - LAT. = 31.5828714° N, LON. = 103.6793087° W
	NAD 27, TX-C, N(Y) = 716084.8, E(X) = 958803.7 - LAT. = 31.5925410° N, LON. = 103.6784463° W
	FOOTAGE: 64' FSL, 2392' FEL
	NAD 83, TXSP-C, N(Y) = 10548301.8, E(X) = 1254823.4 - LAT. = 31.5841860° N, LON. = 103.6786888° W
	NAD 27, TX-C, N(Y) = 705755.1, E(X) = 958360.5 - LAT. = 31.5841348° N, LON. = 103.6782295° W
	NAD 83, TXSP-C, N(Y) = 10548301.8, E(X) = 1254823.4 - LAT. = 31.5841860° N, LON. = 103.6786888° W
	NAD 27, TX-C, N(Y) = 705726.2, E(X) = 958358.8 - LAT. = 31.5840552° N, LON. = 103.6782286° W

SURVEYOR'S NOTES:

- ALL DOWNHOLE, POINT OF PENETRATION AND BOTTOM HOLE INFORMATION AND THEIR LOCATIONS WERE PROVIDED BY WPX ENERGY PERMIAN, LLC, AND ARE NOT GUARANTEED BY THIS SURVEYOR.
- SEE DOCUMENTS FILED IN THIS OFFICE WHICH DESCRIBE IN DETAIL THE RECONSTRUCTION OF THESE SECTIONS AND/OR BLOCKS, USING FOUND MONUMENTATION, GLO AND COURTHOUSE DOCUMENTATION.
- NO SURFACE OWNERSHIP WAS PROVIDED OR REQUESTED BY WPX ENERGY PERMIAN, LLC AND NONE WAS RESEARCHED OR PROVIDED BY WTC, INC.
- BASIS OF BEARINGS, COORDINATES AND DISTANCES ARE A LAMBERT CONICAL PROJECTION OF THE TEXAS COORDINATE SYSTEM, STATE PLANE GRID, NAD 83, TEXAS CENTRAL (4203) WITH A CONVERGENCE ANGLE OF 01°43'41.42" AND A COMBINED SCALE FACTOR OF 0.988805520 BASED ON AN OPUS SOLUTION ON CONTROL POINT PLUS AT N=10586386.402 - E=1252273.828
- THIS LOCATION IS APPROXIMATELY 20.8 MILES N24°W, OF MENTONE, TEXAS.



LEGEND

- PROPOSED WELL LOCATION
- POP
- FTP/LTP
- BHL
- EXISTING WELL
- FOUND IRON ROD (AS NOTED)
- FOUND IRON PIPE (AS NOTED)
- CALCULATED CORNER
- LEASE BOUNDARY



I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT THE SURVEY INFORMATION FOUND ON THIS PERMIT PLAT WAS DERIVED FROM FIELD NOTES OR ELECTRONIC DATA OF AN ACTUAL ON-THE-GROUND SURVEY MADE BY ME OR UNDER MY SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. NO WARRANTY IS MADE OR INTENDED FOR THE LOCATION OF ANY OR ALL EASEMENTS THAT MAY EXIST WITHIN THE BOUNDS OF THIS SURVEY. THE INFORMATION PRESENTED HEREON IS FOR TEXAS RAILROAD COMMISSION PERMITTING ONLY, AND DOES NOT CONSTITUTE OR REPRESENT A COMPLETE BOUNDARY SURVEY AS DEFINED BY THE T.S.P.L.S. "PROFESSIONAL LAND SURVEYING PRACTICES ACT." IF THERE ARE ANY ALTERATIONS MADE (HANDDRAWN OR HANDWRITTEN ADDITIONS) THIS SURVEYOR IS NO LONGER RESPONSIBLE FOR THE VALIDITY OF THIS PLAT.

JAMES C. TOMPKINS RPLS #678
SURVEY DATE: N/A
JOB NO.: WTC54657

03/31/2021
DATE

DRAFT: OV
SHEET: 1 OF 1

WPX ENERGY PERMIAN, LLC

FIVER STATE 18-27H-54-4 #402H
SHL 439' FSL, 2570' FWL
SEC. 15, BLK 54, T4, A-778,
T.&P. RW. CO SURVEY, REEVES COUNTY, TEXAS



WTC, INC.
425 S.W. 1st STREET
ANDREWS, TEXAS 79714
(409) 923-2181
TEXAS REGISTERED ENGINEERING FIRM P-2748
TEXAS REGISTERED SURVEYOR FIRM 9100/699-00

**RAILROAD COMMISSION OF TEXAS****Form G-1**

1701 N. Congress
P.O. Box 12967
Austin, Texas 78701-2967

Status: Approved
Date: 08/09/2021
Tracking No.: 252676

GAS WELL BACK PRESSURE TEST, COMPLETION OR RECOMPLETION REPORT,**OPERATOR INFORMATION**

Operator WPX ENERGY PERMIAN, LLC Operator 942623
Operator ATTN REGULATORY DEPARTMENT 333 WEST SHERIDAN AVE OKLAHOMA CITY, OK 73102-

WELL INFORMATION

API 42-389-39153 County: REEVES
Well 402H RRC District 08
Lease FIVER STATE 18-27H-54-4 Field PHANTOM (WOLFCAMP)
RRC Gas ID 290586 Field No.: 71052900
Location Section: 15, Block: 54 T4S, Survey: T&P RR CO / PERMANENT SCHOOL FUND LAND, Abstract: 778
Latitude Longitud
This well is 16.8 miles in NW
direction PECOS,
which is the nearest town in the

FILING INFORMATION

Purpose of Initial Potential
Type of Other/Recompletion
Well Type: Producing Completion or Recompletion 04/05/2021
Type of Permit Date Permit No.
Permit to Drill, Plug Back, or 08/19/2020 864737
Rule 37 Exception
Fluid Injection
O&G Waste Disposal
Other:

COMPLETION INFORMATION

Spud 10/09/2020 Date of first production after rig 04/05/2021
Date plug back, deepening, drilling operation 03/10/2021 Date plug back, deepening, recompletion, drilling operation 04/05/2021
Number of producing wells on this lease this field (reservoir) including this 11 Distance to nearest well in lease & reservoir 1.0
Total number of acres in 1280.00 Elevation 2851 RKB
Total depth TVD 10464 Total depth MD 21183
Plug back depth TVD 10464 Plug back depth MD 21174
Was directional survey made other inclination (Form W- Yes Rotation time within surface casing Is Cementing Affidavit (Form W-15) Yes
Recompletion or Yes Multiple No
Type(s) of electric or other log(s) Gamma Ray (MWD)
Electric Log Other Description:
Location of well, relative to nearest lease boundaries Off Lease: Yes
of lease on which this well is 439.0 Feet from the South Line and
2570.0 Feet from the West Line of the
FIVER STATE 18-27H-54-4 Lease.

FORMER FIELD (WITH RESERVOIR) & GAS ID OR OIL LEASE NO.

