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Archives and Records Staff

ONA #0002

MF110705

<i>State Lease</i> MF110705	<i>Control</i> 15-016459	<i>Base File</i> 155309	<i>County</i> CULBERSON
<i>Survey</i> Block Block Name Township Section/Tract Land Part Part Description Acres Depth Below 0		PUBLIC SCHOOL LAND 113 18 640 <i>Depth Above</i> 0 <i>Depth Other</i>	
<i>Leasing:</i> <u>PR</u> <i>Analyst:</i> _____ <i>Maps:</i> <u>JK</u> <i>GIS:</i> <u>AS</u>		<i>Name</i> DWYER, T VERNE <i>Lease Date</i> 4/6/2010 <i>Primary Term</i> 5 yrs <i>Bonus (\$)</i> \$225,632.00 <i>Rental (\$)</i> \$5.00 <i>Lease Royalty</i> 0.2500	

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M- 110705

For GLO Use Only



APRIL 6, 2010

OIL AND GAS LEASE BID APPLICATION

APPLICANT
AGREEMENT

I agree, if awarded a lease on the referenced tract, to comply with all terms and conditions of said lease and with all applicable laws that so govern said lease, and as those laws may be amended.

APPLICANT
IDENTIFICATION
TO APPEAR ON
LEASE (type/print)

Name: T. VERNE DWYER

Address: 508 WEST WALL, SUITE 403

City: MIDLAND

State: TX

Zip: 79701-5077

(Include +4 Code)

Telephone: (432)684-7933

AREA
DESCRIPTION

County(ies): CULBERSON

Survey/Area: PUBLIC SCHOOL LAND

(If Applicable)

Block/Tsp.: 113

Section/Tract: All of 18

Acres: 640.00

(If Applicable)

BID
SUBMISSION

(A) Bonus Amount

(\$ 225,632.00

Two Hundred Twenty Five Thousand Six Hundred Thirty Two and 00/100 Dollars
(type/print above)

(B) Sales Fee Amount

(\$ 3,384.48

Three Thousand Three Hundred Eighty Four and 48/100 Dollars
(type/print above)

This Sales Fee is 1½% of the cash bonus as provided in Section 32.110 of the
Natural Resources Code as amended.

MGL. NO.

6

APPLICANT NAME

BONUS AMOUNT ONLY (A)
(Do Not include sales fee)T. VERNE DWYER
(same as above)

(\$ 225,632.00

STATE OF TEXAS
TAX I.D. #

(must be an 11-digit number)

SIGNATURE OF
AGENT

(signature)

T. VERNE DWYER
(type/print name)

07.9.4

3384.48

10706287

10706288

File No. MF-110705
Bedford
Date Filed: 4/6/10
Jerry Patterson, Commissioner
By: [Signature]

The State of Texas



Austin, Texas

OIL AND GAS LEASE NO. M-110705

WHEREAS, pursuant to the Texas Natural Resources Code Chapters 32, 33, 51, and Chapter 52, Subchapters A-D and H, (said Code being hereinafter referred to as N.R.C.), and subject to all rules and regulations promulgated by the Commissioner of the General Land Office and/or the School Land Board pursuant thereto, and all other applicable statutes and amendments to said N.R.C., the following area, to-wit:

SECTION 18, BLOCK 113, PUBLIC SCHOOL LAND SURVEY, CULBERSON COUNTY, TEXAS, CONTAINING APPROXIMATELY 640 ACRES, AS SHOWN ON THE OFFICIAL MAP OF CULBERSON COUNTY, TEXAS NOW ON FILE IN THE TEXAS GENERAL LAND OFFICE, AUSTIN, TEXAS,

was, after being duly advertised, offered for lease on the **6th day of April, 2010**, at 10:00 o'clock a.m., by the Commissioner of the General Land Office of the State of Texas and the School Land Board of the State of Texas, for the sole and only purpose of prospecting and drilling for, and producing oil and/or gas that may be found and produced from the above described area; and

WHEREAS, after all bids and remittances which were received up to said time have been duly considered by the Commissioner of the General Land Office and the School Land Board at a regular meeting thereof in the General Land Office, on the **6th day of April, 2010**, hereinafter the "effective date" and it was found and determined that **T. VERNE DWYER** whose address is **508 WEST WALL, SUITE 403, MIDLAND, TEXAS 79701-5077** had offered the highest and best bid for a lease of the area above described and is, therefore, entitled to receive a lease thereon:

NOW, THEREFORE, I, Jerry E. Patterson, Commissioner of the General Land Office of the State of Texas, hereinafter sometimes referred to as "Lessor," whose address is Austin, Texas, by virtue of the authority vested in me and in consideration of the payment by the hereinafter designated Lessee, the sum of **Two Hundred Twenty-Five Thousand Six Hundred Thirty-Two And 00/100 Dollars (\$225,632.00)**, receipt of which is hereby acknowledged and of the royalties, covenants, stipulations and conditions contained and hereby agreed to be paid, observed and performed by Lessee, do hereby demise, grant, lease and let unto the above mentioned bidder the exclusive right to prospect for, produce and take oil and/or gas from the aforesaid area upon the following terms and conditions, to-wit:

1. RESERVATION: There is hereby excepted and reserved to Lessor the full use of the property covered hereby and all rights with respect to the surface and subsurface thereof for any and all purposes except those granted and to the extent herein granted to Lessee, together with the rights of ingress and egress and use of said lands by Lessor and its mineral lessees, for purposes of exploring for and producing the minerals which are not covered, or which may not be covered in the future, under the terms of this lease, but which may be located within the surface boundaries of the leased area. All of the rights in and to the leased premises retained by Lessor and all of the rights in and to the leased premises granted to Lessee herein shall be exercised in such a manner that neither shall unduly interfere with the operations of the other.

2. TERM: Subject to the other provisions hereof, this lease shall be for a term of **five (5) years** from the effective date hereof (herein called "primary term") and as long thereafter as oil or gas is produced in paying quantities from said area.

3. DELAY RENTALS: If no well is commenced on the land hereby leased on or before the anniversary date of this lease, this lease shall terminate as to both parties unless the Lessee on or before said date shall pay or tender to the Commissioner of the General Land Office of the State of Texas at Austin, Texas, the amount specified in the following schedule multiplied by the number of acres in the premises, which shall operate as a rental and cover the privilege of deferring the commencement of a well for **twelve (12) months** from said date. In like manner and upon payments or tenders of amounts set out in the following schedule, the commencement of a well may be further deferred for a like period of the same number of months.

<u>Anniversary Date</u>	<u>Delay Rental per Acre</u>
First	\$ 5.00
Second	\$ 5.00
Third	\$25.00
Fourth	\$25.00

4. PRODUCTION ROYALTIES: Subject to the provisions for royalty reductions set out in subparagraph (E) of this paragraph 4, upon production of oil and/or gas, the Lessee agrees to pay or cause to be paid to the Commissioner of the General Land Office in Austin, Texas, for the use and benefit of the State of Texas, during the term hereof:

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

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

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

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

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

(E) **VARIABLE ROYALTY:** (i) Subject to the other provisions of this lease, it is hereby provided that in the event production in paying quantities is established pursuant to the terms of this lease and such production is brought on line and sales thereof are commenced within eighteen (18) months of the effective date hereof, the royalty rate provided herein shall be reduced to 20%, and shall apply to each subsequent well drilled and produced on the land covered by this lease. Provided that, if during such eighteen (18) month term during which Lessee may earn a reduced royalty rate of 20% as herein provided, Lessee should drill in good faith and complete the first well as a dry hole on the land covered by this lease, Lessee may receive a three (3) month extension of the term in which to earn a reduced royalty rate by giving notice to the Commissioner of the General Land Office, commencing drilling operations on an additional well prior to the expiration of such three (3) month period and prosecuting diligently and in good faith the drilling of such additional well and completing same so that production in paying quantities is established and so that such production is brought on line and sales thereof are commenced prior to the expiration of such three (3) month extension period.

(ii) In the event production in paying quantities is established pursuant to the terms of this lease and such production is brought on line and sales thereof are commenced after the expiration of eighteen (18) months from the effective date hereof but prior to the expiration of twenty-four (24) months from the effective date hereof, the royalty rate provided herein shall be reduced to 22.5% and shall apply to each subsequent well drilled and produced on the land covered by this lease. Provided that, if during such six (6) month term during which Lessee may earn a reduced royalty rate of 22.5% as herein provided, Lessee should drill in good faith and complete the first well as a dry hole on the land covered by this lease, Lessee may receive a three (3) month extension of the term in which to earn a reduced royalty rate by giving notice to the Commissioner of the General Land Office, commencing drilling operations on an additional well prior to the expiration of such three (3) month period and prosecuting diligently and in good faith the drilling of such additional well and completing same so that production in paying quantities is established and so that such production is brought on line and sales thereof are commenced prior to the expiration of such three (3) month extension period.

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

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

(H) **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 anything contained herein to the contrary, and subject to the consent in writing of the Commissioner of the General Land Office, Lessee may recycle gas for gas lift purposes on the leased premises after the liquid hydrocarbons contained in the gas have been removed, and no royalties shall be payable on the gas so recycled until such time as the same may thereafter be produced and sold or used by Lessee in such manner as to entitle Lessor to a royalty thereon under the royalty provisions of this lease.

(I) **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 to Lessor in no event shall be less than an amount equal to \$5.00 per acre; 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 \$5.00 per acre less the amount of royalties paid during the preceding year.

(J) **MARGINAL PRODUCTION ROYALTY:** Upon Lessee's written application, the School Land Board may reduce the royalty rate set out in this paragraph and/or the minimum royalty set out in subparagraph 4 (I) to extend the economic life of this lease and encourage recovery of oil or gas that might otherwise remain unrecovered. Any such royalty reduction must conform to the requirements of any School Land Board administrative rules on this subject. Royalty may not be reduced below the applicable statutory minimum.

5. 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 accruing when the royalty is sixty (60) days overdue. Affidavits and supporting documents which are not filed when due shall incur a penalty in an amount set by the General Land Office administrative rule which is effective on the date when the affidavits or supporting documents were due. The Lessee shall bear all responsibility for paying or causing royalties to be paid as prescribed by the due date provided herein. Payment of the delinquency penalty shall in no way operate to prohibit the State's right of forfeiture as provided by law nor act to postpone the date on which royalties were originally due. The above penalty provisions shall not apply in cases of title dispute as to the State's portion of the royalty or to that portion of the royalty in dispute as to fair market value.

6. (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) **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. 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.

7. **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 11 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 Natural Resources Code Sections 52.151-52.153, 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. Within 90 days of a partial termination of this lease in accordance with this subparagraph and upon payment of the minimum filing fee set by General Land Office rules in effect at the time of the partial termination, Lessee shall have the right to obtain a surface lease for ingress and egress on and across the terminated portion of the leased premises as may be reasonably necessary for the continued operation of the portions of the lease remaining in force and effect. If Lessee fails to apply for a surface lease within the 90 day period specified above, Lessee may apply for a surface lease from the Land Office, but the Land Commissioner has the discretion to grant or deny such application and to set the fee for such surface lease.

(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 7 (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 School Land Board. 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. 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.

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

9. **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 10, using the expiration of the primary term as the date of cessation of production under Paragraph 10. 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.

10. **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 a 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.

11. **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 \$10.00 per acre, but not less than \$1,200 a year for each well capable of producing oil or gas in paying quantities. 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. 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.

12. **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 to the Commissioner 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 in an amount less than the annual shut-in oil or gas royalty, Lessee shall pay an amount equal to the difference within thirty (30) days from the end of the 12-month period; and none of these provisions will relieve Lessee of the obligation of reasonable development nor the obligation to drill offset wells as provided in N.R.C. Section 52.034; however, at the determination of the Commissioner, and with the Commissioner's written approval, the payment of compensatory royalties shall satisfy the obligation to drill offset wells. Compensatory royalty payments which are not timely paid will accrue penalty and interest in accordance with Paragraph 5 of this lease.

13. EXTENSIONS: If, at the expiration of the primary term of this lease, production of oil or gas has not been obtained on the leased premises but drilling operations are being conducted thereon in good faith and in a good and workmanlike manner, Lessee may, on or before the expiration of the primary term, file in the General Land Office written application to the Commissioner of the General Land Office for a thirty (30) day extension of this lease, accompanied by payment of Three Thousand Dollars (\$3,000.00) if this lease covers six hundred forty (640) acres or less and Six Thousand Dollars (\$6,000.00) if this lease covers more than six hundred forty (640) acres and the Commissioner shall, in writing, extend this lease for a thirty (30) day period from and after the expiration of the primary term and so long thereafter as oil or gas is produced in paying quantities; provided further, that Lessee may, so long as such drilling operations are being conducted make like application and payment during any thirty (30) day extended period for an additional extension of thirty (30) days and, upon receipt of such application and payment, the Commissioner shall, in writing, again extend this lease so that same shall remain in force for such additional thirty (30) day period and so long thereafter as oil or gas is produced in paying quantities; provided, however, that this lease shall not be extended for more than a total of three hundred ninety (390) days from and after the expiration of the primary term unless production in paying quantities has been obtained.

14. USE OF WATER; SURFACE: Lessee shall have the right to use water produced on said land necessary for operations hereunder and solely upon the leased premises; provided, however, Lessee shall not use potable water or water suitable for livestock or irrigation purposes for water flood operations without the prior written consent of Lessor. Subject to its obligation to pay surface damages, Lessee shall have the right to use so much of the surface of the land that may be reasonably necessary for drilling and operating wells and transporting and marketing the production therefrom, such use to be conducted under conditions of least injury to the surface of the land. Lessee shall pay surface damages in an amount set by the General Land Office fee schedule which is effective on the date when the activity requiring the payment of surface damages occurs.

15. 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.

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

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

(C) RIVERS: To the extent necessary to prevent pollution, the provisions found in subsections (a) and (b) of this paragraph shall also apply to rivers and riverbeds.

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

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

17. ASSIGNMENTS: The lease may be transferred at any time; provided, however, that the liability of the transferor to properly discharge its obligation under the lease, including properly plugging abandoned wells, removing platforms or pipelines, or remediation of contamination at drill sites shall pass to the transferee upon the prior written consent of the Commissioner of the General Land Office. The Commissioner may require the transferee to demonstrate financial responsibility and may require a bond or other security. All transfers must reference the lease by the file number and must be recorded in the county where the area is located, and the recorded transfer or a copy certified to by the County Clerk of the county where the transfer is recorded must be filed in the General Land Office within ninety (90) days of the execution date, as provided by N.R.C. Section 52.026, accompanied by the filing fee prescribed by the General Land Office rules in effect on the date of receipt by the General Land Office of such transfer or certified copy thereof. Every transferee shall succeed to all rights and be subject to all obligations, liabilities, and penalties owed to the State by the original lessee or any prior transferee of the lease, including any liabilities to the state for unpaid royalties.

18. RELEASES: Lessee may relinquish the rights granted hereunder to the State at any time by recording the relinquishment in the county where this area is situated and filing the recorded relinquishment or certified copy of same in the General Land Office within ninety (90) days after its execution accompanied by the filing fee prescribed by the General Land Office rules in effect on the date of receipt by the General Land Office of such relinquishment or certified copy thereof. Such relinquishment will not have the effect of releasing Lessee from any liability theretofore accrued in favor of the State.

19. LIEN: In accordance with N.R.C. Section 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 N.R.C. Section 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, Chapter 9 of the Texas Business and Commerce Code. Lessee agrees that the Commissioner may require Lessee to execute and record such instruments as may be reasonably necessary to acknowledge, attach or perfect this lien. Lessee hereby represents that there are no prior or superior liens arising from and relating to Lessee's activities upon the above-described property or from Lessee's 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.

20. FORFEITURE: If Lessee shall fail or refuse to make the payment of any sum within thirty (30) days after it becomes due, or if Lessee or an authorized agent should knowingly make any false return or false report concerning production or drilling, or if Lessee shall fail or refuse to drill any offset well or wells in good faith as required by law and the rules and regulations adopted by the Commissioner of the General Land Office, or if Lessee should fail to file reports in the manner required by law or fail to comply with rules and regulations promulgated by the General Land Office, the School Land Board, or the Railroad Commission, or refuse the proper authority access to the records pertaining to operations, or if Lessee or an authorized agent should knowingly fail or refuse to give correct information to the proper authority, or knowingly fail or refuse to furnish the General Land Office a correct log of any well, or if Lessee shall knowingly violate any of the material provisions of this 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 to the highest bidder, under the same regulations controlling the original sale of leases. 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.

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

22. APPLICABLE LAWS AND DRILLING RESTRICTIONS: This lease shall be subject to all rules and regulations, and amendments thereto, promulgated by the Commissioner of the General Land Office governing drilling and producing operations on Permanent Free School Land (specifically including any rules promulgated that relate to plans of operations), payment of royalties, and auditing procedures, and shall be subject to all other valid statutes, rules, regulations, orders and ordinances that may affect operations under the provisions of this lease. Without limiting the generality of the foregoing, Lessee hereby agrees, by the acceptance of this lease, to be bound by and subject to all statutory and regulatory provisions relating to the General Land Office's audit billing notice and audit hearings procedures. Said provisions are currently found at 31 Texas Administrative Code, Chapter 4, and Texas Natural Resources Code Sections 52.135 and 52.137 through 52.140. In the event this lease covers land franchised or leased or otherwise used by a navigation district or by the United States for the purpose of navigation or other purpose

incident to the operation of a port, then Lessee shall not be entitled to enter or possess such land without prior approval as provided under Section 61.117 of the Texas Water Code, but Lessee shall be entitled to develop such land for oil and gas by directional drilling; provided, however, that no surface drilling location may be nearer than 660 feet and special permission from the Commissioner of the General Land Office is necessary to make any surface location nearer than 2,160 feet measured at right angles from the nearest bulkhead line or from the nearest dredged bottom edge of any channel, slip, or turning basin which has been authorized by the United States as a federal project for future construction, whichever is nearer.

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

24. FORCE MAJEURE: Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling operations thereon, or from producing oil and/or gas therefrom, after effort made in good faith, by reason of war, rebellion, riots, strikes, fires, acts of God or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended upon proper and satisfactory proof presented to the Commissioner of the General Land Office in support of Lessee's contention and Lessee shall not be liable for damages for failure to comply therewith (except in the event of lease operations suspended as provided in the rules and regulations adopted by the School Land Board); and this lease shall be extended while and so long as Lessee is prevented, by any such cause, from drilling, reworking operations or producing oil and/or gas from the leased premises; provided, however, that nothing herein shall be construed to suspend the payment of rentals during the primary or extended term, nor to abridge Lessee's right to a suspension under any applicable statute of this State.

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

26. 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 in accordance with Natural Resources Code Sections 52.151-52.153, 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.

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

28. ANTIQUITIES CODE: In the event that any feature of archeological or historical interest on Permanent School Fund Land is encountered during the activities authorized by this lease, Lessee will immediately cease activities and will immediately notify the General Land Office (ATTN: Archaeologist, Asset Management Division, 1700 N. Congress Ave., Austin, Texas 78701) and the Texas Historical Commission (P.O. Box 12276, Austin, TX 78711) so that adequate measures may be undertaken to protect or recover such discoveries or findings, as appropriate. Lessee is expressly placed on notice of the National Historical Preservation Act of 1966 (PB-89-66, 80 Statute 915; 16 U.S.C.A. 470) and the Antiquities Code of Texas, Chapter 191, Tex. Nat. Code Ann. (Vernon 1993 & Supp. 1998). On state-owned land not dedicated to the Permanent School Fund, lessee shall notify the Texas Historical Commission before breaking ground at a project location. An archaeological survey might be required by the commission before construction of the project can commence. Further, in the event that any site, object, location, artifact or other feature of archaeological, scientific, educational, cultural or historic interest is encountered during the activities authorize by this lease, lessee will immediately notify lessor and the Texas Historical Commission so that adequate measures may be undertaken to protect or recover such discoveries or findings, as appropriate.

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

30. LEASE FILING: Pursuant to Chapter 9 of the Tex. Bus. & Com. 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. The prescribed filing fee shall accompany the certified copies sent to the General Land Office.

31. 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.

File No. MF 110705
Lessee
Date Filed: 4/6/10
By Jerry Paterson, Commissioner

LESSEE _____
BY: _____
TITLE: _____
DATE: _____

IN TESTIMONY WHEREOF, witness the signature of the Commissioner of the General Land Office of the State of Texas under the seal of the General Land Office.

COMMISSIONER OF THE GENERAL LAND OFFICE
OF THE STATE OF TEXAS

APPROVED

Contents _____
Legal _____
DC _____
Exec _____

STATE OF _____

(CORPORATION ACKNOWLEDGMENT)

COUNTY OF _____

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

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

Notary Public in and for _____

STATE OF _____

(INDIVIDUAL ACKNOWLEDGMENT)

COUNTY OF _____

Before me, the undersigned authority, on this day personally appeared _____
known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the
same for the purposes and consideration therein expressed.

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

Notary Public in and for _____

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

May 1, 2010

Mr. T. Verne Dwyer
508 West Wall, Suite 403
Midland, Texas 79701-5077

Dear Mr. Dwyer:

Thank you for participating in the General Land Office Oil and Gas Lease Sale held on April 6, 2010. I am pleased to inform you that you were the high bidder on **MGL. No. 6**, which has been assigned the lease number **M-110705**.

State Lease M-110705 is enclosed and serves as your receipt for your bid. This lease form must be fully executed by the lessee, and then recorded in the County Clerk's office of the county or counties in which lands covered by the lease are located. After signing and recording the lease, please submit a certified copy of the recorded lease to the attention of the undersigned. These requirements are material provisions of the lease; therefore, please return the certified copy at your earliest convenience.

The lessee's other contractual and statutory responsibilities are outlined in the lease agreement, such as Section 6(B), which requires submission of written notice for all drilling, production, and related activities. When forms are filed with the Texas Railroad Commission, they are required to submit copies of these forms to the General Land Office, such as Forms W-1, Application to Drill; W-2, Oil Well Completion Report and Log; G -1, Gas Well Completion Report and Log; W-3, Plugging Record; G-5, Gas Well Classification Report; G-10, Gas Well Status Report; W-10, Oil Well Status Report; W-12, Inclination Report; Electric Logs; Directional Surveys.

Please let me know if you have any questions or need any additional information.