Field & Reservoir Gas ID or Oil Lease Well No. Prior Service Type

G1: N/A
 PACKET: N/A

FOR NEW DRILL OR RE-ENTRY, SURFACE CASING DEPTH DETERMINED BY:

GAU Groundwater Protection Depth 1925.0 Date 08/13/2019
 SWR 13 Exception Depth

GAS MEASUREMENT DATA

Date of 06/22/2021 Gas measurement method
 Gas production during test 15066 Orifice Meter, Flange Taps
 Was the well preflowed for 48 Yes

Run No.	Line size	Orif. or Choke Size (in.)	24 hr. Coeff. Orif. Or Choke	Static Pm or Choke (in.)	Diff (hw)	Flow Temp (°F)	Temp. (Ftf)	Gravity (Fg)	Compress (Fpv)	Volume (MCF/day)
1	4.026	2.5	43217.40	139.0	134.8	107.0	0.9577	0.8755	1.013	5022.0

FIELD DATA AND PRESSURE CALCULATIONS

Gravity (dry 0.783 Gravity (liquid hydrocarbons) (Deg. 46.8
 Gas-Liquid Hydro Ratio (CF/Bbl): 3587 Gravity (mixture): 1.370
 Avg. shut in temp. (° 279.0 Bottom hole temp. and 0.0 °F@ 0.0 FT

Run	Time of Run (Min.)	Choke Size	Wellhead Pressure	Wellhead Flow Temp (°F)
SHUT-IN	1440	0	13	180.0
1	4320	72	2260	120.0

CASING RECORD

Ro	Type of Casing	Casing Size (in.)	Hole Size	Setting Depth	Multi - Stage Tool	Multi - Stage Shoe	Cement Class	Cement Amoun	Slurry Volume (cu. ft.)	Top of Cement (ft.)	TOC Determined By
1	Surface	13 3/8	17 1/2	2028			C	1530	2831.0	SURF ACE	Circulated to Surface
2	Intermediate	9 5/8	12 1/4	4226			ECONOCE M & HALCEM C	1075	2557.0	SURF ACE	Circulated to Surface
3	Intermediate	7	8 3/4	10815			C	860	1705.0	1200	Calculation

LINER RECORD

Ro	Liner Size	Hole Size (in.)	Liner Top	Liner Bottom	Cement Class	Cement Amoun	Slurry Volume (cu. ft.)	Top of Cement (ft.)	TOC Determined By
1	4 1/2	6 1/8	9824	21176	H	1175	1445.2	9824	Calculation

TUBING RECORD

Ro	Size (in.)	Depth Size (ft.)	Packer Depth (ft.)/Type
1	2 7/8	9791	/

PRODUCING/INJECTION/DISPOSAL INTERVAL

Ro	Open hole?	From (ft.)	To (ft.)
1	No	L1 10811	21155

ACID, FRACTURE, CEMENT SQUEEZE, CAST IRON BRIDGE PLUG, RETAINER, ETC.

Was hydraulic fracturing treatment

Yes

Is well equipped with a downhole actuation sleeve? Yes

If yes, actuation pressure

9019.0

Production casing test pressure (PSIG)

Actual maximum pressure (PSIG) during

hydraulic fracturing

11160

fracturing 11070

Has the hydraulic fracturing fluid disclosure been

Yes

Ro Type of Operation

1 Fracture

Amount and Kind of Material Used

14838444 TL FLUID; 20741469 TL PROPPANT

Depth Interval (ft.)

10811.0 21155.0

FORMATION RECORD

<u>Formations</u>	<u>Encountered</u>	<u>Depth TVD</u>	<u>Depth MD</u>	<u>Is formation isolated?</u>	<u>Remarks</u>
FORD / DELAWARE	No			No	NOT PRESENT
DELAWARE	No			No	NOT PRESENT
CASTILLE	No			No	NOT PRESENT
BELL CANYON	Yes	4095.0	4110.0	Yes	
DELAWARE CONSOLIDATED GAS	No			No	NOT PRESENT
CHERRY CANYON	Yes	5164.0	5190.0	Yes	
BONE SPRING	Yes	7619.0	7649.0	Yes	
PERMIAN (UNDEFINED)	No			No	NOT PRESENT
WOLFCAMP	Yes	9799.0	9929.0	Yes	
PENNSYLVANIAN	No			No	BELOW TARGET FORMATION
MISSISSIPPIAN	No			No	BELOW TARGET FORMATION
DEVONIAN	No			No	BELOW TARGET FORMATION
FUSSELMAN	No			No	BELOW TARGET FORMATION
ELLENBURGER	No			No	BELOW TARGET FORMATION
PRECAMBRIAN (UNDIFFERENTIATED)	No			No	BELOW TARGET FORMATION

Do the producing interval of this well produce H2S with a concentration in excess of 100 ppm

No

Is the completion being downhole commingled (SWR

No

REMARKS

KOP @ 9945; PERF DATES 03/10/2021 - 03/25/2021; PLEASE SEE TRACKING# 247645 FOR HISTORICAL INFORMATION.

RRC REMARKS**PUBLIC COMMENTS:**

[RRC Staff 2021-07-20 08:34:30.604] EDL=10300 feet, max acres=704, PHANTOM (WOLFCAMP) oil or gas well;
take points: 10811-21155 feet

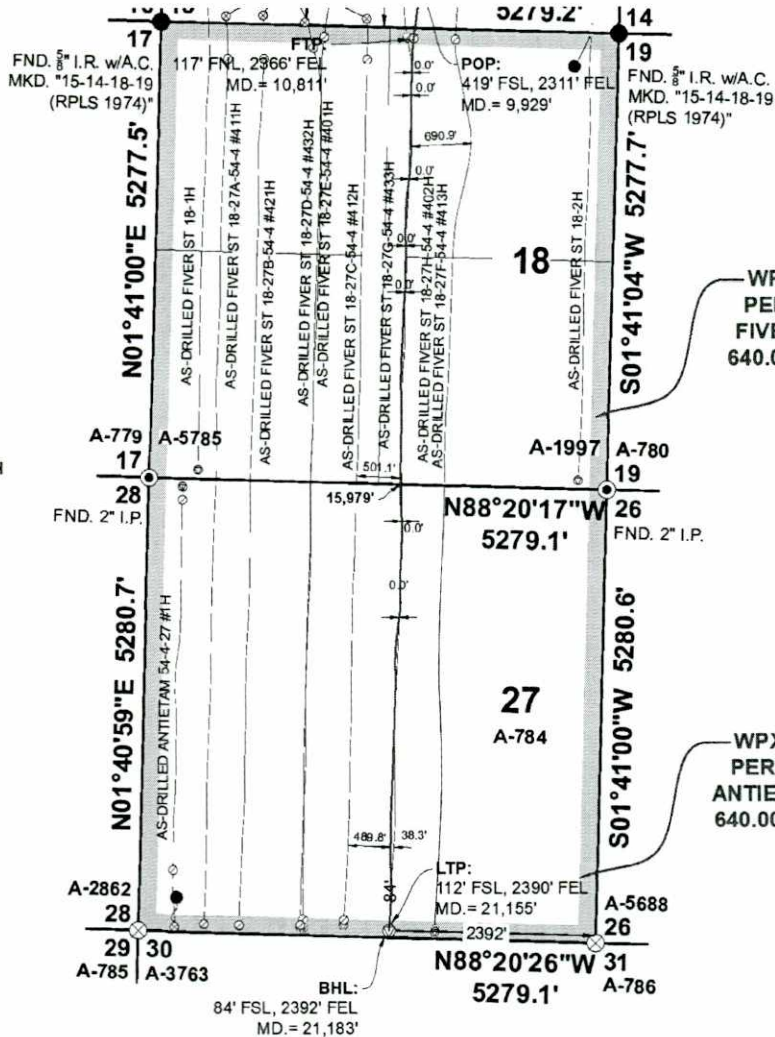
CASING RECORD :**TUBING RECORD:****PRODUCING/INJECTION/DISPOSAL INTERVAL :****ACID, FRACTURE, CEMENT SQUEEZE, CAST IRON BRIDGE PLUG, RETAINER, ETC. :****GAS MEASUREMENT DATE REMARK:****OPERATOR'S CERTIFICATION**