Sincerely,

Robert B. Hatter, Director
Mineral Leasing Division

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

Post Office Box 12873 • Austin, Texas 78711-2873

512-463-5001 • 800-998-4GLO

www.glo.state.tx.us

File No. MF 11 0705

Letter

Date Filed: 5/1/10
Jerry Patterson, Commissioner

By JP

The State of Texas



Austin, Texas

A CERTIFIED COPY
IF IT BEARS THE SEAL OF THE COUNTY CLERK
ATTEST: June 9, 2010



LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS

BY Dana C. Uss DEPUTY

OIL AND GAS LEASE
NO. M-110705

WHEREAS, pursuant to the Texas Natural Resources Code Chapters 32, 33, 51, and Chapter 52, Subchapters A-D and H, (said Code being hereinafter referred to as N.R.C.), and subject to all rules and regulations promulgated by the Commissioner of the General Land Office and/or the School Land Board pursuant thereto, and all other applicable statutes and amendments to said N.R.C., the following area, to-wit:

SECTION 18, BLOCK 113, PUBLIC SCHOOL LAND SURVEY, CULBERSON COUNTY, TEXAS, CONTAINING APPROXIMATELY 640 ACRES, AS SHOWN ON THE OFFICIAL MAP OF CULBERSON COUNTY, TEXAS NOW ON FILE IN THE TEXAS GENERAL LAND OFFICE, AUSTIN, TEXAS,

was, after being duly advertised, offered for lease on the 6th day of April, 2010, at 10:00 o'clock a.m., by the Commissioner of the General Land Office of the State of Texas and the School Land Board of the State of Texas, for the sole and only purpose of prospecting and drilling for, and producing oil and/or gas that may be found and produced from the above described area; and

WHEREAS, after all bids and remittances which were received up to said time have been duly considered by the Commissioner of the General Land Office and the School Land Board at a regular meeting thereof in the General Land Office, on the 6th day of April, 2010, hereinafter the "effective date" and it was found and determined that T. VERNE DWYER whose address is 508 WEST WALL, SUITE 403, MIDLAND, TEXAS 79701-5077 had offered the highest and best bid for a lease of the area above described and is, therefore, entitled to receive a lease thereon:

NOW, THEREFORE, I, Jerry E. Patterson, Commissioner of the General Land Office of the State of Texas, hereinafter sometimes referred to as "Lessor," whose address is Austin, Texas, by virtue of the authority vested in me and in consideration of the payment by the hereinafter designated Lessee, the sum of **Two Hundred Twenty-Five Thousand Six Hundred Thirty-Two And 00/100 Dollars (\$225,632.00)**, receipt of which is hereby acknowledged and of the royalties, covenants, stipulations and conditions contained and hereby agreed to be paid, observed and performed by Lessee, do hereby demise, grant, lease and let unto the above mentioned bidder the exclusive right to prospect for, produce and take oil and/or gas from the aforesaid area upon the following terms and conditions, to-wit:

1. **RESERVATION:** There is hereby excepted and reserved to Lessor the full use of the property covered hereby and all rights with respect to the surface and subsurface thereof for any and all purposes except those granted and to the extent herein granted to Lessee, together with the rights of ingress and egress and use of said lands by Lessor and its mineral lessees, for purposes of exploring for and producing the minerals which are not covered, or which may not be covered in the future, under the terms of this lease, but which may be located within the surface boundaries of the leased area. All of the rights in and to the leased premises retained by Lessor and all of the rights in and to the leased premises granted to Lessee herein shall be exercised in such a manner that neither shall unduly interfere with the operations of the other.

2. **TERM:** Subject to the other provisions hereof, this lease shall be for a term of **five (5) years** from the effective date hereof (herein called "primary term") and as long thereafter as oil or gas is produced in paying quantities from said area.

3. **DELAY RENTALS:** If no well is commenced on the land hereby leased on or before the anniversary date of this lease, this lease shall terminate as to both parties unless the Lessee on or before said date shall pay or tender to the Commissioner of the General Land Office of the State of Texas at Austin, Texas, the amount specified in the following schedule multiplied by the number of acres in the premises, which shall operate as a rental and cover the privilege of deferring the commencement of a well for **twelve (12) months** from said date. In like manner and upon payments or tenders of amounts set out in the following schedule, the commencement of a well may be further deferred for a like period of the same number of months.

Anniversary Date	Delay Rental per Acre
First	\$ 5.00
Second	\$ 5.00
Third	\$25.00
Fourth	\$25.00

4. **PRODUCTION ROYALTIES:** Subject to the provisions for royalty reductions set out in subparagraph (E) of this paragraph 4, upon production of oil and/or gas, the Lessee agrees to pay or cause to be paid to the Commissioner of the General Land Office in Austin, Texas, for the use and benefit of the State of Texas, during the term hereof:

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

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

07.12.9

LINDA M. DONALD, COUNTY CLERK
CULBERSON COUNTY, TEXASBy *M. C. Hines*
DEPUTY

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

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

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

(E) **VARIABLE ROYALTY:** (i) Subject to the other provisions of this lease, it is hereby provided that in the event production in paying quantities is established pursuant to the terms of this lease and such production is brought on line and sales thereof are commenced within eighteen (18) months of the effective date hereof, the royalty rate provided herein shall be reduced to 20%, and shall apply to each subsequent well drilled and produced on the land covered by this lease. Provided that, if during such eighteen (18) month term during which Lessee may earn a reduced royalty rate of 20% as herein provided, Lessee should drill in good faith and complete the first well as a dry hole on the land covered by this lease, Lessee may receive a three (3) month extension of the term in which to earn a reduced royalty rate by giving notice to the Commissioner of the General Land Office, commencing drilling operations on an additional well prior to the expiration of such three (3) month period and prosecuting diligently and in good faith the drilling of such additional well and completing same so that production in paying quantities is established and so that such production is brought on line and sales thereof are commenced prior to the expiration of such three (3) month extension period.

(ii) In the event production in paying quantities is established pursuant to the terms of this lease and such production is brought on line and sales thereof are commenced after the expiration of eighteen (18) months from the effective date hereof but prior to the expiration of twenty-four (24) months from the effective date hereof, the royalty rate provided herein shall be reduced to 22.5% and shall apply to each subsequent well drilled and produced on the land covered by this lease. Provided that, if during such six (6) month term during which Lessee may earn a reduced royalty rate of 22.5% as herein provided, Lessee should drill in good faith and complete the first well as a dry hole on the land covered by this lease, Lessee may receive a three (3) month extension of the term in which to earn a reduced royalty rate by giving notice to the Commissioner of the General Land Office, commencing drilling operations on an additional well prior to the expiration of such three (3) month period and prosecuting diligently and in good faith the drilling of such additional well and completing same so that production in paying quantities is established and so that such production is brought on line and sales thereof are commenced prior to the expiration of such three (3) month extension period.

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

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

(H) **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 anything contained herein to the contrary, and subject to the consent in writing of the Commissioner of the General Land Office, Lessee may recycle gas for gas lift purposes on the leased premises after the liquid hydrocarbons contained in the gas have been removed, and no royalties shall be payable on the gas so recycled until such time as the same may thereafter be produced and sold or used by Lessee in such manner as to entitle Lessor to a royalty thereon under the royalty provisions of this lease.

(I) **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 to Lessor in no event shall be less than an amount equal to \$5.00 per acre; 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 \$5.00 per acre less the amount of royalties paid during the preceding year.

(J) **MARGINAL PRODUCTION ROYALTY:** Upon Lessee's written application, the School Land Board may reduce the royalty rate set out in this paragraph and/or the minimum royalty set out in subparagraph 4 (I) to extend the economic life of this lease and encourage recovery of oil or gas that might otherwise remain unrecovered. Any such royalty reduction must conform to the requirements of any School Land Board administrative rules on this subject. Royalty may not be reduced below the applicable statutory minimum.

5. 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 accruing when the royalty is sixty (60) days overdue. Affidavits and supporting documents which are not filed when due shall incur a penalty in an amount set by the General Land Office administrative rule which is effective on the date when the affidavits or supporting documents were due. The Lessee shall bear all responsibility for paying or causing royalties to be paid as prescribed by the due date provided herein. Payment of the delinquency penalty shall in no way operate to prohibit the State's right of forfeiture as provided by law nor act to postpone the date on which royalties were originally due. The above penalty provisions shall not apply in cases of title dispute as to the State's portion of the royalty or to that portion of the royalty in dispute as to fair market value.

6. (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) **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. 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.

7. **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 11 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 Natural Resources Code Sections 52.151-52.153, 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. Within 90 days of a partial termination of this lease in accordance with this subparagraph and upon payment of the minimum filing fee set by General Land Office rules in effect at the time of the partial termination, Lessee shall have the right to obtain a surface lease for ingress and egress on and across the terminated portion of the leased premises as may be reasonably necessary for the continued operation of the portions of the lease remaining in force and effect. If Lessee fails to apply for a surface lease within the 90 day period specified above, Lessee may apply for a surface lease from the Land Office, but the Land Commissioner has the discretion to grant or deny such application and to set the fee for such surface lease.

(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 7 (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 School Land Board. 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. 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.

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

9. **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 10, using the expiration of the primary term as the date of cessation of production under Paragraph 10. 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.

10. **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 and 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.

11. **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 \$10.00 per acre, but not less than \$1,200 a year for each well capable of producing oil or gas in paying quantities. 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. 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.

12. **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 to the Commissioner 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 in an amount less than the annual shut-in oil or gas royalty, Lessee shall pay an amount equal to the difference within thirty (30) days from the end of the 12-month period; and none of these provisions will relieve Lessee of the obligation of reasonable development nor the obligation to drill offset wells as provided in N.R.C. Section 52.034; however, at the determination of the Commissioner, and with the Commissioner's written approval, the payment of compensatory royalties shall satisfy the obligation to drill offset wells. Compensatory royalty payments which are not timely paid will accrue penalty and interest in accordance with Paragraph 5 of this lease.

A CERTIFIED COPY
IF IT BEARS THE SEAL OF THE COUNTY CLERK
ATTEST: June 9, 2010



LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS
BY Anna C. Uvas DEPUTY



LINDA M. DONALD, COUNTY CLERK
 CULBERSON COUNTY, TEXAS

BY Mua C. Ular DEPUTY

13. EXTENSIONS: If, at the expiration of the primary term of this lease, production of oil or gas has not been obtained on the leased premises but drilling operations are being conducted thereon in good faith and in a good and workmanlike manner, Lessee may, on or before the expiration of the primary term, file in the General Land Office written application to the Commissioner of the General Land Office for a thirty (30) day extension of this lease, accompanied by payment of Three Thousand Dollars (\$3,000.00) if this lease covers six hundred forty (640) acres or less and Six Thousand Dollars (\$6,000.00) if this lease covers more than six hundred forty (640) acres and the Commissioner shall, in writing, extend this lease for a thirty (30) day period from and after the expiration of the primary term and so long thereafter as oil or gas is produced in paying quantities; provided further, that Lessee may, so long as such drilling operations are being conducted make like application and payment during any thirty (30) day extended period for an additional extension of thirty (30) days and, upon receipt of such application and payment, the Commissioner shall, in writing, again extend this lease so that same shall remain in force for such additional thirty (30) day period and so long thereafter as oil or gas is produced in paying quantities; provided, however, that this lease shall not be extended for more than a total of three hundred ninety (390) days from and after the expiration of the primary term unless production in paying quantities has been obtained.

14. USE OF WATER; SURFACE: Lessee shall have the right to use water produced on said land necessary for operations hereunder and solely upon the leased premises; provided, however, Lessee shall not use potable water or water suitable for livestock or irrigation purposes for water flood operations without the prior written consent of Lessor. Subject to its obligation to pay surface damages, Lessee shall have the right to use so much of the surface of the land that may be reasonably necessary for drilling and operating wells and transporting and marketing the production therefrom, such use to be conducted under conditions of least injury to the surface of the land. Lessee shall pay surface damages in an amount set by the General Land Office fee schedule which is effective on the date when the activity requiring the payment of surface damages occurs.

15. 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.

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

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

(C) RIVERS: To the extent necessary to prevent pollution, the provisions found in subsections (a) and (b) of this paragraph shall also apply to rivers and riverbeds.

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

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

17. ASSIGNMENTS: The lease may be transferred at any time; provided, however, that the liability of the transferor to properly discharge its obligation under the lease, including properly plugging abandoned wells, removing platforms or pipelines, or remediation of contamination at drill sites shall pass to the transferee upon the prior written consent of the Commissioner of the General Land Office. The Commissioner may require the transferee to demonstrate financial responsibility and may require a bond or other security. All transfers must reference the lease by the file number and must be recorded in the county where the area is located, and the recorded transfer or a copy certified to by the County Clerk of the county where the transfer is recorded must be filed in the General Land Office within ninety (90) days of the execution date, as provided by N.R.C. Section 52.026, accompanied by the filing fee prescribed by the General Land Office rules in effect on the date of receipt by the General Land Office of such transfer or certified copy thereof. Every transferee shall succeed to all rights and be subject to all obligations, liabilities, and penalties owed to the State by the original lessee or any prior transferee of the lease, including any liabilities to the state for unpaid royalties.

18. RELEASES: Lessee may relinquish the rights granted hereunder to the State at any time by recording the relinquishment in the county where this area is situated and filing the recorded relinquishment or certified copy of same in the General Land Office within ninety (90) days after its execution accompanied by the filing fee prescribed by the General Land Office rules in effect on the date of receipt by the General Land Office of such relinquishment or certified copy thereof. Such relinquishment will not have the effect of releasing Lessee from any liability theretofore accrued in favor of the State.

19. LIEN: In accordance with N.R.C. Section 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 N.R.C. Section 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, Chapter 9 of the Texas Business and Commerce Code. Lessee agrees that the Commissioner may require Lessee to execute and record such instruments as may be reasonably necessary to acknowledge, attach or perfect this lien. Lessee hereby represents that there are no prior or superior liens arising from and relating to Lessee's activities upon the above-described property or from Lessee's 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.

20. FORFEITURE: If Lessee shall fail or refuse to make the payment of any sum within thirty (30) days after it becomes due, or if Lessee or an authorized agent should knowingly make any false return or false report concerning production or drilling, or if Lessee shall fail or refuse to drill any offset well or wells in good faith as required by law and the rules and regulations adopted by the Commissioner of the General Land Office, or if Lessee should fail to file reports in the manner required by law or fail to comply with rules and regulations promulgated by the General Land Office, the School Land Board, or the Railroad Commission, or refuse the proper authority access to the records pertaining to operations, or if Lessee or an authorized agent should knowingly fail or refuse to give correct information to the proper authority, or knowingly fail or refuse to furnish the General Land Office a correct log of any well, or if Lessee shall knowingly violate any of the material provisions of this 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 to the highest bidder, under the same regulations controlling the original sale of leases. 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.

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

22. APPLICABLE LAWS AND DRILLING RESTRICTIONS: This lease shall be subject to all rules and regulations, and amendments thereto, promulgated by the Commissioner of the General Land Office governing drilling and producing operations on Permanent Free School Land (specifically including any rules promulgated that relate to plans of operations), payment of royalties, and auditing procedures, and shall be subject to all other valid statutes, rules, regulations, orders and ordinances that may affect operations under the provisions of this lease. Without limiting the generality of the foregoing, Lessee hereby agrees, by the acceptance of this lease, to be bound by and subject to all statutory and regulatory provisions relating to the General Land Office's audit billing notice and audit hearing procedures. Said provisions are currently found at 31 Texas Administrative Code, Chapter 4, and Texas Natural Resources Code Sections 52.135 and 52.137 through 52.140. In the event this lease covers land franchised or leased or otherwise used by a navigation district or by the United States for the purpose of navigation or other purpose

incident to the operation of a port, then Lessee shall not be entitled to enter or possess such land without prior approval as provided under Section 61.117 of the Texas Water Code, but Lessee shall be entitled to develop such land for oil and gas by directional drilling; provided, however, that no surface drilling location may be nearer than 660 feet and special permission from the Commissioner of the General Land Office is necessary to make any surface location nearer than 2,160 feet measured at right angles from the nearest bulkhead line or from the nearest dredged bottom edge of any channel, slip, or turning basin which has been authorized by the United States as a federal project for future construction, whichever is nearer.

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

24. FORCE MAJEURE: Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling operations thereon, or from producing oil and/or gas therefrom, after effort made in good faith, by reason of war, rebellion, riots, strikes, fires, acts of God or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended upon proper and satisfactory proof presented to the Commissioner of the General Land Office in support of Lessee's contention and Lessee shall not be liable for damages for failure to comply therewith (except in the event of lease operations suspended as provided in the rules and regulations adopted by the School Land Board); and this lease shall be extended while and so long as Lessee is prevented, by any such cause, from drilling, reworking operations or producing oil and/or gas from the leased premises; provided, however, that nothing herein shall be construed to suspend the payment of rentals during the primary or extended term, nor to abridge Lessee's right to a suspension under any applicable statute of this State.

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

26. 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 in accordance with Natural Resources Code Sections 52.151-52.153, 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.

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

28. ANTIQUITIES CODE: In the event that any feature of archeological or historical interest on Permanent School Fund Land is encountered during the activities authorized by this lease, Lessee will immediately cease activities and will immediately notify the General Land Office (ATTN: Archaeologist, Asset Management Division, 1700 N. Congress Ave., Austin, Texas 78701) and the Texas Historical Commission (P.O. Box 12276, Austin, TX 78711) so that adequate measures may be undertaken to protect or recover such discoveries or findings, as appropriate. Lessee is expressly placed on notice of the National Historical Preservation Act of 1966 (PB-89-66, 80 Statute 915; 16 U.S.C.A. 470) and the Antiquities Code of Texas, Chapter 191, Tex. Nat. Code Ann. (Vernon 1993 & Supp. 1998). On state-owned land not dedicated to the Permanent School Fund, lessee shall notify the Texas Historical Commission before breaking ground at a project location. An archaeological survey might be required by the commission before construction of the project can commence. Further, in the event that any site, object, location, artifact or other feature of archaeological, scientific, educational, cultural or historic interest is encountered during the activities authorize by this lease, lessee will immediately notify lessor and the Texas Historical Commission so that adequate measures may be undertaken to protect or recover such discoveries or findings, as appropriate.

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

30. LEASE FILING: Pursuant to Chapter 9 of the Tex. Bus. & Com. 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. The prescribed filing fee shall accompany the certified copies sent to the General Land Office.

07.12.9

A CERTIFIED COPY
IF IT BEARS THE SEAL OF THE COUNTY CLERK

ATTEST: June 9, 2010



LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS

BY [Signature] DEPUTY

31. 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.

T. VERNE DWYER
LESSEE
BY: T. Verne Dwyer
TITLE: T. Verne Dwyer
DATE: May 19, 2010

IN TESTIMONY WHEREOF, witness the signature of the Commissioner of the General Land Office of the State of Texas under the seal of the General Land Office.



STATE OF _____
COUNTY OF _____

(CORPORATION ACKNOWLEDGMENT)
The above signed and acknowledged copy of the instrument is a true and correct copy of the original instrument as the same was presented to me for recording.

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

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

Notary Public in and for _____

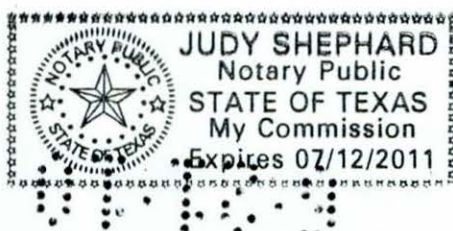
STATE OF TEXAS
COUNTY OF MIDLAND

(INDIVIDUAL ACKNOWLEDGMENT)

Before me, the undersigned authority, on this day personally appeared T. VERNE DWYER
known to me to be the person whose names are subscribed to the foregoing instrument, and acknowledged to me that ~~they~~ ^{he} executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this the 19th day of May, 2010

Judy Shephard
Notary Public in and for the State of Texas



A CERTIFIED COPY
IF IT BEARS THE SEAL OF THE COUNTY CLERK
ATTEST: June 9, 2010



LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS
BY Linda C. Ward DEPUTY

4.

File No. 175110705
Certified lease
Date Filed: 6/24/10
Jerry Patterson, Commissioner
By [Signature]

**CERTIFIED 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 Oil & Gas Records of my office, found in VOL. 101, PAGE 316.

I hereby certified on 6 9 2010

LINDA McDONALD, COUNTY & DISTRICT CLERK
CULBERSON COUNTY, TEXAS
BY [Signature] DEPUTY

e-57-70

IN PAYMENT OF DELAY RENTAL/SHUT-IN ROYALTY/MIN. ROYALTY TO PARTY OR PARTIES NAMED BELOW PURSUANT TO THE TERMS OF LEASE IDENTIFIED HEREIN

LEASE NO.		LEASE NAME		RENTAL PERIOD		P-4/1/2011	
				MO.	BEGINNING		
42-3014000/000		ST OF TX M-110705		12	04-06-2011		
ST	COUNTY	RECORDING INFORMATION			LEASE DATE		CHECK DATE
		BOOK	PAGE	REFERENCE			
TX	CULBERSON	101	316		04-06-2010	02-17-2011	

PROPERTY DESCRIPTION:

AGENCY LEASE NUMBER: M-110705
IN PAYMENT OF: DELAY RENTAL
FOR: 1ST & 2ND YRS / \$5 PER ACRE

DIVISION : WESTERN

REMARKS: TEXAS GLO LEASE NO. M-110705

RECORDED: Book 101 Page 316 Reception # 65487

TRACT: 1 COUNTRY: US STATE: TX COUNTY: CULBERSON NET ACRES
PROSPECT: AVALON PERMIAN TX 640.000
DISTRICT: PERMIAN
PROJECT: PB TEXAS SOUTH
LEGAL (Part of): PSL (CM TINNIN) ABST/ID# STATE Grantee Blk 113 Sec 18 QQ AL

FOR THE CREDIT OF:

PAYMENT

TEXAS GENERAL LAND OFFICE (BA# 35207601) \$3,200.00
STEPHEN F AUSTIN BLDG
1700 NORTH CONGRESS AVENUE
AUSTIN TX 78701-0000
ACCT:

11706270

COPY

DEPOSIT TO THE CREDIT OF:

TEXAS GENERAL LAND OFFICE
STEPHEN F AUSTIN BLDG
1700 NORTH CONGRESS AVENUE
AUSTIN TX 78701-0000

TOTAL AMOUNT: ****\$3,200.00

RENTAL AMOUNT:

BANK CHARGE: \$0.00

OWNER NO.: 35207601

CHECK NO.: 10041943

TAX I.D.:

CHECK DATE: 02-17-2011

DETACH STATEMENT BEFORE DEPOSITING
Devon Energy Production Company, L.P.