Printed	Amy Brown	Title	Regulatory Compliance Professional
Telephone	(405) 552-6137	Date	07/15/2021

5168' FTP -
SECTION LINE

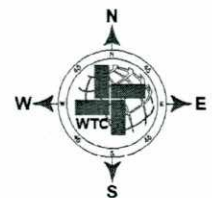
10,344' TOTAL
LATERAL LENGTH
(FTP - LTP)

5176' SECTION
LINE - LTP



WPX ENERGY
PERMIAN, LLC
FIVER STATE 18
640.00 AC. (CALL)

WPX ENERGY
PERMIAN, LLC
ANTIETAM 54-4-27
640.00 AC. (CALL)



SURFACE HOLE LOCATION	FOOTAGE: 439' FSL, 2570' FWL
	NAD 83, TXSP-C, N.(Y): = 10559278.7, E.(X): = 1254816.7 - LAT.: = 31.5943486° N, LON.: = 103.6797704° W
POINT OF PENETRATION	FOOTAGE: 419' FSL, 2311' FEL
	NAD 83, TXSP-C, N.(Y): = 10559197.6, E.(X): = 1255017.7 - LAT.: = 31.5941422° N, LON.: = 103.6791173° W
KOP	FOOTAGE: 419' FSL, 2312' FEL
	NAD 83, TXSP-C, N.(Y): = 10559198.4, E.(X): = 1255016.5 - LAT.: = 31.5941445° N, LON.: = 103.6791211° W
FIRST TAKE	FOOTAGE: 117' FNL, 2366' FEL
	NAD 83, TXSP-C, N.(Y): = 10559060.8, E.(X): = 1255007.1 - LAT.: = 31.5926714° N, LON.: = 103.6789067° W
LAST TAKE	FOOTAGE: 112' FSL, 2390' FEL
	NAD 83, TXSP-C, N.(Y): = 10548330.7, E.(X): = 1254824.0 - LAT.: = 31.5642655° N, LON.: = 103.6786895° W
BOTTOM HOLE LOCATION/TERMINUS	FOOTAGE: 84' FSL, 2392' FEL
	NAD 83, TXSP-C, N.(Y): = 10548301.8, E.(X): = 1254823.4 - LAT.: = 31.5641860° N, LON.: = 103.6786888° W

SURVEYOR'S NOTES:

- ALL DOWNHOLE, POINT OF PENETRATION AND BOTTOM HOLE INFORMATION AND THEIR LOCATIONS WERE PROVIDED BY WPX ENERGY PERMIAN, LLC, AND ARE NOT GUARANTEED BY THIS SURVEYOR.
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- NO SURFACE OWNERSHIP WAS PROVIDED OR REQUESTED BY WPX ENERGY PERMIAN, LLC AND NONE WAS RESEARCHED OR PROVIDED BY WTC, INC.
- BASIS OF BEARINGS, COORDINATES AND DISTANCES ARE A LAMBERT CONICAL PROJECTION OF THE TEXAS COORDINATE SYSTEM, STATE PLANE GRID, NAD 83, TEXAS CENTRAL (4203) WITH A CONVERGENCE ANGLE OF -01°43'41.42" AND A COMBINED SCALE FACTOR OF 0.999805520 BASED ON AN OPUS SOLUTION ON CONTROL POINT ZEUS AT N.=10566388.402' - E.=1252273.526'
- THIS LOCATION IS APPROXIMATELY 20.8 MILES N.24°W., OF MENTONE, TEXAS.



I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT THE SURVEY INFORMATION FOUND ON THIS PERMIT PLAT WAS DERIVED FROM FIELD NOTES OR ELECTRONIC DATA OF AN ACTUAL ON-THE-GROUND SURVEY MADE BY ME OR UNDER MY SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. NO WARRANTY IS MADE OR INTENDED FOR THE LOCATION OF ANY OR ALL EASEMENTS THAT MAY EXIST WITHIN THE BOUNDS OF THIS SURVEY. THE INFORMATION PRESENTED HEREON IS FOR TEXAS RAILROAD COMMISSION PERMITTING ONLY AND DOES NOT CONSTITUTE OR REPRESENT A COMPLETE BOUNDARY SURVEY AS DEFINED BY THE T.B.P.L.S., "PROFESSIONAL LAND SURVEYING PRACTICES ACT." IF THERE ARE ANY ALTERATIONS MADE (HAND DRAWN OR HANDWRITTEN ADDITIONS) THIS

WPX ENERGY PERMIAN, LLC

FIVER STATE 18-27H-54-4 #402H
SHL 439' FSL, 2570' FWL
SEC. 15, BLK 54, T4, A-778,
T.&P. RW. CO SURVEY, REEVES COUNTY, TEXAS

**RAILROAD COMMISSION OF TEXAS**

1701 N. Congress
P.O. Box 12967
Austin, Texas 78701-2967

Form G-1

Status: Approved
Date: 12/03/2021
Tracking No.: 257913

GAS WELL BACK PRESSURE TEST, COMPLETION OR RECOMPLETION REPORT,

OPERATOR INFORMATION				
Operator	WPX ENERGY PERMIAN, LLC		Operator	942623
Operator	ATTN REGULATORY DEPARTMENT 333 WEST SHERIDAN AVE OKLAHOMA CITY, OK 73102-			

WELL INFORMATION			
API	42-389-39342	County:	REEVES
Well	414H	RRC District	08
Lease	FIVER STATE 18-271-54-4		
RRC Gas ID	291602	Field	PHANTOM (WOLFCAMP)
		Field No.:	71052900
Location	Section: 15, Block: 54 T4S, Survey: T&P RR CO /PERMANENT SCHOOL FUND LAND, Abstract: 778		
Latitude		Longitud	
This well is	17	miles in	NW
direction	PECOS,		
which is the nearest town in the			

FILING INFORMATION			
Purpose of	Well Record Only		
Type of	New Well		
Well Type:	Shut-In Producer	Completion or Recompletion	06/30/2021
Type of Permit		Date	Permit No.
Permit to Drill, Plug Back, or		03/05/2021	868056
Rule 37 Exception			
Fluid Injection			
O&G Waste Disposal			
Other:			

COMPLETION INFORMATION			
Spud	05/22/2021	Date of first production after rig	06/30/2021
Date plug back, deepening, drilling operation	05/22/2021	Date plug back, deepening, recompletion, drilling operation	06/30/2021
Number of producing wells on this lease this field (reservoir) including this	11	Distance to nearest well in lease & reservoir	231.9
Total number of acres in	1280.00	Elevation	2806 GL
Total depth TVD	10717	Total depth MD	21286
Plug back depth TVD	10717	Plug back depth MD	21281
Was directional survey made other inclination (Form W-	Yes	Rotation time within surface casing	71.0
Recompletion or	No	Is Cementing Affidavit (Form W-15)	Yes
Type(s) of electric or other log(s)	Gamma Ray (MWD)		
Electric Log Other Description:			
Location of well, relative to nearest lease boundaries of lease on which this well is	Off Lease: Yes		
	462.0 Feet from the	South	Line and
	1058.0 Feet from the	East	Line of the
	FIVER STATE 18-271-54-4 Lease.		

FORMER FIELD (WITH RESERVOIR) & GAS ID OR OIL LEASE NO.			
Field & Reservoir	Gas ID or Oil Lease	Well No.	Prior Service Type



RAILROAD COMMISSION OF TEXAS

Form G-1

1701 N. Congress
P.O. Box 12967
Austin, Texas 78701-2967

Status: Approved
Date: 03/29/2022
Tracking No.: 262588

GAS WELL BACK PRESSURE TEST, COMPLETION OR RECOMPLETION REPORT,

OPERATOR INFORMATION			
Operator	WPX ENERGY PERMIAN, LLC		Operator 942623
Operator	ATTN REGULATORY DEPARTMENT 333 WEST SHERIDAN AVE OKLAHOMA CITY, OK 73102-		

WELL INFORMATION			
API	42-389-39342		County: REEVES
Well	414H		RRC District 08
Lease	FIVER STATE 18-271-54-4		Field PHANTOM (WOLFCAMP)
RRC Gas ID	291602		Field No.: 71052900
Location	Section: 15, Block: 54 T4S, Survey: T&P RR CO /PERMANENT SCHOOL FUND LAND, Abstract: 778		
Latitude	Longitude		
This well is	17	miles in	NW
direction	PECOS,		
which is the nearest town in the			

FILING INFORMATION			
Purpose of	Initial Potential		
Type of	Other/Recompletion		
Well Type:	Producing	Completion or Recompletion	12/01/2021
Type of Permit		Date	Permit No.
Permit to Drill, Plug Back, or		03/05/2021	868056
Rule 37 Exception			
Fluid Injection			
O&G Waste Disposal			
Other:			

COMPLETION INFORMATION			
Spud	05/22/2021	Date of first production after rig	12/01/2021
Date plug back, deepening, drilling operation	10/09/2021	Date plug back, deepening, recompletion, drilling operation	11/23/2021
Number of producing wells on this lease this field (reservoir) including this	14	Distance to nearest well in lease & reservoir	569.6
Total number of acres in	1280.00	Elevation	2806 GR
Total depth TVD	10717	Total depth MD	21286
Plug back depth TVD	10717	Plug back depth MD	21281
Was directional survey made other inclination (Form W-	Yes	Rotation time within surface casing	71.0
Recompletion or	Yes	Is Cementing Affidavit (Form W-15)	Yes
Type(s) of electric or other log(s)	Gamma Ray (MWD)		
Electric Log Other Description:			
Location of well, relative to nearest lease boundaries of lease on which this well is	Off Lease: Yes		
	462.0 Feet from the	South	Line and
	1058.0 Feet from the	East	Line of the
	FIVER STATE 18-271-54-4 Lease.		

FORMER FIELD (WITH RESERVOIR) & GAS ID OR OIL LEASE NO.			
Field & Reservoir	Gas ID or Oil Lease	Well No.	Prior Service Type

**RAILROAD COMMISSION OF TEXAS****Form G-1**

1701 N. Congress
P.O. Box 12967
Austin, Texas 78701-2967

Status: Approved
Date: 10/26/2022
Tracking No.: 275385

GAS WELL BACK PRESSURE TEST, COMPLETION OR RECOMPLETION REPORT,

OPERATOR INFORMATION	
Operator	WPX ENERGY PERMIAN, LLC
Operator	ATTN REGULATORY DEPARTMENT 333 WEST SHERIDAN AVE OKLAHOMA CITY, OK 73102-

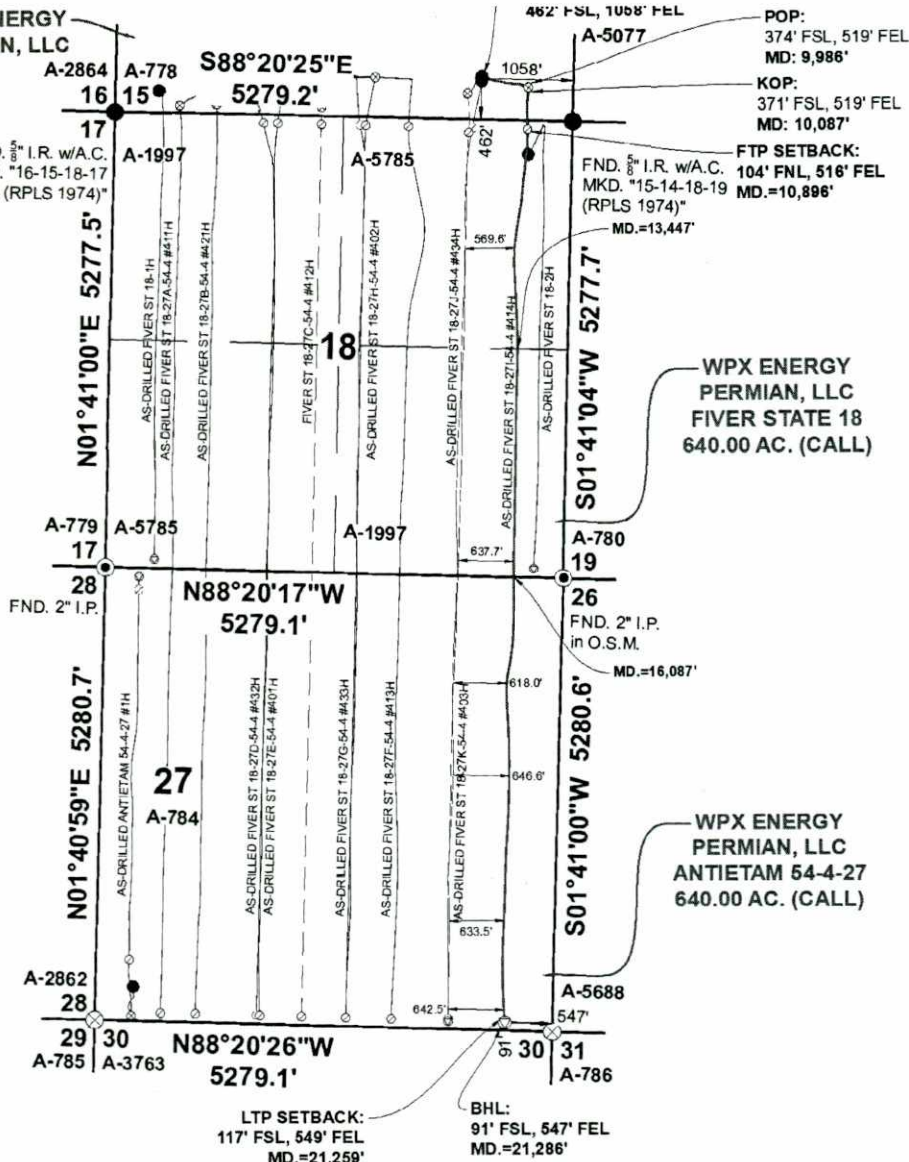
WELL INFORMATION	
API	42-389-39342
Well	414H
Lease	FIVER STATE 18-271-54-4
RRC Gas ID	291602
Location	Section: 15, Block: 54 T4S, Survey: T&P RR CO /PERMANENT SCHOOL FUND LAND, Abstract: 778
County:	REEVES
RRC District	08
Field	PHANTOM (WOLFCAMP)
Field No.:	71052900
Latitude	
Longitude	
This well is	17 miles in NW
direction	PECOS,
which is the nearest town in the	