20 N. Broadway
Oklahoma City, OK 73102-8260
PH: 405-235-3611



P-4/1/2011

121

SECURE



SECURE

SECURE 9155092



SECURE

110850

SECURE



SECURE

SECURE



SECURE

SECURE



SECURE

SECURE



SECURE



LEASE NO.		LEASE NAME			RENTAL PERIOD	
					MO.	BEGINNING
42-3014000/000		ST OF TX M-110705			12	04-06-2011
ST	COUNTY	RECORDING INFORMATION			LEASE DATE	CHECK DATE
		BOOK	PAGE	REFERENCE		
TX	CULBERSON	101	316		04-06-2010	02-17-2011

PROPERTY DESCRIPTION:

AGENCY LEASE NUMBER: M-110705
IN PAYMENT OF: DELAY RENTAL
FOR: 1ST & 2ND YRS / \$5 PER ACRE

DIVISION : WESTERN

REMARKS: TEXAS GLO LEASE NO. M-110705

RECORDED: Book 101 Page 316 Reception # 65487

TRACT: 1 COUNTRY: US STATE: TX COUNTY: CULBERSON NET ACRES
PROSPECT: AVALON PERMIAN TX 640.000
DISTRICT: PERMIAN
PROJECT: PB TEXAS SOUTH
LEGAL (Part of): PSL (CM TINNIN) ABST/ID# STATE Grantee Blk 113 Sec 18 QQ AL

LEASE IDENTIFIED HEREIN

FOR THE CREDIT OF:

PAYMENT

TEXAS GENERAL LAND OFFICE (BA# 35207601) \$3,200.00
STEPHEN F AUSTIN BLDG
1700 NORTH CONGRESS AVENUE
AUSTIN TX 78701-0000
ACCT:

DEPOSIT TO THE CREDIT OF:

TEXAS GENERAL LAND OFFICE
STEPHEN F AUSTIN BLDG
1700 NORTH CONGRESS AVENUE
AUSTIN TX 78701-0000

TOTAL AMOUNT: \$3,200.00

RENTAL AMOUNT:

BANK CHARGE: \$.00

OWNER NO.: 35207601

CHECK NO.: 10041943

TAX I.D.:

CHECK DATE: 02-17-2011

DETACH STATEMENT BEFORE DEPOSITING

Devon Energy Production Company, L.P.

20 N. Broadway

Oklahoma City, OK 73102-8260

PH: 405-235-3611

IF CORRESPONDENCE IS REQUIRED, PLEASE MAKE REFERENCE TO ABOVE LEASE NUMBER



Devon Energy Production Company, L.P.
20 N. Broadway
Oklahoma City, OK 73102-8260
PH: 405-235-3611

02-17-2011
NO. 10041943

RENTAL RECEIPT

PAY THIS AMOUNT

*****\$3,200.00

TEXAS GENERAL LAND OFFICE

STEPHEN F AUSTIN BLDG
1700 NORTH CONGRESS AVENUE
AUSTIN TX 78701-0000

PLEASE ACKNOWLEDGE RECEIPT OF PAYMENT
SIGN AND DATE IN THE SPACE PROVIDED BELOW
RETURN RECEIPT IN THE ENCLOSED ENVELOPE

RECEIVED BY: RENTAL PAYMENT

DATE: FEB 22 2011

5

File No. MF-110705

RENTAL PAYMENT

Date Filed: 2/22/11
Jerry E. Patterson, Commissioner

By WRJ



IN PAYMENT OF DELAY RENTAL/SHUT-IN ROYALTY/MIN. ROYALTY TO PARTY OR PARTIES NAMED BELOW PURSUANT TO THE TERMS OF LEASE IDENTIFIED HEREIN

LEASE NO.		LEASE NAME			RENTAL PERIOD	
					MO.	BEGINNING
42-3014000/000		ST OF TX M-110705			12	04-06-2012
ST	COUNTY	RECORDING INFORMATION			LEASE DATE	CHECK DATE
		BOOK	PAGE	REFERENCE		
TX	CULBERSON	101	316		04-06-2010	02-16-2012

PROPERTY DESCRIPTION:

AGENCY LEASE NUMBER: M-110705
IN PAYMENT OF: DELAY RENTAL
FOR: 1ST & 2ND YRS / \$5 PER ACRE

DIVISION : WESTERN

REMARKS: TEXAS GLO LEASE NO. M-110705

RECORDED: Book 101 Page 316 Reception # 65487

TRACT: 1 COUNTRY: US STATE: TX COUNTY: CULBERSON NET ACRES
PROSPECT: AVALON PERMIAN TX 640.000
DISTRICT: PERMIAN
PROJECT: PB TEXAS SOUTH
LEGAL (Part of): PSL (CM TINNIN) ABST/ID# STATE Grantee Blk 113 Sec 18 QQ AL

FOR THE CREDIT OF:

PAYMENT

TEXAS GENERAL LAND OFFICE (BA# 35207601) \$3,200.00
STEPHEN F AUSTIN BLDG
1700 NORTH CONGRESS AVENUE
AUSTIN TX 78701-0000

ACCT:

12707391

2nd yr Rental

(P)

COPY

DEPOSIT TO THE CREDIT OF:

TEXAS GENERAL LAND OFFICE
STEPHEN F AUSTIN BLDG
1700 NORTH CONGRESS AVENUE
AUSTIN TX 78701-0000

TOTAL AMOUNT: *****\$3,200.00

RENTAL AMOUNT:

BANK CHARGE: \$0.00

OWNER NO.: 35207601

CHECK NO.: 10046525

TAX I.D.:

CHECK DATE: 02-16-2012

DETACH STATEMENT BEFORE DEPOSITING
Devon Energy Production Company, L.P.
20 N. Broadway
Oklahoma City, OK 73102-8260
PH: 405-235-3611

9157551

SECURE



SECURE

SECURE



SECURE

SECURE



SECURE

SECURE



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SECURE



SECURE

SECURE



SECURE

LEASE NO.		LEASE NAME			RENTAL PERIOD	
					MO.	BEGINNING
42-3014000/000		ST OF TX M-110705			12	04-06-2012
ST	COUNTY	RECORDING INFORMATION			LEASE DATE	CHECK DATE
		BOOK	PAGE	REFERENCE		
TX	CULBERSON	101	316		04-06-2010	02-16-2012

PROPERTY DESCRIPTION:

AGENCY LEASE NUMBER: M-110705
IN PAYMENT OF: DELAY RENTAL
FOR: 1ST & 2ND YRS / \$5 PER ACRE

DIVISION : WESTERN

REMARKS: TEXAS GLO LEASE NO. M-110705

RECORDED: Book 101 Page 316 Reception # 65487

TRACT: 1 COUNTRY: US STATE: TX COUNTY: CULBERSON NET ACRES
PROSPECT: AVALON PERMIAN TX 640.000
DISTRICT: PERMIAN
PROJECT: PB TEXAS SOUTH
LEGAL (Part of): PSL (CM TINNIN) ABST/ID# STATE Grantee Blk 113 Sec 18 QQ AL

LEASE IDENTIFIED HEREIN

FOR THE CREDIT OF:

PAYMENT

TEXAS GENERAL LAND OFFICE (BA# 35207601) \$3,200.00
STEPHEN F AUSTIN BLDG
1700 NORTH CONGRESS AVENUE
AUSTIN TX 78701-0000
ACCT:

DEPOSIT TO THE CREDIT OF:

TEXAS GENERAL LAND OFFICE
STEPHEN F AUSTIN BLDG
1700 NORTH CONGRESS AVENUE
AUSTIN TX 78701-0000

TOTAL AMOUNT: \$3,200.00

RENTAL AMOUNT:

BANK CHARGE: \$.00

OWNER NO.: 35207601

CHECK NO.: 10046525

TAX I.D.:

CHECK DATE: 02-16-2012

DETACH STATEMENT BEFORE DEPOSITING
Devon Energy Production Company, L.P.

20 N. Broadway
Oklahoma City, OK 73102-8260
PH: 405-235-3611

IF CORRESPONDENCE IS REQUIRED, PLEASE MAKE REFERENCE TO ABOVE LEASE NUMBER



Devon Energy Production Company, L.P.
20 N. Broadway
Oklahoma City, OK 73102-8260
PH: 405-235-3611

02-16-2012
NO. **10046525**

RENTAL RECEIPT

PAY THIS AMOUNT
*****\$3,200.00

TEXAS GENERAL LAND OFFICE

STEPHEN F AUSTIN BLDG
1700 NORTH CONGRESS AVENUE
AUSTIN TX 78701-0000

PLEASE ACKNOWLEDGE RECEIPT OF PAYMENT
SIGN AND DATE IN THE SPACE PROVIDED BELOW
RETURN RECEIPT IN THE ENCLOSED ENVELOPE

RECEIVED BY: RENTAL PAYMENT

DATE: **FEB 21 2012**

⑥

File No. MF 110705

Delay Rental

Date Filed: 2/24/12

Jerry E. Patterson, Commissioner

By EA

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

September 20, 2012

Caitlin E. Pierce
Land Technician
Cimarex Energy Co.
600 N. Marienfeld, Suite 600
Midland, Texas 79701
(sent via email to cpierce@cimarex.com)

RE: **13 State Leases Described on Page 2 hereof**

Dear Caitlin:

This letter is in response to your email request dated September 19, 2012 for confirmation that the delay rentals for the referenced leases have been paid. Upon review, it has been determined that the rentals are current to date.

According to our records, Devon Energy Production Company, L. P. is the leaseholder of all of the leases. Our records contain no assignment(s) from Devon Energy to Cimarex Energy. If Cimarex has acquired these leases, then pursuant to the Texas Administrative Code, we request that you file with this office a recorded original or certified copy of an Assignment(s) of these State Oil and Gas Leases to Cimarex Energy Co., along with a filing fee of \$25.00 (per assignment) to be sent to the attention of Beverly Boyd.

If we can be of further assistance, please let us know.

Yours truly,

Linda Price, RL
Mineral Leasing, Energy Resources
512-463-5118
512-475-1543 (fax)
linda.price@glo.texas.gov

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

Post Office Box 12873 • Austin, Texas 78711-2873

512-463-5001 • 800-998-4GLO

www.glo.state.tx.us

<u>State Lease No.</u>	<u>Lease Date</u>	<u>Lease Description in Culberson County, Texas</u>
MF110700	April 6, 2010	320 acres, N/2 Section 4, Block 110, PSL Survey
MF110701	April 6, 2010	320 acres, N/2 Section 5, Block 110, PSL Survey
MF110702	April 6, 2010	320 acres, N/2 Section 3, Block 113, PSL Survey
MF110703	April 6, 2010	640 acres, Section 4, Block 113, PSL Survey
MF110704	April 6, 2010	640 acres, Section 11, Block 113, PSL Survey
MF110705	April 6, 2010	640 acres, Section 18, Block 113, PSL Survey
MF110706	April 6, 2010	640 acres, Section 16, Block 114, PSL Survey
MF110707	April 6, 2010	640 acres, Section 21, Block 114, PSL Survey
MF110708	April 6, 2010	341 acres, S/2 Section 12, Block 59, T & P RY. Co. Svy.
MF110709	April 6, 2010	681 acres, Section 30, Block 59, T & P RY. Co. Svy.
MF110710	April 6, 2010	679 acres, Section 2, Block 60, T & P RY. Co. Svy.
MF110711	April 6, 2010	684 acres, Section 12, Block 60, T & P RY. Co. Svy.
MF110713	April 6, 2010	341 acres, N/2 Section 18, Block 60, T & P RY. Co. Svy.

From: Linda Price
To: Caitlin Pierce
Date: 9/20/2012 1:36 PM
Subject: Re: Lease Status Check
Attachments: MF110700-MF110711 and MF110713-Cimarex-09-20-2012.docx

Caitlin:

Please find attached a letter in response to your request for confirmation of the delay rental payments for MF110700-MF110711 and MF111713.

Thank you.
Linda

Linda Price, RL
Landman
Mineral Leasing, Energy Resources
Phone: (512) 463-5118
Fax: (512) 475-1543
linda.price@glo.texas.gov

>>> Caitlin Pierce <cpierce@cimarex.com> 9/19/2012 1:58 PM >>>

Linda - Thank you for getting back to me so quickly. As we discussed, I need confirmation that the rentals have been paid and that these leases are still intact on the following:

BLOCK 60, TOWNSHIP 2

SECTION 2

ALL

MF110710

SECTION 12

ALL

M-110711

SECTION 18

N2

MF110713

BLOCK 59, TOWNSHIP 1

SECTION 30

ALL

M-110709

SECTION 12

S2

M-110708

BLOCK 113, PSL

SECTION 3

N2

MF110702

SECTION 4

ALL

M-110703

SECTION 11

ALL

M-110704

SECTION 18

ALL

M-110705

BLOCK 114, PSL

SECTION 16

ALL

M-110706

SECTION 21

ALL

M-110707

BLOCK 110

SECTION 4

N2

MF110700

SECTION 5

N2

MF110701

Please let me know if you need any additional information. I appreciate all of your help.

Sincerely,

Caitlin E. Pierce
Land Technician
Cimarex Energy Co.
600 N. Marienfeld, Suite 600
Midland, Texas 79701
432.571.7862 direct

File No. MF110705

⑦

Email from Hto Cinrex

Date Filed: 09/20/2012

Jerry E. Patterson, Commissioner
By *JEP*

THIS CHECK IS VOID WITHOUT A BLUE & RED BACKGROUND AND AN ARTIFICIAL WATERMARK ON THE BACK - HOLD AT ANGLE TO VIEW



CIMAREX ENERGY CO
1700 LINCOLN STREET
SUITE 1800
DENVER CO 80203-4518
(303) 295-3995

WELLS FARGO BANK NA

56-382/412

13708072

Present for payment within 180 days

Payee No.	Check No.	Check Date	Check Amount
030618	0004005716	03/14/2013	*****\$209,125.00

PAY Two Hundred Nine Thousand One Hundred Twenty Five Dollars and Zero Cents

TO THE
ORDER
OF

COMMISSIONER OF THE GENERAL
LAND OFFICE STATE OF TEXAS
LOCKBOX ACCOUNT
PO BOX 12873
AUSTIN TX 78711-2873

Paul Kous

Shirri M. Nitta

SIGNATURE HAS A COLORED BACKGROUND - BORDER CONTAINS MICROPRINTING

⑈0004005716⑈

PLEASE DETACH AT PERFORATION ABOVE

CIMAREX ENERGY CO
1700 LINCOLN STREET
SUITE 1800
DENVER CO 80203-4518
(303) 295-3995

PLEASE DETACH AT PERFORATION ABOVE



Check Number 0004005716

Invoice #	Oblig. Date	Description	Lessor	Net Amount
		(P)		
			121	13708072

030618

Payee

Check Date: 03/14/2013

Check Amount

209,125.00



Invoice #	Oblig. Date	Description	Lessor	Net Amount
		See Attached		

RECEIPT

INSTRUCTIONS TO DEPOSITORY: You have been designated as depository for delay rentals due under oil and gas lease held by this Company on lands hereinabove described. This check represents rental payment in advance under such lease and we ask that you credit the proceeds thereof to the parties named, and in the amounts indicated. Should any difficulty of any nature arise with respect to any item shown DO NOT return our check but make the deposit to the credit of the party named in A SPECIAL ACCOUNT IF NECESSARY, and communicate immediately with us explaining the circumstances and further instructions will be given.

The above described check has been received and deposited to the credit of parties named as instructed:

DATE 03/19/2013

BY *[Signature]* for CLO

PLEASE DATE, SIGN AND RETURN

030618	Payee	Check Date: 03/14/2013	Check Amount	209,125.00
--------	-------	------------------------	--------------	------------

0004005716 03/14/2013

209,125.00

Pay

Two Hundred Nine Thousand One Hundred Twenty Five Dollars and Zero Cents

COMMISSIONER OF THE GENERAL
LAND OFFICE STATE OF TEXAS
LOCKBOX ACCOUNT
PO BOX 12873
AUSTIN, TX 78711-2873

NON-NEGOTIABLE



Remittance Statement

Vendor COMMISSIONER OF THE G
Vendor Cod 030618
Check Numbe 0004005716
Check Dat 03/14/2013

Invoice #	Invoice Date	Lessor	Net Amount
OBL20130313-14	03/13/2013	COMMISSIONER OF THE GENERAL DELAY RENTALS TX428085012822001 ST-TX #M-110729 Payee: COMMISSIONER OF THE GENE LAND OFFICE STATE OF TEXA AUSTIN, TX 78711-2873 Payee Tax ID: [REDACTED] Lease Date: 04/06/2010 Oblig Type: PAY Oblig Due Date: 04/06/2013 Freq: 1 Yea Book 845/Page 729/Registry 002036 Reeves/TX	16,000.00
OBL20130313-15	03/13/2013	COMMISSIONER OF THE GENERAL DELAY RENTALS TX429971012751001 ST-TX #M-110712 Payee: COMMISSIONER OF THE GENE LAND OFFICE STATE OF TEXA AUSTIN, TX 78711-2873 Payee Tax ID: [REDACTED] Lease Date: 04/06/2010 Oblig Type: PAY Oblig Due Date: 04/06/2013 Freq: 1 Yea Book 102/Page 484/Registry 65891 Culberson/TX	16,875.00
OBL20130313-16	03/13/2013	COMMISSIONER OF THE GENERAL DELAY RENTAL TX428085012482001 STATE OF TX & KENNETH H BAKER Payee: COMMISSIONER OF THE GENE LAND OFFICE STATE OF TEXA AUSTIN, TX 78711-2873 Payee Tax ID: [REDACTED] Lease Date: 04/13/2010 Oblig Type: PAY Oblig Due Date: 04/13/2013 Freq: 1 Yea Book 851/Page 133/Registry 003018 Reeves/TX	2,500.00
OBL20130313-19	03/13/2013	COMMISSIONER OF THE GENERAL DELAY RENTALS TX429971013076001 ST OF TX #M- 112444 Payee: COMMISSIONER OF THE GENE LAND OFFICE STATE OF TEXA AUSTIN, TX 78711-2873 Payee Tax ID: [REDACTED] Lease Date: 04/05/2011 Oblig Type: PAY Oblig Due Date: 04/05/2013 Freq: 1 Yea Book 106/Page 283/Registry 67086 Culberson/TX	1,600.00



Remittance Statement

Vendor COMMISSIONER OF THE G
Vendor Cod 030618
Check Numbe 0004005716
Check Dat 03/14/2013

Invoice #	Invoice Date	Lessor	Net Amount
OPI20130313-22	03/13/2013	COMMISSIONER OF THE GENERAL DELAY RENTAL TX429971013511001, STATE OF TEXAS, M-110702 Payee: COMMISSIONER OF THE GENE LAND OFFICE STATE OF TEXA AUSTIN, TX 78711-2873 Payee Tax ID: [REDACTED] Lease Date: 04/06/2010 Oblig Type: PAY Oblig Due Date: 04/06/2013 Freq: 1 Yea Book 101/Page 298/Registry 000065484 Culberson/TX	8,000.00
OBL20130313-23	03/13/2013	COMMISSIONER OF THE GENERAL DELAY RENTAL TX429971013512001, STATE OF TEXAS, M-110703 Payee: COMMISSIONER OF THE GENE LAND OFFICE STATE OF TEXA AUSTIN, TX 78711-2873 Payee Tax ID: [REDACTED] Lease Date: 04/06/2010 Oblig Type: PAY Oblig Due Date: 04/06/2013 Freq: 1 Yea Book 101/Page 304/Registry 000065485 Culberson/TX	16,000.00
OBL20130313-24	03/13/2013	COMMISSIONER OF THE GENERAL DELAY RENTAL TX429971013513001, STATE OF TEXAS, M-110704 Payee: COMMISSIONER OF THE GENE LAND OFFICE STATE OF TEXA AUSTIN, TX 78711-2873 Payee Tax ID: [REDACTED] Lease Date: 04/06/2010 Oblig Type: PAY Oblig Due Date: 04/06/2013 Freq: 1 Yea Book 101/Page 310/Registry 000065486 Culberson/TX	16,000.00
OBL20130313-25	03/13/2013	COMMISSIONER OF THE GENERAL DELAY RENTAL TX429971013514001, STATE OF TEXAS, M-110705 Payee: COMMISSIONER OF THE GENE LAND OFFICE STATE OF TEXA AUSTIN, TX 78711-2873 Payee Tax ID: [REDACTED] Lease Date: 04/06/2010 Oblig Type: PAY Oblig Due Date: 04/06/2013 Freq: 1 Yea Book 101/Page 316/Registry 000065487 Culberson/TX	16,000.00



Remittance Statement

Vendor COMMISSIONER OF THE G
Vendor Cod 030618
Check Number 0004005716
Check Date 03/14/2013

Invoice #	Invoice Date	Lessor	Net Amount
OBL20130313-26	03/13/2013	COMMISSIONER OF THE GENERAL DELAY RENTAL TX429971013515001, STATE OF TEXAS, M-110706 Payee: COMMISSIONER OF THE GENE LAND OFFICE STATE OF TEXA AUSTIN, TX 78711-2873 Payee Tax ID: [REDACTED] Lease Date: 04/06/2010 Oblig Type: PAY Oblig Due Date: 04/06/2013 Freq: 1 Yea Book 101/Page 322/Registry 000065488 Culberson/TX	16,000.00
OBL20130313-27	03/13/2013	COMMISSIONER OF THE GENERAL DELAY RENTAL TX429971013516001, STATE OF TEXAS, M-110707 Payee: COMMISSIONER OF THE GENE LAND OFFICE STATE OF TEXA AUSTIN, TX 78711-2873 Payee Tax ID: [REDACTED] Lease Date: 04/06/2010 Oblig Type: PAY Oblig Due Date: 04/06/2013 Freq: 1 Yea Book 101/Page 328/Registry 000065489 Culberson/TX	16,000.00
OBL20130313-28	03/13/2013	COMMISSIONER OF THE GENERAL DELAY RENTAL TX429971013517001, STATE OF TEXAS, M-110708 Payee: COMMISSIONER OF THE GENE LAND OFFICE STATE OF TEXA AUSTIN, TX 78711-2873 Payee Tax ID: [REDACTED] Lease Date: 04/06/2010 Oblig Type: PAY Oblig Due Date: 04/06/2013 Freq: 1 Yea Book 101/Page 334/Registry 000065490 Culberson/TX	8,525.00
OBL20130313-29	03/13/2013	COMMISSIONER OF THE GENERAL DELAY RENTAL TX429971013518001, STATE OF TEXAS, M-110709 Payee: COMMISSIONER OF THE GENE LAND OFFICE STATE OF TEXA AUSTIN, TX 78711-2873 Payee Tax ID: [REDACTED] Lease Date: 04/06/2010 Oblig Type: PAY Oblig Due Date: 04/06/2013 Freq: 1 Yea Book 101/Page 340/Registry 000065491 Culberson/TX	17,025.00



Remittance Statement

Vendor COMMISSIONER OF THE G
Vendor Cod 030618
Check Numbe 0004005716
Check Dat 03/14/2013

Invoice #	Invoice Date	Lessor	Net Amount
ORI 20130313-30	03/13/2013	COMMISSIONER OF THE GENERAL ST OF TX - M 110710 DELAY RENTAL TX429971013519001, STATE OF TEXAS, M-110710 Payee: COMMISSIONER OF THE GENE LAND OFFICE STATE OF TEXA AUSTIN, TX 78711-2873 Payee Tax ID: [REDACTED] Lease Date: 04/06/2010 Oblig Type: PAY Oblig Due Date: 04/06/2013 Freq: 1 Yea Book 101/Page 346/Registry 000065492 Culberson/TX	16,975.00
OBL20130313-31	03/13/2013	COMMISSIONER OF THE GENERAL ST OF TX - M 110711 DELAY RENTAL TX429971013520001, STATE OF TEXAS, M-110711 Payee: COMMISSIONER OF THE GENE LAND OFFICE STATE OF TEXA AUSTIN, TX 78711-2873 Payee Tax ID: [REDACTED] Lease Date: 04/06/2010 Oblig Type: PAY Oblig Due Date: 04/06/2013 Freq: 1 Yea Book 101/Page 352/Registry 000065493 Culberson/TX	17,100.00
OBL20130313-32	03/13/2013	COMMISSIONER OF THE GENERAL ST OF TX - M 110713 DELAY RENTAL TX429971013521001, STATE OF TEXAS, M-110713 Payee: COMMISSIONER OF THE GENE LAND OFFICE STATE OF TEXA AUSTIN, TX 78711-2873 Payee Tax ID: [REDACTED] Lease Date: 04/06/2010 Oblig Type: PAY Oblig Due Date: 04/06/2013 Freq: 1 Yea Book 101/Page 358/Registry 000065494 Culberson/TX	8,525.00
OBL20130313-33	03/13/2013	COMMISSIONER OF THE GENERAL ST OF TX - M 110700 DELAY RENTAL TX429971013532001, STATE OF TEXAS, M-110700 Payee: COMMISSIONER OF THE GENE LAND OFFICE STATE OF TEXA AUSTIN, TX 78711-2873 Payee Tax ID: [REDACTED] Lease Date: 04/06/2010 Oblig Type: PAY Oblig Due Date: 04/06/2013 Freq: 1 Yea Book 101/Page 286/Registry 000065482 Culberson/TX	8,000.00



Remittance Statement

Vendor COMMISSIONER OF THE G
Vendor Cod 030618
Check Number 0004005716
Check Date 03/14/2013

Invoice #	Invoice Date	Lessor	Net Amount
001 20130313-34	03/13/2013	COMMISSIONER OF THE GENERAL DELAY RENTAL TX429971013533001, STATE OF TEXAS, M-110701 Payee: COMMISSIONER OF THE GENE LAND OFFICE STATE OF TEXA AUSTIN, TX 78711-2873 Payee Tax ID: [REDACTED] Lease Date: 04/06/2010 Oblig Type: PAY Oblig Due Date: 04/06/2013 Freq: 1 Yea Book 101/Page 292/Registry 000065483 Culberson/TX	8,000.00
			209,125.00

File No. MF110705

⑧

Rental Payment

Date Filed: 03/19/2013

Jerry E. Patterson, Commissioner

By JEP

CIMAREX

CIMAREX ENERGY CO
1700 LINCOLN STREET
SUITE 1800
DENVER CO 80203-4518
(303) 295-3995

WELLS FARGO BANK NA

14709529

Present for payment within 180 days.