FILING INFORMATION	
Purpose of	Well Record Only
Type of	Other/Recompletion
Well Type:	Producing
Type of Permit	
Permit to Drill, Plug Back, or Rule 37 Exception	
Fluid Injection	
O&G Waste Disposal	
Other:	

COMPLETION INFORMATION	
Spud	05/22/2021
Date plug back, deepening, drilling operation	02/28/2022
Number of producing wells on this lease this field (reservoir) including this	14
Total number of acres in	1280.00
Total depth TVD	10717
Plug back depth TVD	10717
Was directional survey made other inclination (Form W-	Yes
Recompletion or	Yes
Type(s) of electric or other log(s)	Gamma Ray (MWD)
Electric Log Other Description:	
Location of well, relative to nearest lease boundaries of lease on which this well is	462.0 Feet from the South Line and 1058.0 Feet from the East Line of the Lease.
Date of first production after rig	03/02/2022
Date plug back, deepening, recompletion, drilling operation	03/01/2022
Distance to nearest well in lease & reservoir	569.6
Elevation	2806 GR
Total depth MD	21286
Plug back depth MD	21281
Rotation time within surface casing	
Is Cementing Affidavit (Form W-15)	No
Multiple	No
Off Lease:	Yes
FORMER FIELD (WITH RESERVOIR) & GAS ID OR OIL LEASE NO.	
Field & Reservoir	Gas ID or Oil Lease
Well No.	Prior Service Type

WPX ENERGY
PERMIAN, LLC

FND. 8" I.R. w.A.C.
MKD. "16-15-18-17
(RPLS 1974)"



WPX ENERGY
PERMIAN, LLC
FIVER STATE 18
640.00 AC. (CALL)

WPX ENERGY
PERMIAN, LLC
ANTIETAM 54-4-27
640.00 AC. (CALL)

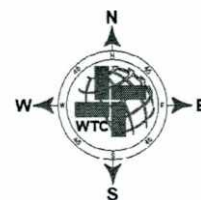
LTP SETBACK:
117' FSL, 549' FEL
MD.=21,259'

BHL:
91' FSL, 547' FEL
MD.=21,286'

SURFACE HOLE LOCATION	FOOTAGE: 462' FSL, 1058' FEL
	NAD 83, TXSP-C, N.(Y): = 10559194.5', E.(X): = 1256466.2' - LAT.: = 31.5942534° N, LON.: = 103.6744667° W
POINT OF PENETRATION	FOOTAGE: 374' FSL, 519' FEL
	NAD 83, TXSP-C, N.(Y): = 10559090.4', E.(X): = 1257002.4' - LAT.: = 31.5940116° N, LON.: = 103.6727354° W
KOP	FOOTAGE: 371' FSL, 519' FEL
	NAD 83, TXSP-C, N.(Y): = 10559087.0', E.(X): = 1257002.6' - LAT.: = 31.5940024° N, LON.: = 103.6727342° W
FIRST TAKE	FOOTAGE: 104' FNL, 516' FEL
	NAD 83, TXSP-C, N.(Y): = 10558613.0', E.(X): = 1256992.0' - LAT.: = 31.5926989° N, LON.: = 103.6727227° W
LAST TAKE	FOOTAGE: 117' FSL, 549' FEL
	NAD 83, TXSP-C, N.(Y): = 10548280.8', E.(X): = 1256655.3' - LAT.: = 31.5642796° N, LON.: = 103.6728074° W
BOTTOM HOLE LOCATION/TERMINUS	FOOTAGE: 91' FSL, 547' FEL
	NAD 83, TXSP-C, N.(Y): = 10548254.5', E.(X): = 1256656.5' - LAT.: = 31.5642073° N, LON.: = 103.6728011° W

SURVEYOR'S NOTES:

- ALL DOWNHOLE, POINT OF PENETRATION AND BOTTOM HOLE INFORMATION AND THEIR LOCATIONS WERE PROVIDED BY WPX ENERGY PERMIAN, LLC, AND ARE NOT GUARANTEED BY THIS SURVEYOR.
- SEE DOCUMENTS FILED IN THIS OFFICE WHICH DESCRIBE IN DETAIL THE RECONSTRUCTION OF THESE SECTIONS AND/OR BLOCKS, USING FOUND MONUMENTATION, GLO AND COURTHOUSE DOCUMENTATION.
- NO SURFACE OWNERSHIP WAS PROVIDED OR REQUESTED BY WPX ENERGY PERMIAN, LLC AND NONE WAS RESEARCHED OR PROVIDED BY WTC, INC.
- BASIS OF BEARINGS, COORDINATES AND DISTANCES ARE A LAMBERT CONICAL PROJECTION OF THE TEXAS COORDINATE SYSTEM, STATE PLANE GRID, NAD 83, TEXAS CENTRAL (4203) WITH A CONVERGENCE ANGLE OF -01°43'41.42" AND A COMBINED SCALE FACTOR OF 0.999805520 BASED ON AN OPUS SOLUTION ON CONTROL POINT ZEUS AT N=10566388.402° - E.=1252273.526°
- THIS LOCATION IS APPROXIMATELY 17.0 MILES N.41°W. OF PECOS, TEXAS.



LEGEND

- PROPOSED WELL LOCATION
- POP
- FTP/LTP
- BHL
- EXISTING WELL
- FOUND IRON ROD (AS NOTED)
- FOUND IRON PIPE (AS NOTED)
- CALCULATED CORNER
- LEASE BOUNDARY

2000 0 2000 4000 FEET

SCALE: 1" = 2000'



I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT THE SURVEY INFORMATION FOUND ON THIS PERMIT PLAT WAS DERIVED FROM FIELD NOTES OR ELECTRONIC DATA OF AN ACTUAL ON-THE-GROUND SURVEY MADE BY ME OR UNDER MY SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. NO WARRANTY IS MADE OR INTENDED FOR THE LOCATION OF ANY OR ALL EASEMENTS THAT MAY EXIST WITHIN THE BOUNDS OF THIS SURVEY. THE INFORMATION PRESENTED HEREON IS FOR TEXAS RAILROAD COMMISSION PERMITTING ONLY, AND DOES NOT CONSTITUTE OR REPRESENT A COMPLETE BOUNDARY SURVEY AS DEFINED BY THE T.B.P.L.S., "PROFESSIONAL LAND SURVEYING PRACTICES ACT." IF THERE ARE ANY ALTERATIONS MADE (HAND DRAWN OR HANDWRITTEN ADDITIONS) THIS

WPX ENERGY PERMIAN, LLC

FIVER STATE 18-271-54-4 #414H
SHL 462' FSL, 1058' FEL
SEC. 15, BLK 54, T4, A-778,
T.&P. RW. CO. SURVEY,
LOVING COUNTY, TEXAS

**RAILROAD COMMISSION OF TEXAS****Form G-1**

1701 N. Congress
P.O. Box 12967
Austin, Texas 78701-2967

Status: Approved
Date: 11/22/2021
Tracking No.: 257911

GAS WELL BACK PRESSURE TEST, COMPLETION OR RECOMPLETION REPORT,**OPERATOR INFORMATION**

Operator WPX ENERGY PERMIAN, LLC Operator 942623
Operator ATTN REGULATORY DEPARTMENT 333 WEST SHERIDAN AVE OKLAHOMA CITY, OK 73102-

WELL INFORMATION

API 42-389-39346 County: REEVES
Well 434H RRC District 08
Lease FIVER STATE 18-27J-54-4 Field PHANTOM (WOLFCAMP)
RRC Gas ID 291533 Field No.: 71052900
Location Section: 15, Block: 54 T4S, Survey: T&P RR CO / PERMANENT SCHOOL FUND LAND, Abstract: 778
Latitude Longitude
This well is 17 miles in NW
direction PECOS,
which is the nearest town in the

FILING INFORMATION

Purpose of Well Record Only
Type of New Well
Well Type: Shut-In Producer Completion or Recompletion 07/16/2021
Type of Permit Date Permit No.
Permit to Drill, Plug Back, or 03/10/2021 868179
Rule 37 Exception
Fluid Injection
O&G Waste Disposal
Other:

COMPLETION INFORMATION

Spud 05/23/2021 Date of first production after rig 07/16/2021
Date plug back, deepening, drilling operation 05/23/2021 Date plug back, deepening, recompletion, drilling operation 07/16/2021
Number of producing wells on this lease this field (reservoir) including this 11 Distance to nearest well in lease & reservoir 456.2
Total number of acres in 1280.00 Elevation 2805 GL
Total depth TVD 10941 Total depth MD 21515
Plug back depth TVD 10941 Plug back depth MD 21510
Was directional survey made other inclination (Form W- Yes Rotation time within surface casing 69.0
Is Cementing Affidavit (Form W-15) Yes
Recompletion or No Multiple No
Type(s) of electric or other log(s) Gamma Ray (MWD)
Electric Log Other Description:
Location of well, relative to nearest lease boundaries Off Lease: Yes
of lease on which this well is 432.0 Feet from the South Line and
1058.0 Feet from the East Line of the
FIVER STATE 18-27J-54-4 Lease.

FORMER FIELD (WITH RESERVOIR) & GAS ID OR OIL LEASE NO.

Field & Reservoir Gas ID or Oil Lease Well No. Prior Service Type

**RAILROAD COMMISSION OF TEXAS****Form G-1**

1701 N. Congress
P.O. Box 12967
Austin, Texas 78701-2967

Status: Approved
Date: 03/29/2022
Tracking No.: 262585

GAS WELL BACK PRESSURE TEST, COMPLETION OR RECOMPLETION REPORT,

OPERATOR INFORMATION				
Operator	WPX ENERGY PERMIAN, LLC		Operator	942623
Operator	ATTN REGULATORY DEPARTMENT 333 WEST SHERIDAN AVE OKLAHOMA CITY, OK 73102-			

WELL INFORMATION			
API	42-389-39346	County:	REEVES
Well	434H	RRC District	08
Lease	FIVER STATE 18-27J-54-4		
RRC Gas ID	291533	Field	PHANTOM (WOLFCAMP)
		Field No.:	71052900
Location	Section: 15, Block: 54 T4S, Survey: T&P RR CO / PERMANENT SCHOOL FUND LAND, Abstract: 778		
Latitude		Longitud	
This well is	17	miles in	NW
direction	PECOS,		
which is the nearest town in the			

FILING INFORMATION			
Purpose of	Initial Potential		
Type of	Other/Recompletion		
Well Type:	Producing	Completion or Recompletion	11/30/2021
Type of Permit		Date	Permit No.
Permit to Drill, Plug Back, or		03/10/2021	868179
Rule 37 Exception			
Fluid Injection			
O&G Waste Disposal			
Other:			

COMPLETION INFORMATION			
Spud	05/23/2021	Date of first production after rig	11/30/2021
Date plug back, deepening, drilling operation	10/09/2021	Date plug back, deepening, recompletion, drilling operation	11/25/2021
Number of producing wells on this lease this field (reservoir) including this	14	Distance to nearest well in lease & reservoir	0.0
Total number of acres in	1280.00	Elevation	2806 GR
Total depth TVD	10941	Total depth MD	21515
Plug back depth TVD	10941	Plug back depth MD	21510
Was directional survey made other inclination (Form W-	Yes	Rotation time within surface casing Is Cementing Affidavit (Form W-15)	69.0 Yes
Recompletion or	Yes	Multiple	No
Type(s) of electric or other log(s)	Gamma Ray (MWD)		
Electric Log Other Description:			
Location of well, relative to nearest lease boundaries of lease on which this well is	432.0 Feet from the South	Off Lease:	Yes
	1058.0 Feet from the East	Line and	
		Line of the	
		Lease.	
	FIVER STATE 18-27J-54-4		

FORMER FIELD (WITH RESERVOIR) & GAS ID OR OIL LEASE NO.			
Field & Reservoir	Gas ID or Oil Lease	Well No.	Prior Service Type

**RAILROAD COMMISSION OF TEXAS**

1701 N. Congress
P.O. Box 12967
Austin, Texas 78701-2967

Form G-1

Status: Approved
Date: 10/04/2022
Tracking No.: 275379

GAS WELL BACK PRESSURE TEST, COMPLETION OR RECOMPLETION REPORT,

OPERATOR INFORMATION			
Operator	WPX ENERGY PERMIAN, LLC	Operator	942623
Operator	ATTN REGULATORY DEPARTMENT 333 WEST SHERIDAN AVE OKLAHOMA CITY, OK 73102-		

WELL INFORMATION			
API	42-389-39346	County:	REEVES
Well	434H	RRC District	08
Lease	FIVER STATE 18-27J-54-4		
RRC Gas ID	291533	Field	PHANTOM (WOLFCAMP)
		Field No.:	71052900
Location	Section: 15, Block: 54 T4S, Survey: T&P RR CO / PERMANENT SCHOOL FUND LAND, Abstract: 778		
Latitude		Longitud	
This well is	17	miles in	NW
direction	PECOS,		
which is the nearest town in the			

FILING INFORMATION			
Purpose of	Well Record Only		
Type of	Other/Recompletion		
Well Type:	Producing	Completion or Recompletion	02/16/2022
Type of Permit		Date	Permit No.
Permit to Drill, Plug Back, or		03/10/2021	868179
Rule 37 Exception			
Fluid Injection			
O&G Waste Disposal			
Other:			

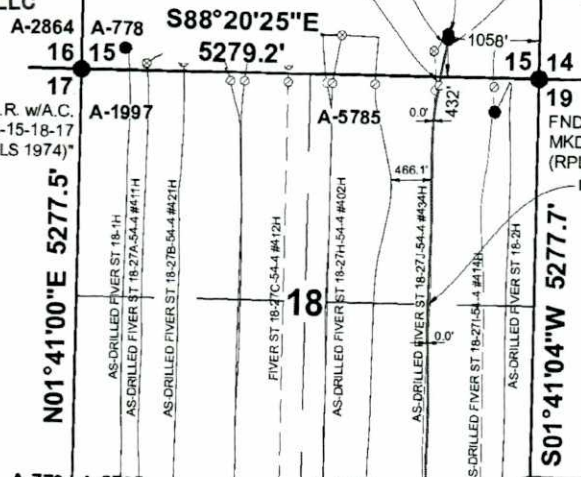
COMPLETION INFORMATION			
Spud	05/23/2021	Date of first production after rig	02/16/2022
Date plug back, deepening, drilling operation	02/14/2022	Date plug back, deepening, recompletion, drilling operation	02/15/2022
Number of producing wells on this lease this field (reservoir) including this	14	Distance to nearest well in lease & reservoir	0.0
Total number of acres in	1280.00	Elevation	2806 GR
Total depth TVD	10941	Total depth MD	21515
Plug back depth TVD	10941	Plug back depth MD	21510
Was directional survey made other inclination (Form W-	Yes	Rotation time within surface casing Is Cementing Affidavit (Form W-15)	No
Recompletion or	Yes	Multiple	No
Type(s) of electric or other log(s)	Gamma Ray (MWD)		
Electric Log Other Description:			
Location of well, relative to nearest lease boundaries of lease on which this well is	432.0 Feet from the South	Off Lease: Yes	Line and
	1058.0 Feet from the East		Line of the
	FIVER STATE 18-27J-54-4		Lease.
FORMER FIELD (WITH RESERVOIR) & GAS ID OR OIL LEASE NO.			
Field & Reservoir	Gas ID or Oil Lease	Well No.	Prior Service Type