Payee No.	Check No	Check Date	Check Amount
030618	0004006145	03/20/2014	*****\$481,300.00

PAY Four Hundred Eighty One Thousand Three Hundred Dollars and Zero Cents

TO THE
ORDER
OF

COMMISSIONER OF THE GENERAL
LAND OFFICE STATE OF TEXAS
LOCKBOX ACCOUNT
PO BOX 12873
AUSTIN TX 78711-2873

Paul Korus
Shirri M. Natta

SIGNATURE HAS A COLORED BACKGROUND - BORDER CONTAINS MICROPRINTING

⑈0004006145⑈

PLEASE DETACH AT PERFORATION ABOVE

CIMAREX ENERGY CO
1700 LINCOLN STREET
SUITE 1800
DENVER CO 80203-4518
(303) 295-3995

PLEASE DETACH AT PERFORATION ABOVE

CIMAREX

Check Number 0004006145

Invoice #	Oblig. Date	Description	Lessor	Net Amount
		RENTAL PAYMENT 5th yr. \$16,000.00 (P)		14709529
				121

030618

Payee

Check Date: 03/20/2014

Check Amount

481,300.00



Remittance Statement

Vendor: COMMISSIONER OF THE G
Vendor Code: 030618
Check Number: 0004006145
Check Date: 03/20/2014

Invoice #	Invoice Date	Lessor	Net Amount
OBL20140318-14	03/18/2014	COMMISSIONER OF THE GENERAL DELAY RENTALS TX429971012751001 ST-TX #M-110712 Payee: COMMISSIONER OF THE GENE LAND OFFICE STATE OF TEXA AUSTIN, TX 78711-2873 Lease Date: 04/06/2010 Oblig Type: PAY Oblig Due Date: 04/06/2014 Freq: 1 Yea Book 102/Page 484/Registry 65891 Culberson/TX	16,875.00
OBL20140318-16	03/18/2014	COMMISSIONER OF THE GENERAL DELAY RENTALS TX429971013076001 ST OF TX #M- 112444 Payee: COMMISSIONER OF THE GENE LAND OFFICE STATE OF TEXA AUSTIN, TX 78711-2873 Lease Date: 04/05/2011 Oblig Type: PAY Oblig Due Date: 04/05/2014 Freq: 1 Yea Book 106/Page 283/Registry 67086 Culberson/TX	320,000.00
OBL20140318-19	03/18/2014	COMMISSIONER OF THE GENERAL DELAY RENTAL TX429971013511001, STATE OF TEXAS, M-110702 Payee: COMMISSIONER OF THE GENE LAND OFFICE STATE OF TEXA AUSTIN, TX 78711-2873 Lease Date: 04/06/2010 Oblig Type: PAY Oblig Due Date: 04/06/2014 Freq: 1 Yea Book 101/Page 298/Registry 000065484 Culberson/TX	8,000.00
OBL20140318-20	03/18/2014	COMMISSIONER OF THE GENERAL DELAY RENTAL TX429971013512001, STATE OF TEXAS, M-110703 Payee: COMMISSIONER OF THE GENE LAND OFFICE STATE OF TEXA AUSTIN, TX 78711-2873 Lease Date: 04/06/2010 Oblig Type: PAY Oblig Due Date: 04/06/2014 Freq: 1 Yea Book 101/Page 304/Registry 000065485 Culberson/TX	16,000.00



Remittance Statement

Vendor: COMMISSIONER OF THE G
Vendor Code: 030618
Check Number: 0004006145
Check Date: 03/20/2014

Invoice #	Invoice Date	Lessor	Net Amount
OBL20140318-21	03/18/2014	COMMISSIONER OF THE GENERAL DELAY RENTAL TX429971013513001, STATE OF TEXAS, M-110704 Payee: COMMISSIONER OF THE GENE LAND OFFICE STATE OF TEXA AUSTIN, TX 78711-2873 Lease Date: 04/06/2010 Oblig Type: PAY Oblig Due Date: 04/06/2014 Freq: 1 Yea Book 101/Page 310/Registry 000065486 Culberson/TX	16,000.00
OBL20140318-22	03/18/2014	COMMISSIONER OF THE GENERAL DELAY RENTAL TX429971013514001, STATE OF TEXAS, M-110705 Payee: COMMISSIONER OF THE GENE LAND OFFICE STATE OF TEXA AUSTIN, TX 78711-2873 Lease Date: 04/06/2010 Oblig Type: PAY Oblig Due Date: 04/06/2014 Freq: 1 Yea Book 101/Page 316/Registry 000065487 Culberson/TX	16,000.00
OBL20140318-23	03/18/2014	COMMISSIONER OF THE GENERAL DELAY RENTAL TX429971013515001, STATE OF TEXAS, M-110706 Payee: COMMISSIONER OF THE GENE LAND OFFICE STATE OF TEXA AUSTIN, TX 78711-2873 Lease Date: 04/06/2010 Oblig Type: PAY Oblig Due Date: 04/06/2014 Freq: 1 Yea Book 101/Page 322/Registry 000065488 Culberson/TX	16,000.00
OBL20140318-24	03/18/2014	COMMISSIONER OF THE GENERAL DELAY RENTAL TX429971013516001, STATE OF TEXAS, M-110707 Payee: COMMISSIONER OF THE GENE LAND OFFICE STATE OF TEXA AUSTIN, TX 78711-2873 Lease Date: 04/06/2010 Oblig Type: PAY Oblig Due Date: 04/06/2014 Freq: 1 Yea Book 101/Page 328/Registry 000065489 Culberson/TX	16,000.00
OBL20140318-25	03/18/2014	COMMISSIONER OF THE GENERAL DELAY RENTAL TX429971013517001, STATE OF TEXAS, M-110708 Payee: COMMISSIONER OF THE GENE LAND OFFICE STATE OF TEXA AUSTIN, TX 78711-2873 Lease Date: 04/06/2010 Oblig Type: PAY Oblig Due Date: 04/06/2014 Freq: 1 Yea Book 101/Page 334/Registry 000065490 Culberson/TX	8,525.00



Remittance Statement

Vendor: COMMISSIONER OF THE G
Vendor Code: 030618
Check Number: 0004006145
Check Date: 03/20/2014

Invoice #	Invoice Date	Lessor	Net Amount
OBL20140318-26	03/18/2014	COMMISSIONER OF THE GENERAL DELAY RENTAL TX429971013519001, STATE OF TEXAS, M-110710 Payee: COMMISSIONER OF THE GENE LAND OFFICE STATE OF TEXA AUSTIN, TX 78711-2873 Lease Date: 04/06/2010 Oblig Type: PAY Oblig Due Date: 04/06/2014 Freq: 1 Yea Book 101/Page 346/Registry 000065492 Culberson/TX	16,975.00
OBL20140318-27	03/18/2014	COMMISSIONER OF THE GENERAL DELAY RENTAL TX429971013521001, STATE OF TEXAS, M-110713 Payee: COMMISSIONER OF THE GENE LAND OFFICE STATE OF TEXA AUSTIN, TX 78711-2873 Lease Date: 04/06/2010 Oblig Type: PAY Oblig Due Date: 04/06/2014 Freq: 1 Yea Book 101/Page 358/Registry 000065494 Culberson/TX	8,525.00
OBL20140318-28	03/18/2014	COMMISSIONER OF THE GENERAL DELAY RENTAL TX429971013532001, STATE OF TEXAS, M-110700 Payee: COMMISSIONER OF THE GENE LAND OFFICE STATE OF TEXA AUSTIN, TX 78711-2873 Lease Date: 04/06/2010 Oblig Type: PAY Oblig Due Date: 04/06/2014 Freq: 1 Yea Book 101/Page 286/Registry 000065482 Culberson/TX	8,000.00
OBL20140318-29	03/18/2014	COMMISSIONER OF THE GENERAL DELAY RENTAL TX429971013533001, STATE OF TEXAS, M-110701 Payee: COMMISSIONER OF THE GENE LAND OFFICE STATE OF TEXA AUSTIN, TX 78711-2873 Lease Date: 04/06/2010 Oblig Type: PAY Oblig Due Date: 04/06/2014 Freq: 1 Yea Book 101/Page 292/Registry 000065483 Culberson/TX	8,000.00
OBL20140318-30	03/18/2014	COMMISSIONER OF THE GENERAL DELAY RENTAL TX420179013760001 ST OF TEXAS - M114907 Payee: COMMISSIONER OF THE GENE LAND OFFICE STATE OF TEXA AUSTIN, TX 78711-2873 Lease Date: 04/02/2013 Oblig Type: PAY Oblig Due Date: 04/02/2014 Freq: 1 Yea Book 1005/Page 453/Registry 13-04025 Reeves/TX	3,200.00



Remittance Statement

Vendor: COMMISSIONER OF THE G
Vendor Code: 030618
Check Number: 0004006145
Check Date: 03/20/2014

Invoice #	Invoice Date	Lessor	Net Amount
OBL20140318-31	03/18/2014	COMMISSIONER OF THE GENERAL DELAY RENTAL TX420179013759001 ST OF TEXAS - M114908 Payee: COMMISSIONER OF THE GENE LAND OFFICE STATE OF TEXA AUSTIN, TX 78711-2873 Lease Date: 04/02/2013 Oblig Type: PAY Oblig Due Date: 04/06/2014 Freq: 1 Yea Book 1005/Page 447/Registry 13-04024 Reeves/TX	3,200.00
			481,300.00



Invoice #	Oblig. Date	Description	Lessor	Net Amount
		See Attached		

RECEIPT

INSTRUCTIONS TO DEPOSITORY: You have been designated as depository for delay rentals due under oil and gas lease held by this Company on lands hereinabove described. This check represents rental payment in advance under such lease and we ask that you credit the proceeds thereof to the parties named, and in the amounts indicated. Should any difficulty of any nature arise with respect to any item shown DO NOT return our check but make the deposit to the credit of the party named in A SPECIAL ACCOUNT IF NECESSARY, and communicate immediately with us explaining the circumstances and further instructions will be given.

The above described check has been received and deposited to the credit of parties named as instructed:

DATE 03/24/2014

BY [Signature] for GLO

PLEASE DATE, SIGN AND RETURN

030618	Payee	Check Date: 03/20/2014	Check Amount	481,300.00
--------	-------	------------------------	--------------	------------

0004006145

03/20/2014

481,300.00

Pay

Four Hundred Eighty One Thousand Three Hundred Dollars and Zero Cents

COMMISSIONER OF THE GENERAL
LAND OFFICE STATE OF TEXAS
LOCKBOX ACCOUNT
PO BOX 12873
AUSTIN, TX 78711-2873

NON-NEGOTIABLE

File No. MF110705 9

Rentals - 5th yr.

Date Filed: 03/24/2014

Jerry E. Patterson, Commissioner

By JP



CIMAREX ENERGY CO
1700 LINCOLN STREET SUITE 3700
DENVER CO 80203-4518
(303) 295-3995

WELLS FARGO BANK NA

56-382/412

15710667

Present for payment within 180 days.

Vendor No.	Check No.	Check Date	Check Amount
023492	0001623524	04/15/2015	*****\$146,525.00

PAY One Hundred Forty Six Thousand Five Hundred Twenty Five Dollars and Zero Cents

TO THE
ORDER
OF
STATE OF TEXAS
TEXAS GENERAL LAND OFFICE
STEPHEN F. AUSTIN BUILDING
1700 NORTH CONGRESS AVENUE
AUSTIN TX 78701-1495

Paul Korus
Sherrill M. Natta

SIGNATURE HAS A COLORED BACKGROUND • BORDER CONTAINS MICROPRINTING

⑈0001623524⑈

PLEASE DETACH AT PERFORATION ABOVE

CIMAREX ENERGY CO
1700 LINCOLN STREET SUITE 3700
DENVER CO 80203-4518

PLEASE DETACH AT PERFORATION ABOVE

(303) 295-3995

Check Number 0001623524

Invoice #	Inv. Date	Description	Amount	Discount	Net Amount
REQ21704132015	04/13/2015		146,525.00	0.00	146,525.00
		110712 \$16875			
		110713 \$8525			
		111275 \$17125			
		110702 \$8000			
		110703 \$16000			
		110704 \$16000			
		110705 \$16000			
		110706 \$16000			
		110707 \$16000			
		110700 \$8000			
		110701 \$8000			

15710667

121

023492 Vendor Check Date: 04/15/2015 Check Amount + 146,525.00

Cimarex Energy Co.
600 N. Marienfeld St.
Suite 600
Midland, TX 79701
MAIN 432.571.7800



April 16, 2015

General Land Office of the State of Texas
Mr. Robert B. Hatter, Director of Mineral Leasing Division
1700 N. Congress Avenue
Austin, Texas 78701-1495

Via Federal Express

Re: Amended 2015 Plans of Development
Armstrong-State Unit
Culberson County, Texas

Dear Mr. Hatter,

Please find enclosed herewith Cimarex Energy Co. **check number 0001623524 in the amount of One Hundred Forty Six Thousand Five Hundred Twenty Five Dollars and 00/100 (\$146,525.00)** as consideration for the Revised and Amended 2015 Plans of Development for the Armstrong-State Unit in Culberson County.

Once again, we appreciate the time and attention given to Cimarex in this matter. If you should need anything further, please do not hesitate to contact me at the number below.

Sincerely,

CIMAREX ENERGY CO.

A handwritten signature in black ink that reads "Viviana M. Bush". The signature is fluid and cursive, with the first name being the most prominent.

Viviana M. Bush
Land Technician
Direct: (432) 571-7846
Email: vbush@cimarex.com

Cimarex Energy Co.
600 N. Marienfeld St.
Suite 600
Midland, TX 79701
MAIN 432.571.7800



March 27, 2015

General Land Office of the State of Texas
Mr. Robert B. Hatter, Director of Mineral Leasing Division
1700 N. Congress Avenue
Austin, Texas 78701-1495

email delivery and USPS

Re: **REVISED**
Amended 2015 Plans of Development
Armstrong – State Unit, Culberson County, Texas
Grisham – State Unit, Reeves County, Texas

Dear Robert:

Please accept this revised "Amended 2015 Plans of Development" in lieu of our submittal of the same dated January 29, 2015. I have inserted into the Armstrong - State Unit the alteration we discussed in yesterday's meeting, specifically, establishing a requirement to drill two (2) wells during 2015. Thank you again for taking the time to meet with me.

Following immediately below this sentence is the original submittal dated January 29, 2015, with the single alteration found in bold font within the body of paragraph "2. Armstrong – State Unit":

Reference is made to those two certain "2015 Plan of Development" proposals dated October 15, 2014, from Cimarex Energy Co., et al., (Cimarex) to the General Land Office (GLO) regarding the captioned units and promoting a plan to drill a total of four (4) wells in each unit during 2015. The Plans of Development were approved and executed by Jerry E. Patterson, Commissioner of the General Land Office on November 20, 2014.

I appreciate the time you, Daryl, and Drew spent to meet with me Last Tuesday. The meeting was very helpful in co-developing a revised plan that unites the objectives of both the GLO and Cimarex in adjustment to the current market situation.

First, note that I have attached the following information you requested; 1) an inventory of all wells drilled or drilling to date in the Armstrong and Grisham State Units, 2) an inventory of wells currently drilling or planned for drilling during 2015 on State lands outside of the two Unit boundaries, and 3) an inventory of undeveloped State Leases in the Armstrong-State Unit (non-mineral classified lands). Second, I need to correct a couple of errors in the information I shared with you last week. Rather than having drilled six wells to date in the Armstrong-State Unit, we have drilled five. Therefore, we have drilled or are drilling the 13th of the 16 wells required by both Units for the combined years of 2014 and 2015. And, rather than drilling three wells on non-Unit State minerals this year we are planning for four wells.

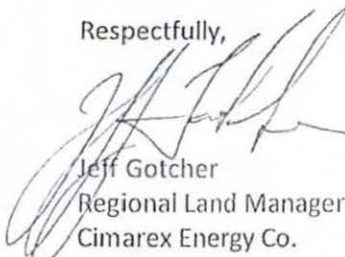
Amended Proposed Plans of Development for 2015

1. Grisham – State Unit; recognition is made that Cimarex proposed an eight (8) well commitment over the two year period of 2014 and 2015, having drilled seven (7) wells through 12/31/14. Six (6) of the wells are completed as horizontal producing wells and one (1) well, presently Temporarily Abandoned, drilled to the Wolfcamp formation as a monitoring well for seismic study, but which may be re-entered in the future for lateral drilling. Cimarex is now drilling the eighth well, which will be the seventh horizontal producing well (the Big Timber State 57-25 Unit 1H). Cimarex hereby proposes that subsequent to completing drilling operations on the Big Timber 57-25 Unit 1H well, Cimarex will be deemed to have fulfilled all drilling obligations for and through the end of 2015 in the Grisham-State Unit.
2. Armstrong – State Unit; recognition is made that Cimarex proposed an eight (8) well commitment over the two year period of 2014 and 2015, having drilled five horizontal producing wells to date. Cimarex hereby proposes to modify the prior 2015 Plan of Development to set forth a requirement to drill two (2) wells in the Armstrong-State Unit during 2015, rather than four (4) wells as proposed in the 2015 Plan approved by the General Land Office on November 20, 2014. In consideration for this modification Cimarex proposes a payment of \$146,525.00; being \$25.00 per acre for each of the 5,861 acres of undeveloped State Leases contained within the Unit boundaries.
3. Pursuant to Article V of the Unit Agreements, Cimarex will submit a proposal to the GLO prior to December 31, 2015, outlining its drilling plans for the two units for the year 2016.

Robert, again I wish to express my appreciation for the time and attention given to Cimarex and to me. We are aware that our success in Culberson and Reeves Counties would not have yielded the mutual benefits we both enjoy without the cooperation of the General Land Office.

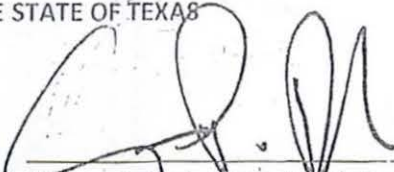
Please let me know if I may answer any questions or provide additional information.

Respectfully,


Jeff Gotcher
Regional Land Manager
Cimarex Energy Co.

Agreed to and accepted this 10 day of April, 2015, but effective as of January 1, 2015.