WPX ENERGY
PERMIAN, LLC

FND. 3" I.R. w/A.C.
MKD. "16-18-17"
(RPLS 1974)*

104' FNL, 1151' FEL
MD.=11,135'

A-5077 MD: 9,941'



WPX ENERGY
PERMIAN, LLC
FIVER STATE 18
640.00 AC. (CALL)

WPX ENERGY
PERMIAN, LLC
ANTIETAM 54-4-27
640.00 AC. (CALL)

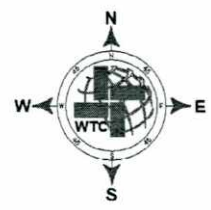
LTP SETBACK:
116' FSL, 1195' FEL
MD.=21,489'

BHL:
90' FSL, 1195' FEL
MD.=21,515'

SURFACE HOLE LOCATION	FOOTAGE: 432' FSL, 1058' FEL
	NAD 83, TXSP-C, N.(Y): = 10559164.5', E.(X): = 1256465.5' - LAT.: = 31.5941709° N, LON.: = 103.6744662° W
POINT OF PENETRATION	FOOTAGE: 416' FSL, 1056' FEL
	NAD 83, TXSP-C, N.(Y): = 10559148.2', E.(X): = 1256466.9' - LAT.: = 31.5941262° N, LON.: = 103.6744600° W
KOP	FOOTAGE: 416' FSL, 1057' FEL
	NAD 83, TXSP-C, N.(Y): = 10559147.8', E.(X): = 1256465.9' - LAT.: = 31.5941253° N, LON.: = 103.6744632° W
FIRST TAKE	FOOTAGE: 104' FNL, 1151' FEL
	NAD 83, TXSP-C, N.(Y): = 10559631.3', E.(X): = 1256356.5' - LAT.: = 31.5926968° N, LON.: = 103.6747647° W
LAST TAKE	FOOTAGE: 116' FSL, 1195' FEL
	NAD 83, TXSP-C, N.(Y): = 10548298.5', E.(X): = 1256007.9' - LAT.: = 31.5642748° N, LON.: = 103.6748870° W
BOTTOM HOLE LOCATION/TERMINUS	FOOTAGE: 90' FSL, 1195' FEL
	NAD 83, TXSP-C, N.(Y): = 10548272.6', E.(X): = 1256007.9' - LAT.: = 31.5642034° N, LON.: = 103.6748844° W
	NAD 27, TX-C, N.(Y): = 705696.9', E.(X): = 959544.4' - LAT.: = 31.5640726° N, LON.: = 103.6744245° W

SURVEYOR'S NOTES:

- ALL DOWNHOLE, POINT OF PENETRATION AND BOTTOM HOLE INFORMATION AND THEIR LOCATIONS WERE PROVIDED BY WPX ENERGY PERMIAN, LLC, AND ARE NOT GUARANTEED BY THIS SURVEYOR.
- SEE DOCUMENTS FILED IN THIS OFFICE WHICH DESCRIBE IN DETAIL THE RECONSTRUCTION OF THESE SECTIONS AND/OR BLOCKS, USING FOUND MONUMENTATION, GLO AND COURTHOUSE DOCUMENTATION.
- NO SURFACE OWNERSHIP WAS PROVIDED OR REQUESTED BY WPX ENERGY PERMIAN, LLC AND NONE WAS RESEARCHED OR PROVIDED BY WTC, INC.
- BASIS OF BEARINGS, COORDINATES AND DISTANCES ARE A LAMBERT CONICAL PROJECTION OF THE TEXAS COORDINATE SYSTEM, STATE PLANE GRID, NAD 83, TEXAS CENTRAL (4203) WITH A CONVERGENCE ANGLE OF -01°43'41.42" AND A COMBINED SCALE FACTOR OF 0.999805520 BASED ON AN OPUS SOLUTION ON CONTROL POINT ZEUS AT N=10566388.402° - E.=1252273.526°
- THIS LOCATION IS APPROXIMATELY 17.0 MILES N.41°W. OF PECOS, TEXAS.



LEGEND

- PROPOSED WELL LOCATION
- ⊗ POP
- ⊗ FTP/LTP
- ⊗ BHL
- EXISTING WELL
- FOUND IRON ROD (AS NOTED)
- FOUND IRON PIPE (AS NOTED)
- ⊗ CALCULATED CORNER
- LEASE BOUNDARY

2000 0 2000 4000 FEET

SCALE: 1" = 2000'



I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT THE SURVEY INFORMATION FOUND ON THIS PERMIT PLAT WAS DERIVED FROM FIELD NOTES OR ELECTRONIC DATA OF AN ACTUAL ON-THE-GROUND SURVEY MADE BY ME OR UNDER MY SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. NO WARRANTY IS MADE OR INTENDED FOR THE LOCATION OF ANY OR ALL EASEMENTS THAT MAY EXIST WITHIN THE BOUNDS OF THIS SURVEY. THE INFORMATION PRESENTED HEREON IS FOR TEXAS RAILROAD COMMISSION PERMITTING ONLY, AND DOES NOT CONSTITUTE OR REPRESENT A COMPLETE BOUNDARY SURVEY AS DEFINED BY THE T.B.P.L.S., "PROFESSIONAL LAND SURVEYING PRACTICES ACT." IF THERE ARE ANY ALTERATIONS MADE (HAND DRAWN OR HANDWRITTEN ADDITIONS) THIS

WPX ENERGY PERMIAN, LLC

FIVER STATE 18-27J-54-4 #434H
SHL 432' FSL, 1058' FEL
SEC. 15, BLK 54, T4, A-778,
T.&P. RW. CO. SURVEY,
LOVING COUNTY, TEXAS

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**RAILROAD COMMISSION OF TEXAS****Form G-1**

1701 N. Congress
P.O. Box 12967
Austin, Texas 78701-2967

Status: Approved
Date: 12/29/2021
Tracking No.: 257912

GAS WELL BACK PRESSURE TEST, COMPLETION OR RECOMPLETION REPORT,

OPERATOR INFORMATION				
Operator	WPX ENERGY PERMIAN, LLC		Operator	942623
Operator	ATTN REGULATORY DEPARTMENT 333 WEST SHERIDAN AVE OKLAHOMA CITY, OK 73102-			

WELL INFORMATION			
API	42-389-39347	County:	REEVES
Well	403H	RRC District	08
Lease	FIVER STATE 18-27K-54-4		
RRC Gas ID	291668	Field	PHANTOM (WOLFCAMP)
		Field No.:	71052900
Location	Section: 15, Block: 54 T4S, Survey: T&P RR CO / PERMANENT SCHOOL FUND LAND, Abstract: 778		
Latitude		Longitud	
This well is	17	miles in	NW
direction	PECOS,		
which is the nearest town in the			