THE STATE OF TEXAS

By: 
George P. Bush, Texas Land Commissioner

Approved
Legal mmj
Contents mmj
Min. Leasing mmj
Executive mmj

January 29, 2015, Attachment to Amended 2015 Plans of Development

Armstrong – State Unit, Culberson County, Texas

Grisham – State Unit, Reeves County, Texas

Unit Wells Drilled to Date

	Well Name	Spud Date	Formation	Status	Lateral
Armstrong-State Unit:					
1.	Count Fleet 48 State 2H	2/10/14	Wolfcamp	Producing	1 mile
2.	Lord Murphy 10 State Unit 1H	3/23/14	Wolfcamp	Producing	1 mile
3.	Sea Hero State Unit 1H	4/5/14	Wolfcamp	Producing	1.5 miles
4.	Count Turf 38 State Unit 1H	6/3/14	Wolfcamp	Producing	1 mile
5.	Hindoo 2 State Unit 1H	8/29/14	Wolfcamp	Producing	2miles
Grisham-State Unit:					
1.	Tempest State 57-35 1H	10/17/13	Wolfcamp	Producing	1 mile
2.	Cleveland State 57-23 5	1/11/13	Wolfcamp	TA (monitor)	0 mile
3.	Cleveland State 57-23 3H	1/15/14	Wolfcamp	Producing	1 mile
4.	Cleveland State 57-23 1H	2/1/14	Wolfcamp	Producing	1 mile
5.	Cleveland State 57-23 4H	2/11/14	Wolfcamp	Producing	1 mile
6.	Cleveland State 57-23 2H	2/18/14	Wolfcamp	Producing	1 mile
7.	Wood State 57-26 Unit 1H	8/22/14	Wolfcamp	Producing	2 miles
8.	Big Timber State 57-25 Unit 1H	1/17/15	Wolfcamp	Drilling	2 miles

State Wells (Non-Unit) Drilled or Planned For 2015

	Well Name	Spud Date	Formation	Status	Lateral
1.	Whitetail 57-37 Unit 1H	12/25/14	Wolfcamp	Drilling	2 miles
2.	Saddleback State 57-30 1H	1/14/15	Wolfcamp	Drilling	1 mile
3.	Strawberry State 72-17 1H	1/10/15	Wolfcamp	Drilling	1.5 miles
4.	Boulder State 57-32 1H	2/16/15*	Wolfcamp	Pre-Spud	1 mile

*estimated spud date

Armstrong-State Unit Undeveloped State of Texas Leasehold (non-mineral classified)

<u>Section</u>	<u>Block</u>	<u>Survey</u>	<u>Lease Number</u>	<u>Acres</u>
Sec 42	59-T2	T&P RR Co. Survey	M-110712	675
Sec 18 (N2)	60-T2	T&P RR Co. Survey	M-110713	341
Sec 48	61-T2	T&P RR Co. Survey	M-111275	685
Sec 3 (N2)	113	Public School Land Survey	M-110702	320
Sec 4	113	Public School Land Survey	M-110703	640
Sec 11	113	Public School Land Survey	M-110704	640
Sec 18	113	Public School Land Survey	M-110705	640
Sec 16	114	Public School Land Survey	M-110706	640
Sec 21	114	Public School Land Survey	M-110707	640
Sec 4 (N2)	110	Public School Land Survey	M-110700	320
Sec 5 (N2)	110	Public School Land Survey	M-110701	320
Total				5,861

File No. MF 110705 10

BONUS RV County
Amendment

Date Filed: 4-17-15

George P. Bush, Commissioner

By GP



Remittance Statement

Vendor: COMMISSIONER OF THE G
Vendor Code: 030618
Check Number: 0004007006
Check Date: 04/12/2016

Invoice #	Invoice Date	Lessor	Net Amount
OBL20160412-20	04/12/2016	COMMISSIONER OF THE GENERAL MINIMUM ROYALTY TX429971013521001 ST OF TEXAS - M 110713 Payee: COMMISSIONER OF THE GENE LAND OFFICE STATE OF TEXA AUSTIN, TX 78711-2873 Lease Date: 04/06/2010 Oblig Type: MIN Oblig Due Date: 05/01/2016 Freq: 1 Yea Book 101/Page 358/Registry 000065494 Culberson/TX	1,705.00
OBL20160412-21	04/12/2016	COMMISSIONER OF THE GENERAL MINIMUM ROYALTY TX429971013512001 ST OF TEXAS - M 110703 Payee: COMMISSIONER OF THE GENE LAND OFFICE STATE OF TEXA AUSTIN, TX 78711-2873 Lease Date: 04/06/2010 Oblig Type: MIN Oblig Due Date: 05/01/2016 Freq: 1 Yea Book 101/Page 304/Registry 000065485 Culberson/TX	3,200.00
OBL20160412-22	04/12/2016	COMMISSIONER OF THE GENERAL MINIMUM ROYALTY TX429971013513001 ST OF TEXAS - M 110704 Payee: COMMISSIONER OF THE GENE LAND OFFICE STATE OF TEXA AUSTIN, TX 78711-2873 Lease Date: 04/06/2010 Oblig Type: MIN Oblig Due Date: 05/01/2016 Freq: 1 Yea Book 101/Page 310/Registry 000065486 Culberson/TX	3,200.00
OBL20160412-23	04/12/2016	COMMISSIONER OF THE GENERAL MINIMUM ROYALTY TX429971013514001 ST OF TEXAS - M 110705 Payee: COMMISSIONER OF THE GENE LAND OFFICE STATE OF TEXA AUSTIN, TX 78711-2873 Lease Date: 04/06/2010 Oblig Type: MIN Oblig Due Date: 05/01/2016 Freq: 1 Yea Book 101/Page 316/Registry 000065487 Culberson/TX	3,200.00



Remittance Statement

Vendor: COMMISSIONER OF THE G
Vendor Code: 030618
Check Number: 0004007006
Check Date: 04/12/2016

Invoice #	Invoice Date	Lessor	Net Amount
OBL20160412-24	04/12/2016	COMMISSIONER OF THE GENERAL MINIMUM ROYALTY TX429971013515001 ST OF TEXAS - M 110706 Payee: COMMISSIONER OF THE GENE LAND OFFICE STATE OF TEXA AUSTIN, TX 78711-2873 Lease Date: 04/06/2010 Oblig Type: MIN Oblig Due Date: 05/01/2016 Freq: 1 Yea Book 101/Page 322/Registry 000065488 Culberson/TX	3,200.00
OBL20160412-25	04/12/2016	COMMISSIONER OF THE GENERAL MINIMUM ROYALTY TX429971013516001 ST OF TEXAS - M 110707 Payee: COMMISSIONER OF THE GENE LAND OFFICE STATE OF TEXA AUSTIN, TX 78711-2873 Lease Date: 04/06/2010 Oblig Type: MIN Oblig Due Date: 05/01/2016 Freq: 1 Yea Book 101/Page 328/Registry 000065489 Culberson/TX	3,200.00
OBL20160412-26	04/12/2016	COMMISSIONER OF THE GENERAL MINIMUM ROYALTY TX429971013532001 ST OF TEXAS - M 110700 Payee: COMMISSIONER OF THE GENE LAND OFFICE STATE OF TEXA AUSTIN, TX 78711-2873 Lease Date: 04/06/2010 Oblig Type: MIN Oblig Due Date: 05/01/2016 Freq: 1 Yea Book 101/Page 286/Registry 000065482 Culberson/TX	1,600.00
OBL20160412-27	04/12/2016	COMMISSIONER OF THE GENERAL MINIMUM ROYALTY TX429971013533001 ST OF TEXAS - M 110701 Payee: COMMISSIONER OF THE GENE LAND OFFICE STATE OF TEXA AUSTIN, TX 78711-2873 Lease Date: 04/06/2010 Oblig Type: MIN Oblig Due Date: 05/01/2016 Freq: 1 Yea Book 101/Page 292/Registry 000065483 Culberson/TX	1,600.00
			20,905.00



(303) 295-3995

Check Number 0004007006

16709466



Invoice #	Oblig. Date	Description	Lessor	Net Amount
		See Attached		

INSTRUCTIONS TO DEPOSITORY: You have been designated as depository for delay rentals due under oil and gas lease held by this Company on lands hereinabove described. This check represents rental payment in advance under such lease and we ask that you credit the proceeds thereof to the parties named, and in the amounts indicated. Should any difficulty of any nature arise with respect to any item shown DO NOT return our check but make the deposit to the credit of the party named in A SPECIAL ACCOUNT IF NECESSARY, and communicate immediately with us explaining the circumstances and further instructions will be given.

The above described check has been received and deposited to the credit of parties named as instructed:

DATE

BY

PLEASE DATE, SIGN AND RETURN

030618	← Payee	Check Date: 04/12/2016	Check Amount →	20,905.00
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0004007006 04/12/2016 20,905.00

Pay

Twenty Thousand Nine Hundred Five Dollars and Zero Cents

COMMISSIONER OF THE GENERAL
LAND OFFICE STATE OF TEXAS
LOCKBOX ACCOUNT
PO BOX 12873
AUSTIN, TX 78711-2873

11

File No. M-110705

Minimum Royalty Payment County

Date Filed: 4/19/16

George P. Bush, Commissioner

By [Signature]

Cimarex Energy Co.
600 N. Marienfeld St.
Suite 600
Midland, TX 79701
MAIN 432.571.7800



September 12, 2016

State of Texas – General Land Office
1700 N. Congress Ave.
Austin, Texas 78701-1495
Attn: Mr. Daryl Morgan

Re: Cimarex Energy Co.
Baden Baden 7 State Unit
GLO Unit No. 10002
Culberson County

Dear Mr. Morgan,

Enclosed for your execution is the following document:

1. Pooling Agreement Cimarex Energy Co., Baden Baden 7 State Unit, GLO Unit No. 10002, Culberson County, Texas.

We ask that you please sign, notarize and return one (1) fully executed copy to my attention in the self-addressed stamped envelope enclosed for your convenience. Upon receipt from the county, a recorded copy of this document will be sent for your records.

If there is anything further that you should require in regard to this matter, please do not hesitate to contact Todd Meador or myself.

Sincerely,

CIMAREX ENERGY CO.

A handwritten signature in blue ink that reads "Viviana M. Bush". The signature is written in a cursive, flowing style.

Viviana M. Bush
Land Department
432.571.7846 (direct)
vbush@cimarex.com

97.27.6

2016

File No. M-110705

(12)

County

Ltr. From Concept

Date Filed: 9/13/16

George P. Bush, Commissioner

By [Signature]



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

September 16, 2016

Ms. Viviana M. Bush
Cimarex Energy Co.
600 N. Marienfeld St., Suite 600
Midland, Texas 79701

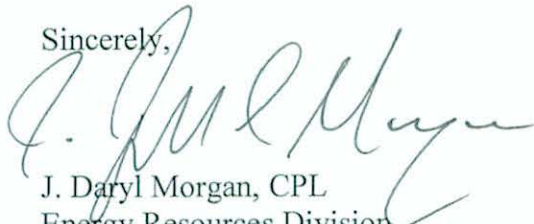
Re: Pooling Agreement
Baden Baden 7 State Unit
GLO Unit No. 10002
Culberson County, Texas

Dear Ms. Bush:

Enclosed is a duplicate 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 the other original 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

13

File No. M-110705

County

Ltr. to Csmwex

Date Filed: 9/16/16

George P. Bush, Commissioner

By [Signature]

DO NOT DESTROY



Texas General Land Office

UNIT AGREEMENT MEMO

UPA169172

Unit Number 10002
Operator Name Cimarex Energy Co. Effective Date 07/19/2016
Customer ID C000044010 Unitized For Oil And Gas
Unit Name Baden Baden 7 State Unit Unit Term
County 1 Culberson 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 0.20826092
State Part in Unit 1.00000000
Unit Depth Specified Depths Well
From Depth Surface Formation Base of Wolfcamp
To Depth 11195 MD Participation Basis Surface Acreage
If Exclusions 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
MF111240	1	320.835000	960.835000	0.33391269	O/G	0.12500000	0.04173909	No
MF110705	2	640.000000	960.835000	0.66608731	O/G	0.25000000	0.16652183	No

API Number

Remarks:

Prepared By:

Prepared Date:

GLO Base Updated By:

GLO Base Date:

RAM Approval By:

RAM Approval Date:

GIS By:

GIS Date:

Well Inventory By:

WI Date:

Pooling Committee Report

To: School Land Board

UPA169172

Date of Board Meeting: 07/19/2016

Unit Number: 10002

Effective Date: 07/19/2016

Unit Expiration Date:

Applicant: Cimarex Energy Co.

Attorney Rep:

Operator: CIMAREX ENERGY CO.,

Unit Name: Baden Baden 7 State Unit

Field Name: FORD, WEST (WOLFCAMP)

County: Culberson

<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	MF111240	0.12500000	07/12/2013	3 years	4,519.090000	320.835000	0.04173909
U Fee	MF110705	0.25000000	04/06/2015	5 years	640.000000	640.000000	0.16652183

Private Acres:	0.000000
State Acres:	960.835000
Total Unit Acres:	960.835000

<u>Participation Basis:</u>	Surface Acreage
Surface Acreage	
<u>State Acreage:</u>	100.00%
<u>State Net Revenue Interest:</u>	20.83%

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

<u>RRC Rules:</u>	<u>Spacing Acres:</u>
Yes	1,520 acres for a 8,000 foot lateral (FTP to LTP).

Working File Number: UPA169172

REMARKS:

- Cimarex Energy Co. is requesting permanent oil and gas pooling from the Surface to 11,195 MD as seen on the Dark Star 21 Unit # 1H well log (API 42-109-32352) in order to test the Wolfcamp formation.
- The applicant plans to spud the first unit well on November 1, 2016.
- With Board approval of the unit, the State's unit royalty participation will be 20.83%.
- The State will participate on a unitized basis from the date of first production.
- The applicant agrees to drill a total of four unit wells. The three additional unit wells will be spud by or before one year after the expiration of the Armstrong Orderly Development Agreement or the unit will decrease in size to +/- 240 acres per unit well.

POOLING COMMITTEE RECOMMENDATION:

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



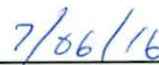
Mary Smith - Office of the Attorney General



Date



Robert Hatter - General Land Office



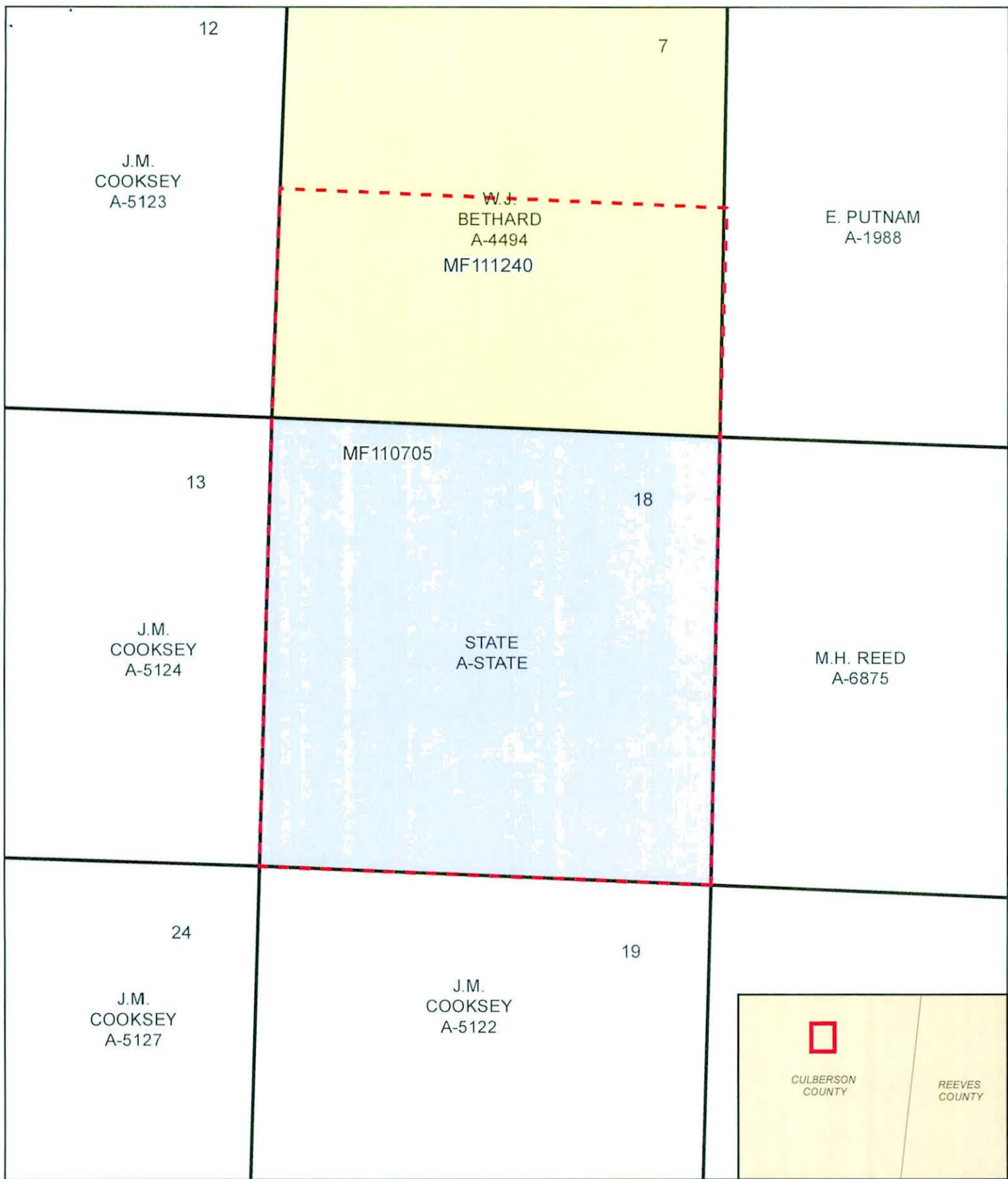
Date



Diane Morris - Office of the Governor



Date



Unit #10002
Cimarex Energy Co.
Baden Baden 7 State Unit
Ford, West (Wolfcamp) Field
Culberson County, Texas



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



Map Generated by:
Mark Conway
Enterprise Technology Solutions/GIS
July 2016

POOLING AGREEMENT
CIMAREX ENERGY CO.
BADEN BADEN 7 STATE UNIT
GLO UNIT NO. 10002
CULBERSON 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 Cimarex Energy Co. 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 of the earth to the stratigraphic equivalent of the base of the Wolfcamp Formation, which is seen at a depth of 11,195 feet on the Halliburton Spectral Density Dual Spaced Neutron log dated December 12, 2010, of the Dark Star 21 Unit #1H Well, API No. 42-109-32352 ("unitized interval").

POOLING AND EFFECT:

4.

The parties hereto commit all of their interests which are within the unit, including but not limited to the interests described above, 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 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 or other agreement 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 or other agreement, 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 July 19, 2016.

TERM:

8.

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.

SPECIAL TERMS AND CONDITIONS:

9.

Notwithstanding anything contained herein to the contrary, this Agreement is subject to the terms and conditions of the attached Addendum "A".

97.07.6

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 Culberson 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.

SUBJECT TO EXPLORATION AGREEMENT:

14.

This Pooling Agreement is subject to that certain Unit Agreement for the Development and Operation of the Armstrong - State Unit dated effective January 1, 2014, by and between the State of Texas, Cimarex Energy Co., Prize Energy Resources, Inc. and Chevron USA, Inc., recorded at Volume 112, Page 705 of the Oil and Gas Records of Culberson County, Texas.

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

Date Executed

9/14/16

STATE OF TEXAS

Legal
Content
Geology
Executive

[Signature]
[Signature]
[Signature]

By:

[Signature]
George P. Bush, Commissioner
General Land Office

Date Executed

CIMAREX ENERGY CO. (Operator)

By:

[Signature]
Roger Alexander, Attorney-in-Fact

[Signature]

91.01.0

Date Executed _____

PRIZE ENERGY RESOURCES, INC.

By: *R. Alexander*
Roger Alexander, Attorney-in-Fact *RAM*

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 July 19, 2016, 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.

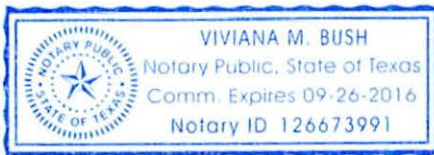
IN TESTIMONY WHEREOF, witness my hand this the 13th day of September, 2016.

Stephanie Crenshaw
Secretary of the School Land Board

STATE OF TEXAS

COUNTY OF Midland

This instrument was acknowledged before me on September 7th, 2016, by Roger Alexander, as attorney-in-fact of Cimarex Energy Co. a Delaware corporation, on behalf of said corporation.

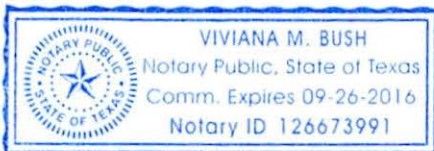


Viviana M. Bush
Notary Public in and for the State of Texas

STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me on September 7th, 2016, by Roger Alexander, as attorney-in-fact of Prize Energy Resources, Inc., a Delaware corporation, on behalf of said corporation.



Viviana M. Bush
Notary Public in and for the State of Texas

Addendum "A"

To that certain Pooling Agreement for the Baden Baden 7 State 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 Exhibit "C". Lessee agrees to drill a minimum of four (4) horizontal wells within the unit, provided however that, should Lessee fail to meet the "Drilling Obligation Timeframe", as specifically defined below, that 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 approximately 240 acres per well drilled in the unit, as close as is reasonably practicable to the shape of a rectangle surrounding the 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 December 1, 2016;
- Second, Third and Fourth well – spud on or before one year after the termination of the Armstrong – State Unit dated effective January 1, 2014, by and between the State of Texas and Cimarex Energy Co., as Operator, and Prize Energy Resources, Inc., et.al. as Non-Operator.

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 and such wells 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"

91.216

EXHIBIT "A"

Attached to and made a part of that certain Declaration of Pooled Unit for the Baden Baden 7 State Unit
(a 960.835-acre oil and gas unit) - Cimarex Energy Co., Operator

I. OIL AND GAS LEASES SUBJECT TO THIS DECLARATION INCLUDE, BUT ARE NOT LIMITED TO:

1. Dated: July 12, 2010
Lessor: Dela Minerals, Inc.
Original Lessee: Craig L. Blair
Recorded: Vol 102, Page 104 of the Oil and Gas Records of Culberson County, TX
Land Description: S/2 of Section 7, Block 113, PSL Survey, Culberson County, Texas
Royalty: 1/4

2. Dated: July 12, 2010
Lessor: John Thompson Crim, III
Original Lessee: Craig L. Blair
Recorded: Vol 102, Page 147 of the Oil and Gas Records of Culberson County, TX
Land Description: S/2 of Section 7, Block 113, PSL Survey, Culberson County, Texas
Royalty: 1/4

3. Dated: July 12, 2010
Lessor: Maggie Love Crim Hudson
Original Lessee: Craig L. Blair
Recorded: Vol 102, Page 211 of the Oil and Gas Records of Culberson County, TX
Land Description: S/2 of Section 7, Block 113, PSL Survey, Culberson County, Texas
Royalty: 1/4

4. Dated: July 12, 2010
Lessor: William Robert Crim
Original Lessee: Craig L. Blair
Recorded: Vol 102, Page 179 of the Oil and Gas Records of Culberson County, TX
Land Description: S/2 of Section 7, Block 113, PSL Survey, Culberson County, Texas
Royalty: 1/4

5. Dated: April 6, 2010
Lessor: State of Texas - Lease No. M-110705
Original Lessee: T. Verne Dwyer
Recorded: Vol 101, Page 316 of the Oil and Gas Records of Culberson County, TX
Land Description: All of Section 18, Block 113, PSL Survey, Culberson County, Texas
Royalty: 1/4



EXHIBIT "B"

Attached to and made a part of that certain Declaration of Pooled Unit for the Baden Baden 7 State Unit
(a 960.835 acre oil and gas unit) - Cimarex Energy Co., Operator

Description of Lands

- Tract 1: S/2 of Section 7, Block 113, PSL Survey, Culberson County, Texas, containing 320.835 acres, more or less.
- Tract 2: All of Section 18, Block 113, PSL Survey, Culberson County, Texas, containing 640.0 acres, more or less.

Depth Limitation

The Unit Area shall be limited in depth from the surface to the base of the Wolfcamp Formation. The base of the Wolfcamp formation is defined as the stratigraphic equivalent of 11,195 feet, as seen in Cimarex Energy Co.'s Dark Star 21 Unit #1H Well, located in Section 21, Block 59 – T1, T&P RR Co. Survey, Culberson County, Texas; API #42-109-32352; Halliburton Spectral Density Dual Spaced Neutron Log dated 12 December 2010.

EXHIBIT "C"

Attached to and made a part of that certain Declaration of Pooled Unit for the Baden Baden 7 State Unit
(a 960.835 acre oil and gas unit) - Cimarex Energy Co., Operator

Baden Baden 7 State Unit

S/2 of Section 7, Block 113, PSL Survey, Culberson County, Texas, and
All of Section 18, Block 113, PSL Survey, Culberson County, Texas.

7
Tract 1: S/2 of Section 7, Blk 113, PSL Survey, Culberson County, Texas.
18
Tract 2: All of Section 18, Blk 113, PSL Survey, Culberson County, Texas

File No. M-110705
Pooling Agent Packet # 10002
Baden Baden 7 State Chit
Date Filed: 9/16/16
George P. Bush, Commissioner
By [Signature]

Cimarex Energy Co.

600 N. Marienfeld St.

Suite 600

Midland, TX 79701

MAIN 432.571.7800

10.24.16



October 18, 2016

Via U.S. Mail

State of Texas – General Land Office
1700 N. Congress Ave.
Austin, Texas 78701-1495
Attn: Mr. Daryl Morgan

Re: Cimarex Energy Co.
Declaration of Pooled Unit
Culberson County, Texas *M-110705*

Dear Mr. Morgan,

Enclosed for your records is copy of the following recorded Declaration of Pooled Unit:

1. Baden Baden 7 State Unit – GLO Unit No. 10002

If there is anything further that you should require in regard to this matter, please do not hesitate to contact me at the number below.

Regards,

CIMAREX ENERGY CO.

Viviana M. Bush

Viviana M. Bush
Land Department
432.571.7846 (direct)
vbush@cimarex.com

File No. M-110705

County _____

Ltr. From Cymjet

Date Filed: 10/24/16

George P. Bush, Commissioner

By [Signature]

110705

POOLING AGREEMENT
CIMAREX ENERGY CO.
BADEN BADEN 7 STATE UNIT
GLO UNIT NO. 10002
CULBERSON 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 Cimarex Energy Co. 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 of the earth to the stratigraphic equivalent of the base of the Wolfcamp Formation, which is seen at a depth of 11,195 feet on the Halliburton Spectral Density Dual Spaced Neutron log dated December 12, 2010, of the Dark Star 21 Unit #1H Well, API No. 42-109-32352 ("unitized interval").

POOLING AND EFFECT:

4.

The parties hereto commit all of their interests which are within the unit, including but not limited to the interests described above, 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.

10-24-16

- (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 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 or other agreement 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 or other agreement, 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 July 19, 2016.

TERM:

8.

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.

SPECIAL TERMS AND CONDITIONS:

9.

Notwithstanding anything contained herein to the contrary, this Agreement is subject to the terms and conditions of the attached Addendum "A".

10-24-16

10-24-16

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 Culberson 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.

SUBJECT TO EXPLORATION AGREEMENT:

14.

This Pooling Agreement is subject to that certain Unit Agreement for the Development and Operation of the Armstrong - State Unit dated effective January 1, 2014, by and between the State of Texas, Cimarex Energy Co., Price Energy Resources, Inc. and Chevron USA, Inc., recorded at Volume 112, Page 705 of the Oil and Gas Records of Culberson County, Texas.

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

Date Executed

9/14/16

Legal
Content
Geology
Executive

FROM
[Signature]
[Signature]
[Signature]

STATE OF TEXAS

By:

George P. Bush, Commissioner
General Land Office



Date Executed

CIMAREX ENERGY CO. (Operator)

By:

Roger Alexander, Attorney-in-Fact

[Signature]

10-24-16

10-24-16

Date Executed _____

PRIZE ENERGY RESOURCES, INC.

By: R. Alexander
Roger Alexander, Attorney-in-Fact

pm

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 July 19, 2016, 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.

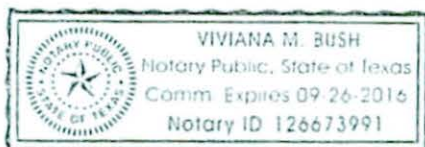
IN TESTIMONY WHEREOF, witness my hand this the 13th day of September, 2016.

Stephanie Crenshaw
Secretary of the School Land Board

STATE OF TEXAS

COUNTY OF Midland

This instrument was acknowledged before me on September 7th, 2016, by Roger Alexander, as attorney-in-fact of Cimarex Energy Co. a Delaware corporation, on behalf of said corporation.

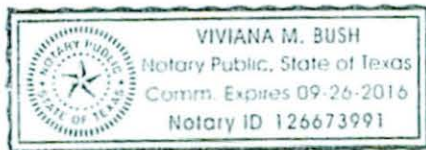


Viviana M. Bush
Notary Public in and for the State of Texas

STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me on September 7th, 2016, by Roger Alexander, as attorney-in-fact of Prize Energy Resources, Inc., a Delaware corporation, on behalf of said corporation.



Viviana M. Bush
Notary Public in and for the State of Texas

10-24-16

10-24-16

Addendum "A"

To that certain Pooling Agreement for the Baden Baden 7 State 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 Exhibit "C". Lessee agrees to drill a minimum of four (4) horizontal wells within the unit, provided however that, should Lessee fail to meet the "Drilling Obligation Timeframe", as specifically defined below, that 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 approximately 240 acres per well drilled in the unit, as close as is reasonably practicable to the shape of a rectangle surrounding the wells. *In the event that Lessee choses 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 December 1, 2016;
- Second, Third and Fourth well – spud on or before one year after the termination of the Armstrong – State Unit dated effective January 1, 2014, by and between the State of Texas and Cimarex Energy Co., as Operator, and Prize Energy Resources, Inc., et.al. as Non-Operator.

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 and such wells 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"

10-24-16

10-24-16

EXHIBIT "A"

Attached to and made a part of that certain Declaration of Pooled Unit for the Baden Baden 7 State Unit
(a 960.835-acre oil and gas unit) - Cimarex Energy Co., Operator

I. OIL AND GAS LEASES SUBJECT TO THIS DECLARATION INCLUDE, BUT ARE NOT LIMITED TO:

1. Dated: July 12, 2010
Lessor: Dela Minerals, Inc.
Original Lessee: Craig L. Blair
Recorded: Vol 102, Page 104 of the Oil and Gas Records of Culberson County, TX
Land Description: S/2 of Section 7, Block 113, PSL Survey, Culberson County, Texas
Royalty: 1/4
2. Dated: July 12, 2010
Lessor: John Thompson Crim, III
Original Lessee: Craig L. Blair
Recorded: Vol 102, Page 147 of the Oil and Gas Records of Culberson County, TX
Land Description: S/2 of Section 7, Block 113, PSL Survey, Culberson County, Texas
Royalty: 1/4
3. Dated: July 12, 2010
Lessor: Maggie Love Crim Hudson
Original Lessee: Craig L. Blair
Recorded: Vol 102, Page 211 of the Oil and Gas Records of Culberson County, TX
Land Description: S/2 of Section 7, Block 113, PSL Survey, Culberson County, Texas
Royalty: 1/4
4. Dated: July 12, 2010
Lessor: William Robert Crim
Original Lessee: Craig L. Blair
Recorded: Vol 102, Page 179 of the Oil and Gas Records of Culberson County, TX
Land Description: S/2 of Section 7, Block 113, PSL Survey, Culberson County, Texas
Royalty: 1/4
5. Dated: April 6, 2010
Lessor: State of Texas - Lease No. M-110705
Original Lessee: T. Verne Dwyer
Recorded: Vol 101, Page 316 of the Oil and Gas Records of Culberson County, TX
Land Description: All of Section 18, Block 113, PSL Survey, Culberson County, Texas
Royalty: 1/4

10-24-16

10-24-16

EXHIBIT "B"

Attached to and made a part of that certain Declaration of Pooled Unit for the Baden Baden 7 State Unit
(a 960.835 acre oil and gas unit) - Cimarex Energy Co., Operator

Description of Lands

- Tract 1: S/2 of Section 7, Block 113, PSL Survey, Culberson County, Texas, containing 320.835 acres, more or less.
- Tract 2: All of Section 18, Block 113, PSL Survey, Culberson County, Texas, containing 640.0 acres, more or less.

Depth Limitation

The Unit Area shall be limited in depth from the surface to the base of the Wolfcamp Formation. The base of the Wolfcamp formation is defined as the stratigraphic equivalent of 11,195 feet, as seen in Cimarex Energy Co.'s Dark Star 21 Unit #1H Well, located in Section 21, Block 59 – T1, T&P RR Co. Survey, Culberson County, Texas; API #42-109-32352; Halliburton Spectral Density Dual Spaced Neutron Log dated 12 December 2010.

10-24-16

EXHIBIT "C"

Attached to and made a part of that certain Declaration of Pooled Unit for the Baden Baden 7 State Unit
(a 960.835 acre oil and gas unit) - Cimarex Energy Co., Operator

Baden Baden 7 State Unit

S/2 of Section 7, Block 113, PSL Survey, Culberson County, Texas, and
All of Section 18, Block 113, PSL Survey, Culberson County, Texas.

7
Tract 1: S/2 of Section 7, Blk 113, PSL Survey, Culberson County, Texas.
18
Tract 2: All of Section 18, Blk 113, PSL Survey, Culberson County, Texas

00000002564

FILED FOR RECORD
AT 3:12 O'CLOCK P. M.

ON THE 12th DAY OF October

A.D., 2016

Kinda McDonald
COUNTY AND DISTRICT CLERK
CULBERSON COUNTY, TEXAS

BY [Signature]
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 10 and Page 438 - 445^{RR}
of the OPV
Records of Culberson County, Texas.



COUNTY AND DISTRICT
CLERK CULBERSON
COUNTY, TEXAS

10-24-16

File No. M-110705

Recorded Baden Baden, Vit County

Date Filed: 10/24/16

George P. Bush, Commissioner

By [Signature]





3.24.17

NADOA Model Form Division Order (Adopted 9/95)

CIMAREX ENERGY CO
202 S Cheyenne Ave, Suite 1000
Tulsa, OK 74103

MF 110705✓
MF 111240

Date: 03/14/2017

Effective Date: 03/01/2017

030618

Owner: COMMISSIONER OF THE GENERAL
LAND OFFICE STATE OF TEXAS
LOCKBOX ACCOUNT
PO BOX 12873
AUSTIN, TX 78711-2873

Description: BADEN BADEN 7 STATE UNIT 1H - ENT

Complete Property Description Listed Below

109-32972

Production: ☒ X Oil ☒ X Gas ☐ Other: _____

Owner

COMMISSIONER OF THE GENERAL

Owner Number: 030618

Interest Type: STATE INTEREST

Interest Type Code: ST1

Decimal Interest: 0.20737320

Property Description

Property: 429971-238.01

BADEN BADEN 7 STATE UNIT 1H

Operator: CIMAREX ENERGY CO

Location: Culberson, TX

Map Reference Information

Culberson, TX US

Survey: PSL

1103Block: 113Lot: Sec: 7 Qtr/

The undersigned certifies the ownership of the decimal interest in production proceeds as described payable by (Payor):

CIMAREX ENERGY CO

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 \$100.00, 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.

Owner(s) Signature(s): x _____ x _____

Owner(s) Tax I.D. Number(s): _____

Owner(s) Daytime Phone #: _____

Owner(s) FAX Number: _____

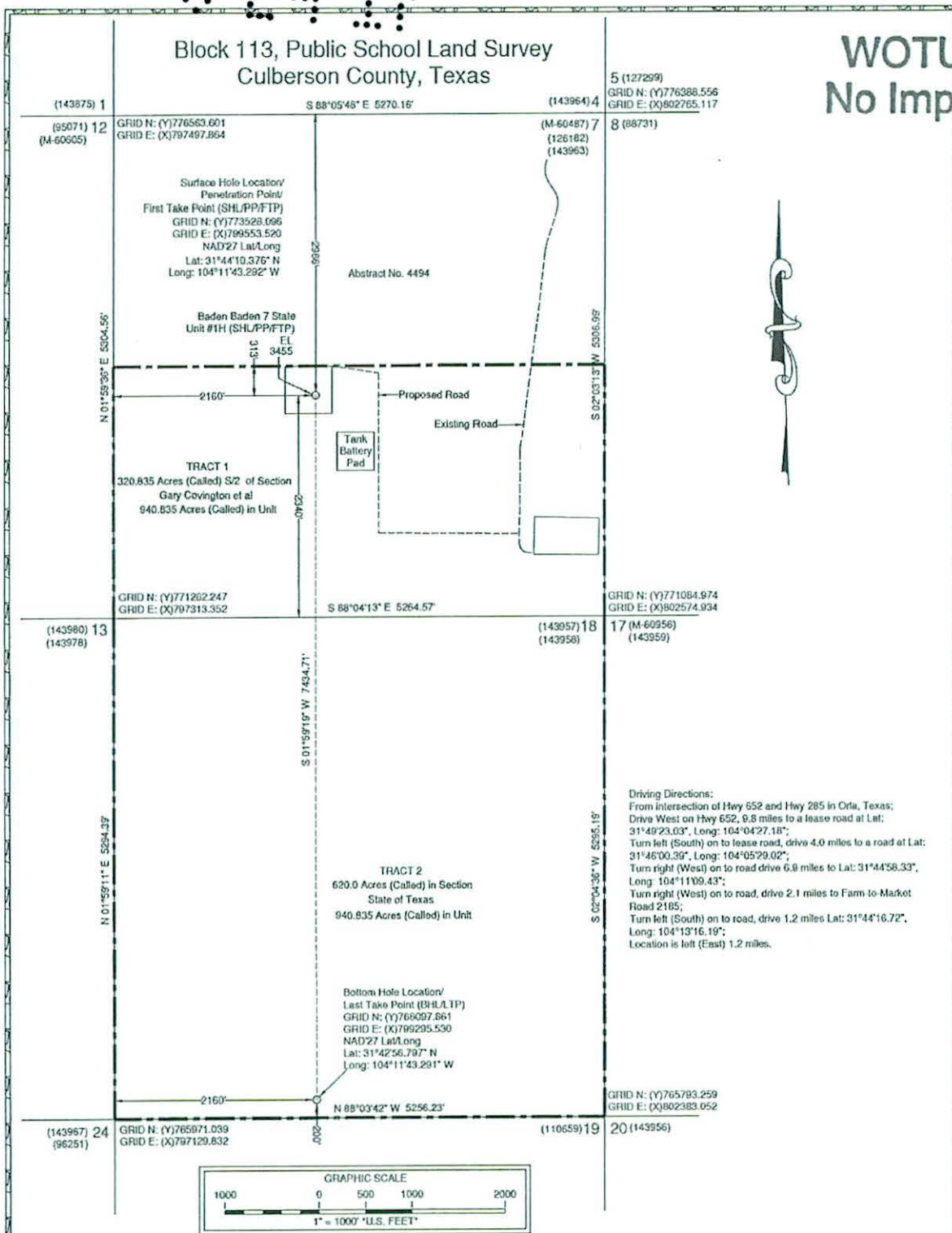
Owner(s) Email Address: _____

KEEP THIS COPY

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.

Block 113, Public School Land Survey Culberson County, Texas

**WOTUS
No Impact**



Note: Well is located 17.9 miles Southwest of the city of Oria, Texas.
Note: Survey Reconstruction filed in the Office of Pennell & Marlowe Land Surveyors, Inc.
Note: Coordinates shown herein are on the Texas Coordinate System of NAD27, Central Zone.
Note: Bearings and distances are based on the Texas Coordinate System of 1827, Central Zone.
Note: Example: (S-99999) indicates General Land Office file number.



Stephen P. Marlowe
REGISTERED PROFESSIONAL LAND SURVEYOR NO. 5715

August 8, 2016

160809M-KRM

P.O. Box 51887, Midland, Texas 79710 (432) 262-0901 Fax (432) 262-0679 Firm #100201-00

Revised: 09/12/2016 (1)-NRL
USGS Quadrangle Sheet: Ruster Hills, Tex
Railroad Commission Permit Plat

CIMAREX ENERGY CO.
Baden Baden 7 State Unit #1H
2340' FROM SOUTH LINE
2160' FROM WEST LINE
Baden Baden 7 State Unit
940.835 Acres out of
Sections 7 & 18, Block 113
Public School Land Survey
Culberson County, Texas

Scale: 1" = 1000'



INSTRUCTIONS TO ALL INTEREST OWNERS

Read Carefully Before Signing the Instrument

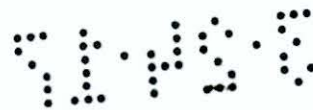
- SIGNATURE:** Individuals: Sign name as shown in the instrument.
- Corporations: If signing for a corporation, please provide the name and title of the signatory party.
- SIGNATURE BY SECOND PARTY:** If the instrument is signed by agent, attorney-in-fact, guardian, estate representative, trustee or any other party other than the named interest owner, we must have evidence of the rights vested in the signatory party.
- MORTGAGE STIPULATION** If your interest is subject to a mortgage(s), please have the mortgagee(s) execute the document in the space(s) provided below your signature. If the mortgage(s) has been released, please provide us with a copy of the RECORDED release(s).
- MAILING ADDRESS:** If the checks should be mailed to a different address than shown with your name, please insert the address change. Print or type. Do not abbreviate. If you are already receiving checks from this company, be sure to use the same address to which we are now mailing checks.
- PAYMENT POLICY:** Payments are made upon accrual of \$100.00, or when proceeds for six (6) months have accumulated. An owner has the option of requesting to be paid monthly for proceeds totaling \$25.00. Should you require payments on the optional basis, please send us your written request.
- PROPERTY NUMBER:** On the left portion of the instrument you will find the number assigned to this well. This number will appear on the statement attached to your check and should always be used when corresponding with this company.
- CHANGE OF ADDRESS:** You should notify us promptly of any change in mailing address. This notice must be over your own signature, or the signature of your appointed agent. Always include your Owner Number (which will appear on your check from this company) and your old address, then state your new address with zip code.

THIS INSTRUMENT SHOULD NOT BE ALTERED IN ANY WAY UNLESS ACCOMPANIED BY DOCUMENTARY EVIDENCE TO SUPPORT THE CHANGE. FAILURE TO COMPLY WITH THESE INSTRUCTIONS MAY DELAY PAYMENT. RETURN THE EXECUTED INSTRUMENT TO THE ADDRESS BELOW. KEEP ONE (1) COPY FOR YOUR RECORDS.

- IRS W-9 FORM:** FEDERAL LAW REQUIRES YOU TO FURNISH YOUR SOCIAL SECURITY NUMBER. IN ADDITION TO INSERTING IT ON THE ENCLOSED DIVISION ORDER YOU MUST ALSO COMPLETE AND SIGN THE ENCLOSED IRS W-9 FORM AND RETURN IT WITH THE EXECUTED DIVISION ORDER.

Should you have any questions, please contact Jeanine Hill at 918-560-7076 or jhale-hill@cimarex.com.

CIMAREX ENERGY CO.
DIVISION ORDER DEPARTMENT
202 SOUTH CHEYENNE AVE, SUITE 1000
TULSA, OK 74103-3001
ATTENTION: Jeanine Hill
(918) 560-7076 -- Phone
(918) 295-1896 -- Fax
E-Mail: JHale-Hill@cimarex.com



REVENUE INTEREST OWNER COMMON QUESTIONS AND ANSWERS

- **Revenue check schedule**
Revenue checks are issued monthly on the 15th. If the amount of revenue due is less than \$100.00, payment is withheld until the amount due equals or exceeds \$100.00, subject to state regulations. All checks less than \$100.00 are issued in December on an annual basis.
- **Check not on schedule**
If payment is delayed more than 10 days, you should contact us to see if a check was issued.
- **Check Lost, stolen or outdated**
Immediately notify us in writing of lost or stolen checks so we may issue a replacement check. If the check is stale dated, return it to us without defacing it so a replacement may be issued.
- **Determine interest value**
The evaluation or appraisal of interest requires geologic or engineering review and judgement. Therefore, we do not attempt such evaluations for interest owners. An appraisal can be obtained by contacting the services of an independent geologist, petroleum engineer or royalty broker. Revenue resulting from sales from the property is an important factor in evaluating royalty interests. Your check stubs or detail statements provide payment history for this analysis.
- **Requirements if Sell interest**
Because the sale of a royalty interest usually represents a real property transaction, we will need a certified copy of the deed recorded in the county where the property is located. For additional information about our requirements, please contact our Division Order Department.
- **Requirements for Death of Owner**
When an interest owner dies, an authorized representative or relative of the deceased must immediately notify the Division Order Department in writing. The deceased owner's name and owner number must appear in the notification as they appear on the revenue checks. State requirements differ, but generally a Will, Letters Testamentary, and/or other documents issued by the court are required to change royalty ownership records. Cimarex Energy Co does NOT accept Heirship Affidavits.
- **Change of Address**
You should notify us of any changes in address. Failure to report changes may delay delivery of your revenue checks and in many cases force us to place the revenue in suspense until we are notified of the change. Reinstatement of payment will resume upon receipt of an authorized address change. For your protection, changes of address must be made in writing. With your notification, please include your owner number, social security or tax identification number, old address and new address, including zip code. Please send your change of address to the attention of the Division Order Department. Form available at <https://www.cimarex.com/owner-information/>.



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

April 21, 2017

Jeanine Hill
Division Order Analyst
Cimarex Energy Co
202 S Cheyenne Ave, Suite 1000
Tulsa, OK 74103-3001

Re: State Lease Nos. MF110705 and MF111240 Baden Baden 7 State Unit 1H

Dear Ms. Hill:

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. MF 110705

County

Division Order

Date Filed: 4-24-2017

George P. Bush, Commissioner

By V.H.

^PLEASE DETACH AT PERFORATION ABOVE^



(303) 295-3995

Check Number 0001688884

Invoice #	Inv. Date	Description	Amount	Discount	Net Amount
REQ217110116e	11/01/2016	MF111240 MF110705	12,856.73	0.00	12,856.73

17704427

161

023492



 Vendor

Check Date: 11/10/2016

Check Amount 



12,856.73

Cimarex Energy Co.

600 N. Marienfeld St.

Suite 600

Midland, TX 79701

MAIN 432.571.7800



November 29, 2016

State of Texas
P.O. Box 12873
Austin, TX 78711

Attn: Surface

Certified # 91 7199 9991 7030 2651 7803

Re: Multiple pipelines
Section 4, Block 60, T2 & Sections 46 & 48, Block 60, t1
Culberson County, TX

Dear sir/madam,

Enclosed is Cimarex Energy Co. check number **0001688884** in the amount of Twelve Thousand Eight Hundred Fifty Six Dollars and 73/100 (**\$12,856.73**) as total payment for multiple pipelines associated with the Baden Baden 7 State Unit 1H & the Triple Crown-Sir Barton 4 1H located in the above captioned lands (see attached itemization).

Please call if you have any questions or concerns. Thank you very much.

Regards,

CIMAREX ENERGY CO.

A handwritten signature in blue ink that reads "Tish Maney".

Tish Maney
Land Technician
432.571.7892 (direct)

❖ **AFE: 2616054 = \$6,063.88 (Baden Baden 7 State Unit 1H)**

- Exhibit "A" = \$908.19
 - Line A. (32.10 rods * \$50.72 per rod * ½ to state). Two 4" flowlines.
 - Line B. (7.38 rods * \$25.38 per rod * ½ to state). One 4" flowline.
- Exhibit "B" = \$966.09 (76.13 rods * \$25.38 per rod * ½ to state). One 8" SWD pipeline.
- Exhibit "I" = \$4,189.60 (330.15 rods * \$25.38 per rod * ½ state). One 8" SWD pipeline.