FILING INFORMATION			
Purpose of	Well Record Only		
Type of	New Well		
Well Type:	Shut-In Producer	Completion or Recompletion	06/20/2021
Type of Permit		Date	Permit No.
Permit to Drill, Plug Back, or		03/10/2021	868180
Rule 37 Exception			
Fluid Injection			
O&G Waste Disposal			
Other:			

COMPLETION INFORMATION			
Spud	05/21/2021	Date of first production after rig	06/20/2021
Date plug back, deepening, drilling operation	05/21/2021	Date plug back, deepening, recompletion, drilling operation	06/20/2021
Number of producing wells on this lease this field (reservoir) including this	11	Distance to nearest well in lease & reservoir	456.2
Total number of acres in	1280.00	Elevation	2806 GL
Total depth TVD	10564	Total depth MD	21027
Plug back depth TVD	10564	Plug back depth MD	21022
Was directional survey made other inclination (Form W-	Yes	Rotation time within surface casing	66.0
Recompletion or	No	Is Cementing Affidavit (Form W-15)	Yes
Type(s) of electric or other log(s)	Gamma Ray (MWD)		
Electric Log Other Description:			
Location of well, relative to nearest lease boundaries	Off Lease: Yes		
of lease on which this well is	492.0 Feet from the	South	Line and
	1058.0 Feet from the	East	Line of the
	FIVER STATE 18-27K-54-4 Lease.		

FORMER FIELD (WITH RESERVOIR) & GAS ID OR OIL LEASE NO.			
Field & Reservoir	Gas ID or Oil Lease	Well No.	Prior Service Type

**RAILROAD COMMISSION OF TEXAS****Form G-1**

1701 N. Congress
P.O. Box 12967
Austin, Texas 78701-2967

Status: Approved
Date: 03/29/2022
Tracking No.: 262586

GAS WELL BACK PRESSURE TEST, COMPLETION OR RECOMPLETION REPORT,

OPERATOR INFORMATION				
Operator	WPX ENERGY PERMIAN, LLC		Operator	942623
Operator	ATTN REGULATORY DEPARTMENT 333 WEST SHERIDAN AVE OKLAHOMA CITY, OK 73102-			

WELL INFORMATION				
API	42-389-39347	County:	REEVES	
Well	403H	RRC District	08	
Lease	FIVER STATE 18-27K-54-4		Field	PHANTOM (WOLFCAMP)
RRC Gas ID	291668	Field No.:	71052900	
Location	Section: 15, Block: 54 T4S, Survey: T&P RR CO / PERMANENT SCHOOL FUND LAND, Abstract: 778			
Latitude			Longitude	
This well is	17	miles in	NW	
direction	PECOS,			
which is the nearest town in the				

FILING INFORMATION			
Purpose of	Initial Potential		
Type of	Other/Recompletion		
Well Type:	Producing	Completion or Recompletion	11/30/2021
Type of Permit		Date	Permit No.
Permit to Drill, Plug Back, or		03/10/2021	868180
Rule 37 Exception			
Fluid Injection			
O&G Waste Disposal			
Other:			

COMPLETION INFORMATION			
Spud	05/21/2021	Date of first production after rig	11/30/2021
Date plug back, deepening, drilling operation	10/09/2021	Date plug back, deepening, recompletion, drilling operation	11/23/2021
Number of producing wells on this lease this field (reservoir) including this	14	Distance to nearest well in lease & reservoir	0.0
Total number of acres in	1280.00	Elevation	2806 GR
Total depth TVD	10564	Total depth MD	21027
Plug back depth TVD	10564	Plug back depth MD	21022
Was directional survey made other inclination (Form W-	Yes	Rotation time within surface casing	66.0
Recompletion or	Yes	Is Cementing Affidavit (Form W-15)	Yes
Type(s) of electric or other log(s)	Gamma Ray (MWD)		
Electric Log Other Description:			
Location of well, relative to nearest lease boundaries of lease on which this well is	Off Lease: Yes		
	492.0 Feet from the	South	Line and
	1058.0 Feet from the	East	Line of the
	FIVER STATE 18-27K-54-4 Lease.		

FORMER FIELD (WITH RESERVOIR) & GAS ID OR OIL LEASE NO.			
Field & Reservoir	Gas ID or Oil Lease	Well No.	Prior Service Type

**RAILROAD COMMISSION OF TEXAS**

1701 N. Congress
P.O. Box 12967
Austin, Texas 78701-2967

Form G-1

Status: Approved
Date: 10/03/2022
Tracking No.: 275381

GAS WELL BACK PRESSURE TEST, COMPLETION OR RECOMPLETION REPORT,**OPERATOR INFORMATION**

Operator WPX ENERGY PERMIAN, LLC Operator 942623
Operator ATTN REGULATORY DEPARTMENT 333 WEST SHERIDAN AVE OKLAHOMA CITY, OK 73102-

WELL INFORMATION

API 42-389-39347 County: REEVES
Well 403H RRC District 08
Lease FIVER STATE 18-27K-54-4 Field PHANTOM (WOLFCAMP)
RRC Gas ID 291668 Field No.: 71052900
Location Section: 15, Block: 54 T4S, Survey: T&P RR CO / PERMANENT SCHOOL FUND LAND, Abstract: 778

Latitude Longitud
This well is 17 miles in NW
direction PECOS,
which is the nearest town in the

FILING INFORMATION

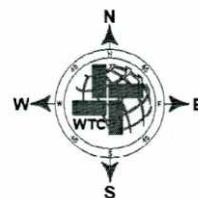
Purpose of Well Record Only
Type of Other/Recompletion
Well Type: Producing Completion or Recompletion 04/21/2022
Type of Permit Date Permit No.
Permit to Drill, Plug Back, or 03/10/2021 868180
Rule 37 Exception
Fluid Injection
O&G Waste Disposal
Other:

COMPLETION INFORMATION

Spud 05/21/2021 Date of first production after rig 04/21/2022
Date plug back, deepening, drilling operation 04/19/2022 Date plug back, deepening, recompletion, drilling operation 04/20/2022
Number of producing wells on this lease this field (reservoir) including this 14 Distance to nearest well in lease & reservoir 0.0
Total number of acres in 1280.00 Elevation 2806 GR
Total depth TVD 10564 Total depth MD 21027
Plug back depth TVD 10564 Plug back depth MD 21022
Was directional survey made other inclination (Form W- Yes Rotation time within surface casing Is Cementing Affidavit (Form W-15) No
Recompletion or Yes Multiple No
Type(s) of electric or other log(s) Gamma Ray (MWD)
Electric Log Other Description:
Location of well, relative to nearest lease boundaries Off Lease: Yes
of lease on which this well is 492.0 Feet from the South Line and
1058.0 Feet from the East Line of the
FIVER STATE 18-27K-54-4 Lease.

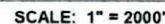
FORMER FIELD (WITH RESERVOIR) & GAS ID OR OIL LEASE NO.

Field & Reservoir Gas ID or Oil Lease Well No. Prior Service Type



LEGEND

-  PROPOSED WELL LOCATION
 POP
 FTP/LTP
 BHL
 EXISTING WELL
 FOUND IRON ROD (AS NOTED)
 FOUND IRON PIPE (AS NOTED)
 CALCULATED CORNER
 LEASE BOUNDARY



SHL 492' FSL, 1058' FEL
SEC. 15, BLK 54, T4, A-778,
T.&P. RW. CO. SURVEY,
LOVING COUNTY, TEXAS



File No. MF 109880
Reeves County
Termination Packet
Date Filed: 11/14/2024
Commissioner Dawn Buckingham, M.D.
By: (S)