❖ **AFE: 6116060MSG = \$6,7952.85 (TC-Sir Barton 4 – 1H)**

- Exhibit "D" = \$2,487.77 (98.04 rods * \$50.75 per rod * ½ state).
 - Line A. (76.13 rods * \$50.75 per rod * ½ state). One 8" lp sales and one 4" hp lines.
 - Line B. (21.91 rods * \$50.75 per rod * ½ state). One 8" lp sales and one 10" lp line.
- Exhibit "F" = \$4,305.08 (339.25 rods * \$25.38 per rod * ½ state). One 10" lp line.

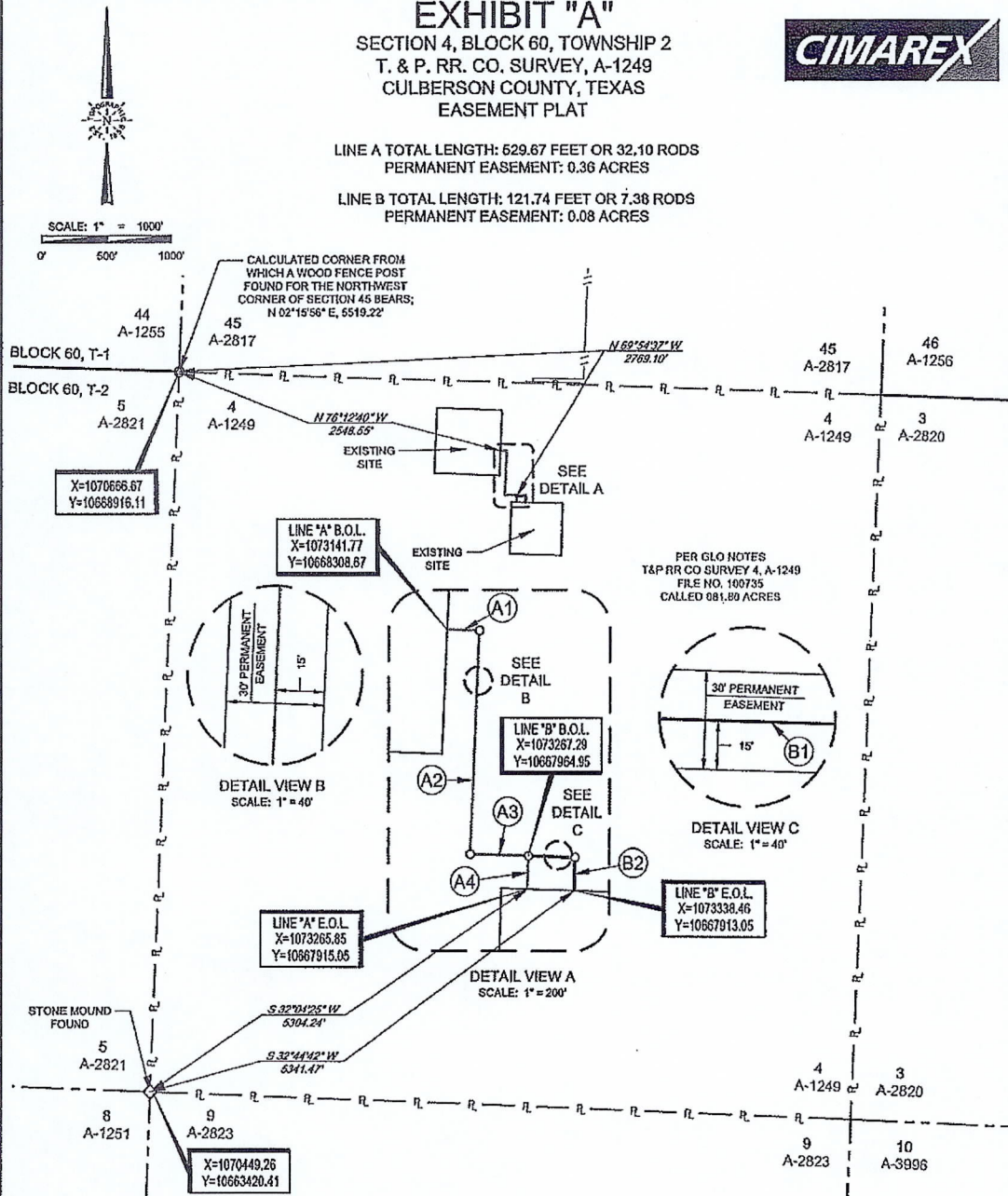
EXHIBIT "A"

SECTION 4, BLOCK 60, TOWNSHIP 2
T. & P. RR. CO. SURVEY, A-1249
CULBERSON COUNTY, TEXAS
EASEMENT PLAT



LINE A TOTAL LENGTH: 529.67 FEET OR 32.10 RODS
PERMANENT EASEMENT: 0.36 ACRES

LINE B TOTAL LENGTH: 121.74 FEET OR 7.38 RODS
PERMANENT EASEMENT: 0.08 ACRES



LINE A TABLE

LINE	BEARING	DISTANCE
A1	S 88°24'03\"	49.94'
A2	S 02°22'54\"	340.03'
A3	S 88°20'57\"	89.77'
A4	S 01°39'03\"	49.93'

LINE B TABLE

LINE	BEARING	DISTANCE
B1	S 88°20'57\"	71.90'
B2	S 00°48'16\"	49.84'

LEGEND

- SECTION LINE
- SURVEYED BASELINE A
- SURVEYED BASELINE B
- TRACT BORDER
- EXISTING PIPELINE
- CALCULATED CORNER
- STONE MOUND FOUND
- POINT OF INTERSECTION



1400 EVERMAN PARKWAY, Ste. 197 • FT. WORTH, TEXAS 76140
TELEPHONE: (817) 744-7512 • FAX (817) 744-7540
TEXAS FIRM REGISTRATION NO. 00042504
WWW.TOPOGRAPHIC.COM



Jeffrey N. Lueders, R.P.L.S. No. 6512
SURVEYED ON THE GROUND: September 2, 2016
Field note description of even date accompanies this plat.

SIR BARTON 4 1H
GAS LIFT/FLOWLINE
EASEMENT

REVISION:

INT DATE

DATE: 10/13/16

FILE: P:\SIR BARTON 4 1H GAS LIFT/FLOWLINE SEC. 4

DRAWN BY: GJU

SHEET: 1 OF 2

- NOTES:
1. ORIGINAL DOCUMENT SIZE: 8.5" X 14"
 2. ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREIN ARE GRID BASED UPON THE TEXAS STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE, U.S. SURVEY FEET, NORTH AMERICAN DATUM 1983.
 3. CERTIFICATION IS MADE ONLY TO THE LOCATION OF THIS EASEMENT, IN RELATION TO THE EVIDENCE FOUND DURING A FIELD SURVEY, MADE ON THE GROUND, UNDER MY SUPERVISION, AND USING DOCUMENTATION PROVIDED BY CIMAREX. ONLY UTILITIES/EASEMENTS THAT WERE VISIBLE ON THE DATE OF THIS SURVEY, WITHIN THE ADJOINING THIS EASEMENT, HAVE BEEN LOCATED AS SHOWN HEREON OF WHICH I HAVE KNOWLEDGE. THIS CERTIFICATION IS LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE, AND MADE FOR THIS TRANSACTION ONLY.
 4. B.O.L./P.O.B. = BEGINNING OF LINE/POINT OF BEGINNING
 5. E.O.L./P.O.E. = END OF LINE/POINT OF END
 6. TOTAL DISTANCE OF FLOWLINE = 799.65 FEET
 7. TOTAL DISTANCE OF GAS LIFT = 799.45 FEET

EXHIBIT "A"
CULBERSON COUNTY, TEXAS
30 FOOT WIDE EASEMENT DESCRIPTION

October 13, 2016
Sheet 2 of 2

LINE A

A 30 foot wide permanent easement, 15 feet on each side of a surveyed baseline as shown on sheet 1 of 2 of this Exhibit "A", being situated in Section 4, Block 60, Township 2, of the T. & P. RR. Co. Survey, Abstract No. 1249, Culberson County, Texas, as per field notes filed in the Texas General Land Office, File No. 100735, said 30 foot wide permanent easement being more particularly described along a surveyed baseline by centerline description as follows:

BEGINNING (LINE "A" B.O.L.) at a point within said Section 4, from which the calculated Northwest corner of said Section 4, bears: North 76°12'40" West, a distance of 2,548.55 feet;

THENCE South 88°24'03" East, a distance of 49.94 feet;
THENCE South 02°22'54" West, a distance of 340.03 feet;
THENCE South 88°20'57" East, a distance of 89.77 feet;

THENCE North 01°39'03" West, a distance of 49.93 feet to a point within said Section 4, for the END OF LINE (LINE "A" E.O.L.), and END OF THIS DESCRIPTION, from which a stone mound found for the Southwest corner of said Section 4, bears: South 32°04'25" West, a distance of 5,304.24 feet.

The above surveyed baseline traverses said Section 4 for a total distance of 529.67 feet or 32.10 rods.

LINE B

A 30 foot wide permanent easement, 15 feet on each side of a surveyed baseline as shown on sheet 1 of 2 of this Exhibit "A", being situated in Section 4, Block 60, Township 2, of the T. & P. RR. Co. Survey, Abstract No. 1249, Culberson County, Texas, as per field notes filed in the Texas General Land Office, File No. 100735, said 30 foot wide permanent easement being more particularly described along a surveyed baseline by centerline description as follows:

BEGINNING (LINE "B" B.O.L.) at a point within said Section 4, from which the calculated Northwest corner of said Section 4, bears: North 69°54'37" West, a distance of 2,769.10 feet;

THENCE South 88°20'57" East, a distance of 71.90 feet;

THENCE South 00°48'16" West, a distance of 49.84 feet to a point within said Section 4, for the END OF LINE (LINE "B" E.O.L.), and END OF THIS DESCRIPTION, from which a stone mound found for the Southwest corner of said Section 4, bears: South 32°44'42" West, a distance of 5,341.47 feet.

The above surveyed baseline traverses said Section 4 for a total distance of 121.74 feet or 7.38 rods.

All bearings and distances contained herein are grid, based upon the Texas State Plane Coordinate System, Central Zone, of the North American Datum 1983, in U.S. Survey Feet.

Plat of even date accompanies this field note description.

Topographic Land Surveyors
1400 Everman Parkway
Suite 197
Fort Worth, TX 76140



Jeffrey N. Lueders, R.P.L.S. No. 6512
SURVEYED ON THE GROUND: September 2, 2016

EXHIBIT "B"

SECTION 4, BLOCK 60, TOWNSHIP 2

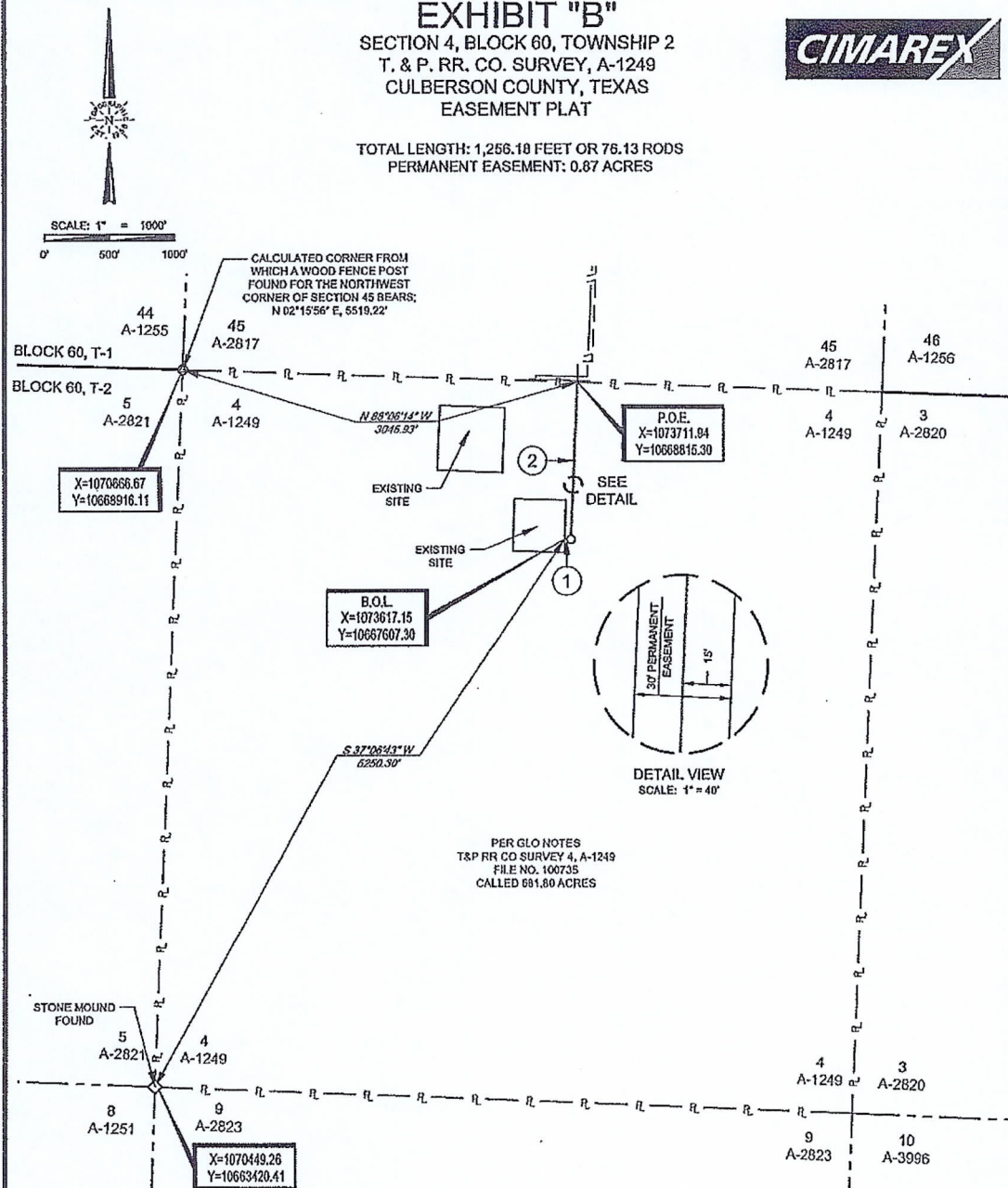
T. & P. RR. CO. SURVEY, A-1249

CULBERSON COUNTY, TEXAS

EASEMENT PLAT

CIMAREX

TOTAL LENGTH: 1,256.18 FEET OR 76.13 RODS
PERMANENT EASEMENT: 0.87 ACRES



LINE TABLE

LINE	BEARING	DISTANCE
1	S 88°27'08" E	45.85'
2	N 02°16'48" E	1210.23'

LEGEND

- SECTION LINE
- SURVEYED BASELINE
- CONTINUED BASELINE
- TRACT BORDER
- EXISTING PIPELINE
- CALCULATED CORNER
- STONE MOUND FOUND
- POINT OF INTERSECTION

TOPOGRAPHIC
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TEXAS FIRM REGISTRATION NO. 10042504
WWW.TOPOGRAPHIC.COM



Jeffrey N. Lueders, R.P.L.S. No. 6512
SURVEYED ON THE GROUND: September 2, 2016
Field note description of even date accompanies this plat.

SIR BARTON 4 1H
SWD EASEMENT

REVISION:

INT	DATE

DATE: 10/13/16

FILE: EP_SIR_BARTON_4_1H_SWD_SEC_4

DRAWN BY: GJU

SHEET: 1 OF 2

NOTES:

- ORIGINAL DOCUMENT SIZE: 8.5" X 11"
- ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREIN ARE GRID BASED UPON THE TEXAS STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE, U.S. SURVEY FEET, NORTH AMERICAN DATUM 1983.
- CERTIFICATION IS MADE ONLY TO THE LOCATION OF THIS EASEMENT, IN RELATION TO THE EVIDENCE FOUND DURING A FIELD SURVEY, MADE ON THE GROUND, UNDER MY SUPERVISION, AND USING DOCUMENTATION PROVIDED BY CIMAREX. ONLY UTILITIES/EASEMENTS THAT WERE VISIBLE ON THE DATE OF THIS SURVEY, WITHIN ADJACENT TO THIS EASEMENT, HAVE BEEN LOCATED AS SHOWN HEREON OF WHICH I HAVE KNOWLEDGE. THIS CERTIFICATION IS LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE, AND MADE FOR THIS TRANSACTION ONLY.
- B.O.L./P.O.E. = BEGINNING OF LINE/POINT OF BEGINNING
- B.O.L./P.O.E. = END OF LINE/POINT OF END
- TOTAL DISTANCE OF SWD PIPELINE = 4234.64 FEET

EXHIBIT "B"
CULBERSON COUNTY, TEXAS
30 FOOT WIDE EASEMENT DESCRIPTION

October 13, 2016
Sheet 2 of 2

A 30 foot wide permanent easement, 15 feet on each side of a surveyed baseline as shown on sheet 1 of 2 of this Exhibit "B", being situated in Section 4, Block 60, Township 2, of the T. & P. RR. Co. Survey, Abstract No. 1249, Culberson County, Texas, as per field notes in the Texas General Land Office, File No. 100735, said 30 foot wide permanent easement being more particularly described along a surveyed baseline by centerline description as follows:

BEGINNING (B.O.L.) at a point within said Section 4, from which a stone mound found for the Southwest corner of said Section 4, bears: South 37°06'43" West, a distance of 5,250.30 feet;

THENCE South 88°27'08" East, a distance of 45.95 feet;

THENCE North 02°18'48" East, a distance of 1,210.23 feet to a point on the North line of said Section 4, for the POINT OF EXIT (P.O.E.), and END OF THIS DESCRIPTION, from which the calculated Northwest corner of said Section 4, bears: North 88°06'14" West, a distance of 3,046.93 feet.

The above surveyed baseline traverses said Section 4 for a total distance of 1,256.18 feet or 76.13 rods.

All bearings and distances contained herein are grid, based upon the Texas State Plane Coordinate System, Central Zone, of the North American Datum 1983, in U.S. Survey Feet.

Plat of even date accompanies this field note description.

Topographic Land Surveyors
1400 Everman Parkway
Suite 197
Fort Worth, TX 76140



A handwritten signature in cursive script, appearing to read "J. Lueders".

Jeffrey N. Lueders, R.P.L.S. No. 6512
SURVEYED ON THE GROUND: September 2, 2016

SECTION 48, BLOCK 60, TOWNSHIP 1
T. & P. RR. CO. SURVEY, A-3998
CULBERSON COUNTY, TEXAS
EASEMENT PLAT

CIMAREX

TOTAL LENGTH: 5,447.46 FEET OR 330.15 RODS
PERMANENT EASEMENT: 3.75 ACRES

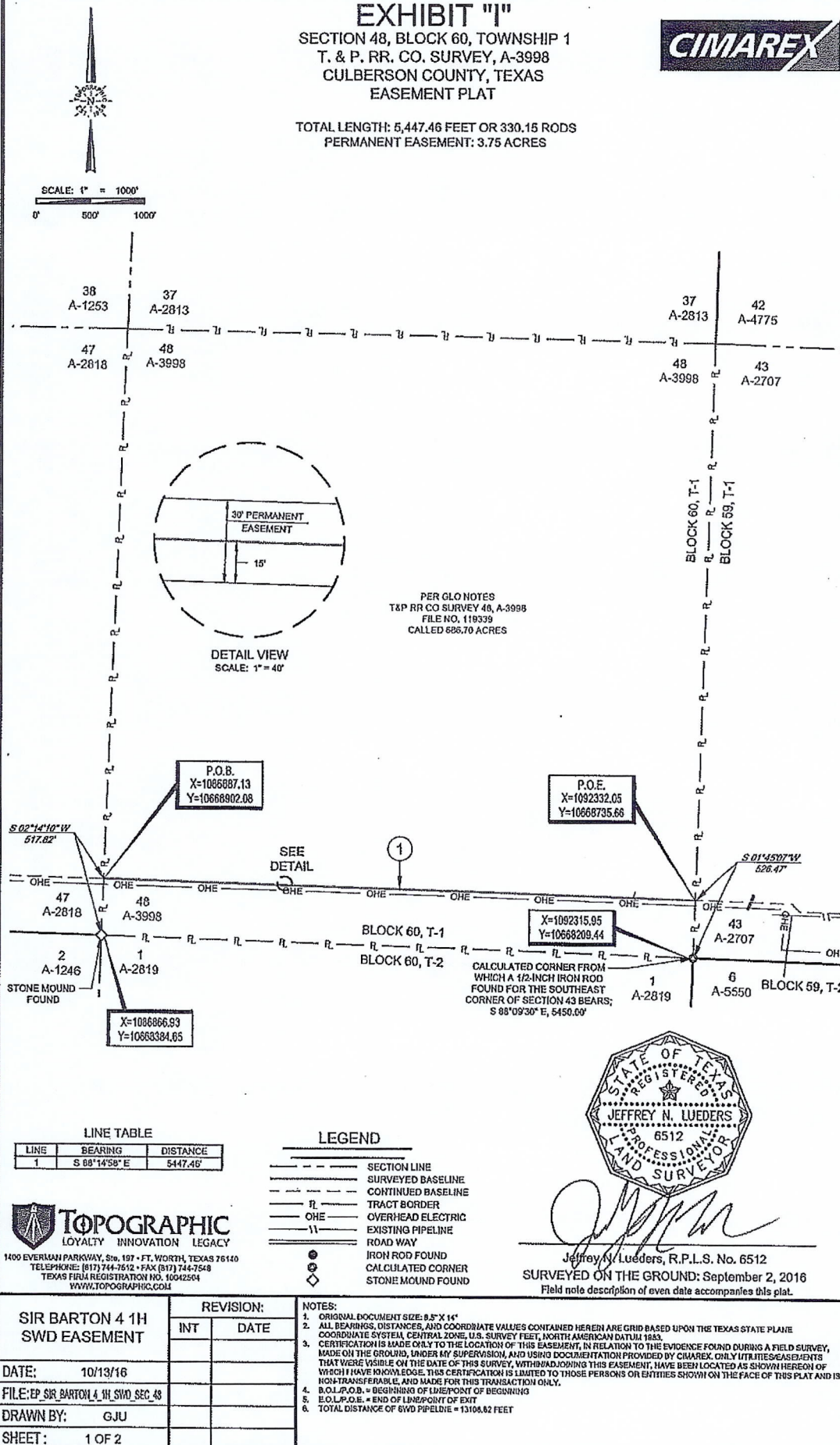


EXHIBIT "I"
CULBERSON COUNTY, TEXAS
30 FOOT WIDE EASEMENT DESCRIPTION

October 13, 2016
Sheet 2 of 2

A 30 foot wide permanent easement, 15 feet on each side of a surveyed baseline as shown on sheet 1 of 2 of this Exhibit "I", being situated in Section 48, Block 60, Township 1, of the T. & P. RR. Co. Survey, Abstract No. 3998, Culberson County, Texas, as per field notes filed in the Texas General Land Office, File No. 119339, said 30 foot wide permanent easement being more particularly described along a surveyed baseline by centerline description as follows:

BEGINNING (P.O.B.) at a point on the West line of said Section 48, from which a stone mound found for the Southwest corner of said Section 48, bears: South 02°14'10" West, a distance of 517.82 feet;

THENCE South 88°14'58" East, a distance of 5,447.46 feet to a point on the East line of said Section 48, for the POINT OF EXIT (P.O.E.), and END OF THIS DESCRIPTION, from which the calculated Southeast corner of said Section 48, bears: South 01°45'07" West, a distance of 526.47 feet.

The above surveyed baseline traverses said Section 48 for a total distance of 5,447.46 feet or 330.15 rods.

All bearings and distances contained herein are grid, based upon the Texas State Plane Coordinate System, Central Zone, of the North American Datum 1983, in U.S. Survey Feet.

Plat of even date accompanies this field note description.

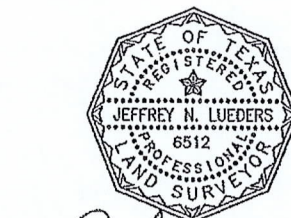
Topographic Land Surveyors
1400 Everman Parkway
Suite 197
Fort Worth, TX 76140



Jeffrey N. Lueders, R.P.L.S. No. 6512
SURVEYED ON THE GROUND: September 2, 2016

CIMAREX

LINE B TOTAL LENGTH: 361.56 FEET OR 21.91 RODS
PERMANENT EASEMENT: 0.25 ACRES



Jeffrey M. Lueders, R.P.L.S. No. 6512
SURVEYED ON THE GROUND: September 2, 2016
Field note description of even date accompanies this plat.

LINE	BEARING	DISTANCE
B1	N 68°15'18" W	341.45'
B2	N 04°01'05" E	20.11'

	SECTION LINE
	SURVEYED BASELINE A
	SURVEYED BASELINE B
	CONTINUED BASELINE
	TRACT BORDER
	EXISTING PIPELINE
	CALCULATED CORNER
	STONE MOUND FOUND
	POINT OF INTERSECTION

 **TOPOGRAPHIC**
LOYALTY INNOVATION LEGACY
400 EVERMAN PARKWAY, Ste. 197 • FT. WORTH, TEXAS 76140
TELEPHONE: (817) 744-7512 • FAX: (817) 744-7548
TEXAS FIRM REGISTRATION NO. 10042504
WWW.TOPOGRAPHIC.COM

SIR BARTON 4 1H LP/HP EASEMENT	REVISION:	
	INT	DATE
DATE: 10/13/16		
FILE:EP_SIR_BARTON_4 1H LP_HP_SEC 4		
DRAWN BY: GJU		
SHEET: 1 OF 2		

NOTES:

1. ORIGINAL DOCUMENT SIZE: 8.5" X 14"
2. ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREIN ARE GRID BASED UPON THE TEXAS STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE, U.S. SURVEY FEET, NORTH AMERICAN DATUM 1983.
3. CERTIFICATION IS MADE ONLY TO THE LOCATION OF THIS EASEMENT, IN RELATION TO THE EVIDENCE FOUND DURING A FIELD SURVEY, MADE ON THE GROUND, UNDER MY SUPERVISION, AND USING DOCUMENTATION PROVIDED BY CIMAREX. ANY UTILITIES/EASEMENTS THAT WERE VISIBLE ON THE DATE OF THIS SURVEY, WITHIN ADJOINING THIS EASEMENT, HAVE BEEN LOCATED AS SHOWN HEREON OF WHICH I HAVE NO KNOWLEDGE. THIS CERTIFICATION IS LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE, AND MADE FOR THIS TRANSACTION ONLY.
4. B.O.L./P.O.E. = BEGINNING/END OF LINEPOINT OF BEGINNING
5. E.O.L./P.O.E. = END OF LINEPOINT OF EXIT
6. TOTAL DISTANCE OF LP PIPELINE = 7051.15 FEET
7. TOTAL DISTANCE OF HP PIPELINE = 4230.68 FEET

EXHIBIT "D"
CULBERSON COUNTY, TEXAS
30 FOOT WIDE EASEMENT DESCRIPTION

October 13, 2016

Sheet 2 of 2

LINE A

A 30 foot wide permanent easement, 15 feet on each side of a surveyed baseline as shown on sheet 1 of 2 of this Exhibit "D", being situated in Section 4, Block 60, Township 2, of the T. & P. RR. Co. Survey, Abstract No. 1249, Culberson County, Texas, as per field notes filed in the Texas General Land Office, File No. 100735, said 30 foot wide permanent easement being more particularly described along a surveyed baseline by centerline description as follows:

BEGINNING (LINE "A" B.O.L.) at a point within said Section 4, from which a stone mound found for the Southwest corner of said Section 4, bears: South 37°06'43" West, a distance of 5,250.30 feet;

THENCE South 88°27'08" East, a distance of 45.95 feet;

THENCE North 02°18'48" East, a distance of 1,210.23 feet to a point on the North line of said Section 4, for the POINT OF EXIT (LINE "A" P.O.E.), and END OF THIS DESCRIPTION, from which the calculated Northwest corner of said Section 4, bears: North 88°06'14" West, a distance of 3,046.93 feet.

The above surveyed baseline traverses said Section 4 for a total distance of 1,256.18 feet or 76.13 rods.

LINE B

A 30 foot wide permanent easement, 15 feet on each side of a surveyed baseline as shown on sheet 1 of 2 of this Exhibit "D", being situated in Section 4, Block 60, Township 2, of the T. & P. RR. Co. Survey, Abstract No. 1249, Culberson County, Texas, as per field notes filed in the Texas General Land Office, File No. 100735, said 30 foot wide permanent easement being more particularly described along a surveyed baseline by centerline description as follows:

BEGINNING (LINE "B" B.O.L.) at a point within said Section 4, from which a stone mound found for the Southwest corner of said Section 4, bears: South 31°14'56" West, a distance of 6,287.95 feet;

THENCE North 88°15'18" West, a distance of 341.45 feet;

THENCE North 04°01'05" East, a distance of 20.11 feet to a point on the North line of said Section 4, for the POINT OF EXIT (LINE "B" P.O.E.), and END OF THIS DESCRIPTION, from which the calculated Northwest corner of said Section 4, bears: North 88°06'14" West, a distance of 2,706.09 feet.

The above surveyed baseline traverses said Section 4 for a total distance of 361.56 feet or 21.91 rods.

All bearings and distances contained herein are grid, based upon the Texas State Plane Coordinate System, Central Zone, of the North American Datum 1983, in U.S. Survey Feet.

Plat of even date accompanies this field note description.

Topographic Land Surveyors
1400 Everman Parkway
Suite 197
Fort Worth, TX 76140



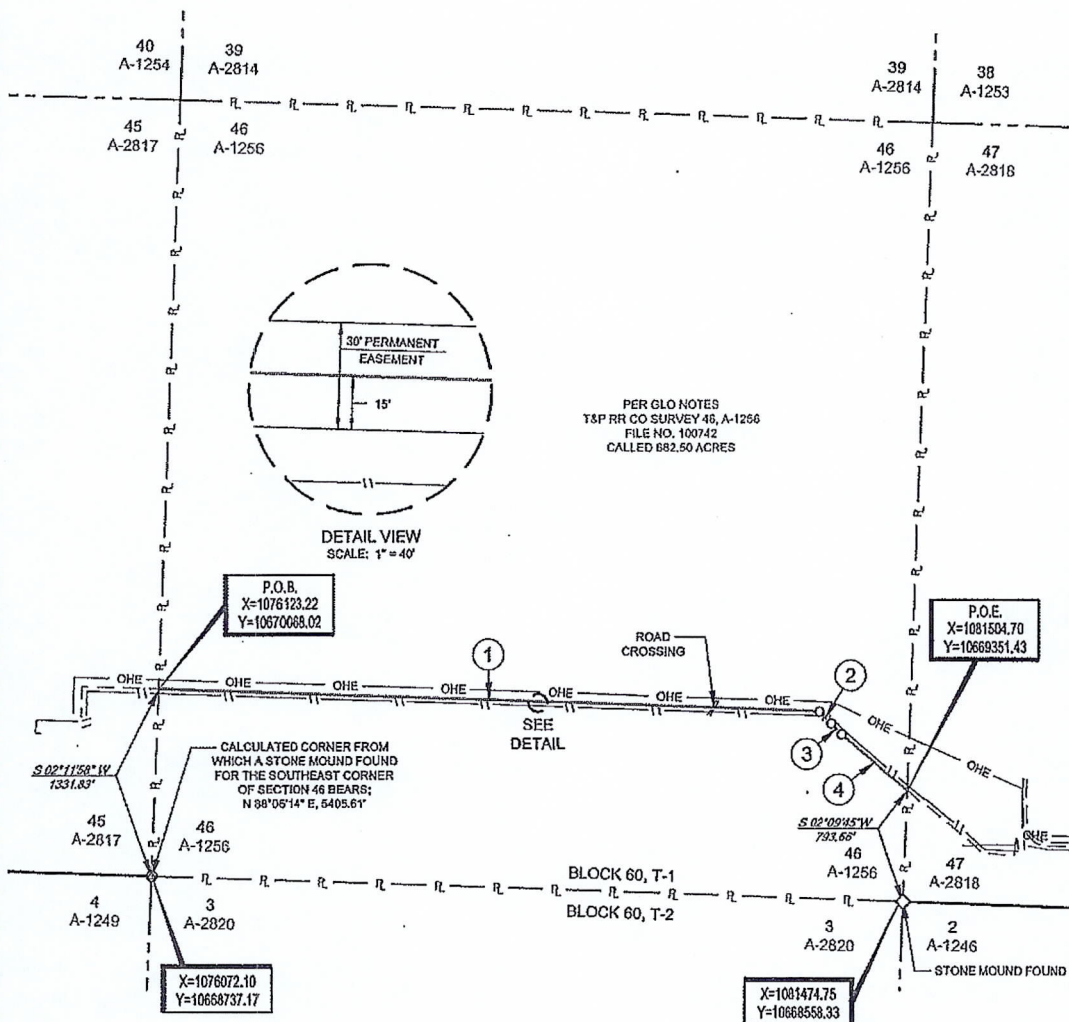
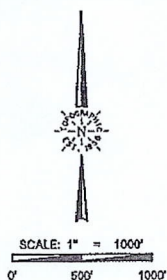
Jeffrey N. Lueders

Jeffrey N. Lueders, R.P.L.S. No. 6512
SURVEYED ON THE GROUND: September 2, 2016

SECTION 46, BLOCK 60, TOWNSHIP 1
T. & P. RR. CO. SURVEY, A-1256
CULBERSON COUNTY, TEXAS
EASEMENT PLAT



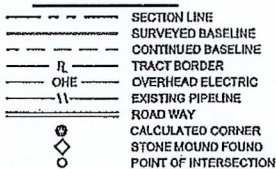
TOTAL LENGTH: 5,597.61 FEET OR 339.25 RODS
PERMANENT EASEMENT: 3.86 ACRES



LINE TABLE

LINE	BEARING	DISTANCE
1	S 88°07'10" E	4751.86'
2	S 44°22'40" E	120.42'
3	S 44°18'25" E	104.68'
4	S 49°54'45" E	620.65'

LEGEND



Jeffrey N. Lueders, R.P.L.S. No. 6512

SURVEYED ON THE GROUND: September 2, 2016
Field note description of even date accompanies this plat.



TOPOGRAPHIC
LOYALTY INNOVATION LEGACY

1400 EVERMAN PARKWAY, Ste. 197 • FT. WORTH, TEXAS 76140
TELEPHONE: (817) 744-7512 • FAX (817) 744-7543
TEXAS FIRM REGISTRATION NO. 10042504
WWW.TOPOGRAPHIC.COM

SIR BARTON 4 1H LP EASEMENT	REVISION:	
	INT	DATE
DATE: 10/13/16		
FILE:EP_SIR_BARTON_4_1H_LP_SEC_46		
DRAWN BY: GJU		
SHEET: 1 OF 2		

NOTES:

1. ORIGINAL DOCUMENT SIZE: 8.5" x 14"
2. ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREIN ARE GRID BASED UPON THE TEXAS STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE, U.S. SURVEY FEET, NORTH AMERICAN DATUM 1983.
3. CERTIFICATIONS AS TO THE LOCATION OF THIS EASEMENT IN RELATION TO THE EVIDENCE FOUND DURING A FIELD SURVEY, MADE ON THE GROUND, UNDER SUPERVISION, AND USING DOCUMENTATION PROVIDED BY CIMAREX, ONLY UTILIZES EASEMENTS THAT WERE VISIBLE ON THE DATE OF THIS SURVEY, WITHIN ADJOINING THIS EASEMENT, HAVE BEEN LOCATED AS THOUGH PERSONS OR THINGS WERE KNOWN TO BE LOCATED AT THE TIME OF THIS SURVEY, AND AS TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE, AND MADE FOR THIS TRANSACTION ONLY.
4. B.O.P. (B.O.B.) = BEGINNING OF LINEPOINT OF BEGINNING
5. E.O.P. (E.O.B.) = END OF LINEPOINT OF EXIT
6. TOTAL DISTANCE OF LP PIPELINE = 10533.89 FEET

EXHIBIT "F"
CULBERSON COUNTY, TEXAS
30 FOOT WIDE EASEMENT DESCRIPTION

October 13, 2016
Sheet 2 of 2

A 30 foot wide permanent easement, 15 feet on each side of a surveyed baseline as shown on sheet 1 of 2 of this Exhibit "F", being situated in Section 46, Block 60, Township 1, of the T. & P. RR. Co. Survey, Abstract No. 1256, Culberson County, Texas, as per field notes filed in the Texas general Land Office, File No. 100742, said 30 foot wide permanent easement being more particularly described along a surveyed baseline by centerline description as follows:

BEGINNING (P.O.B.) at a point on the West line of said Section 46, from which the calculated Southwest corner of said Section 46, bears: South $02^{\circ}11'58''$ West, a distance of 1,331.83 feet;

THENCE South $88^{\circ}07'10''$ East, a distance of 4,751.86 feet;

THENCE South $44^{\circ}22'40''$ East, a distance of 120.42 feet;

THENCE South $44^{\circ}18'26''$ East, a distance of 104.68 feet;

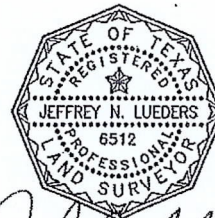
THENCE South $49^{\circ}54'45''$ East, a distance of 620.65 feet to a point on the East line of said Section 46, for the POINT OF EXIT (P.O.E.), and END OF THIS DESCRIPTION, from which a stone mound found for the Southeast corner of said Section 46, bears: South $02^{\circ}09'45''$ West, a distance of 793.66 feet.

The above surveyed baseline traverses said Section 46 for a total distance of 5,597.61 feet or 339.25 rods.

All bearings and distances contained herein are grid, based upon the Texas State Plane Coordinate System, Central Zone, of the North American Datum 1983, in U.S. Survey Feet.

Plat of even date accompanies this field note description.

Topographic Land Surveyors
1400 Everman Parkway
Suite 197
Fort Worth, TX 76140



Jeffrey N. Lueders, R.P.L.S. No. 6512
SURVEYED ON THE GROUND: September 2, 2016

File No. MF110705Culberson CountySurface Damage PmtDate Filed: 6-29-2021

George P. _____, Commissioner

By VR

75 570

CIMAREX ENERGY CO
1700 LINCOLN STREET SUITE 3700
DENVER CO 80203-4518



(303) 295-3995

Check Number 0001692872

Invoice #	Inv. Date	Description	Amount	Discount	Net Amount
REQ217121216ah	12/12/2016		64,858.84	0.00	64,858.84
17706412 1/20 1161					

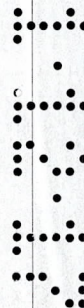
023492

Vendor

Check Date: 12/20/2016

Check Amount

X 64,858.84



Cimarex Energy Co.
600 N. Marienfeld St.
Suite 600
Midland, TX 79701
MAIN 432.571.7800



January 6, 2017

State of Texas
P.O. Box 12873
Austin, TX 78711

Certified Mail # 91 7199 9991 7030 2651 8534

Re: Surface Damages payment
Section 7, Block 111 & Sections 5, 6 & 7, Block 113
Culberson County, Texas

Dear sir/madam,

Enclosed is Cimarex Energy Co. check number **0001692872** in the amount of Sixty-Four Thousand Eight Hundred Fifty Eight Dollars and 84/100 (**\$64,858.84**) for:

Pipeline, Electric Line, Existing Road, New Road, Well Pad & Battery Pad

all associated with the Baden Baden 7 State Unit 1H well on the above captioned lands.

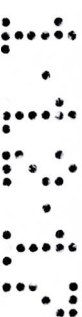
Please call if you have any questions or concerns. Thank you very much.

Regards,

CIMAREX ENERGY CO.

A handwritten signature in blue ink that reads "Tish Maney". The signature is written in a cursive, flowing style.

Tish Maney
Land Technician
432.571.7892 (direct)



Ruler

Line Path Polygon Circle 3D path 3D polygon

Measure the distance between multiple points on the ground

Length: 19,032.87 Feet

☐ Show Elevation Profile

☒ Mouse Navigation

Save Clear

4096 ft

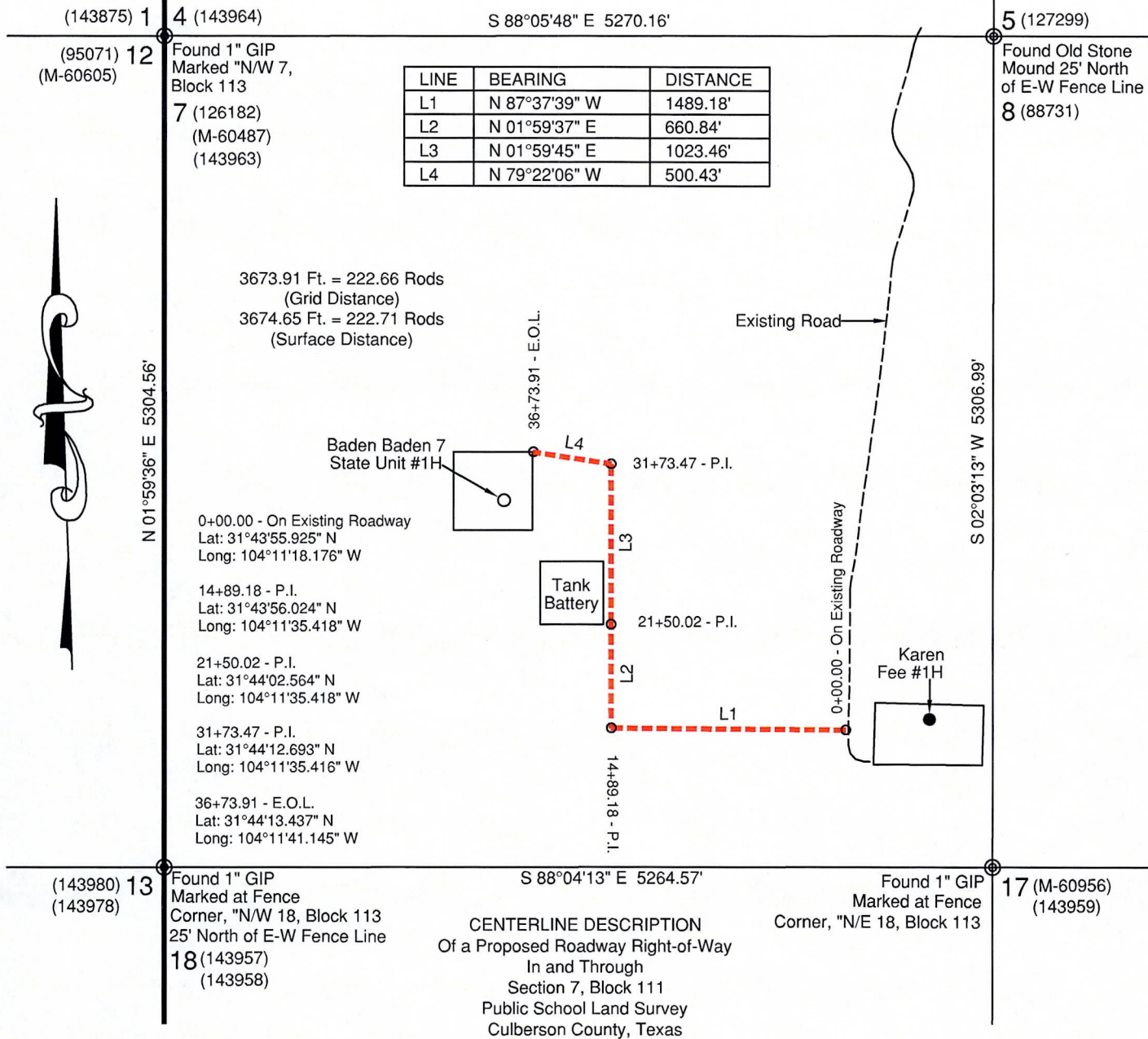
© 2016 Google

Google

Imagery Date: 10/1/2014 31°44'58.37" N 104°11'49.72" W elev 3412 ft

1997

Block 111, Public School Land Survey
Culberson County, Texas



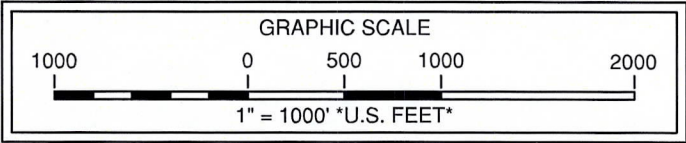
Beginning at roadway station 0+00.00 on an existing roadway for the beginning of this proposed roadway right-of-way from which a 1" galvanized iron pipe for the Southeast corner of Section 7, Block 111 bears S 44°51'46" E, 1281.95 feet.

Thence N 87°37'39" W, with the centerline of this proposed roadway right-of-way, a distance of 1489.18 feet to roadway station 14+89.18 being a P.I.;

Thence N 01°59'37" E, with the centerline of this proposed roadway right-of-way, a distance of 660.84 feet to roadway station 21+50.02 being a P.I.;

Thence N 01°59'45" E, with the centerline of this proposed roadway right-of-way, a distance of 1023.46 feet to roadway station 31+73.47 being a P.I.;

Thence N 79°22'06" W, with the centerline of this proposed roadway right-of-way, a distance of 500.43 feet to roadway station 36+73.91 being the E.O.L. (End of Line) of this proposed roadway right-of-way from which a 1" galvanized iron pipe for the Southwest corner of Section 7, Block 111 bears S 43°29'03" W, 3540.16 feet.



Note: Survey Reconstruction filed in the Office of Pennell & Marlowe Land Surveyors, Inc.
Latitudes and Longitudes shown are on NAD'27 Datum.

Note: Bearings and distances are based on The Texas Coordinate System of 1927, Central Zone.
A combined grid factor of 0.9997989 must be divided into all distances to obtain surface distances.

Note: Example: (S-99999) indicates General Land Office file number.



USGS Quadrangle Sheet: Ruster Hills, Tex.
Proposed Roadway Survey Plat

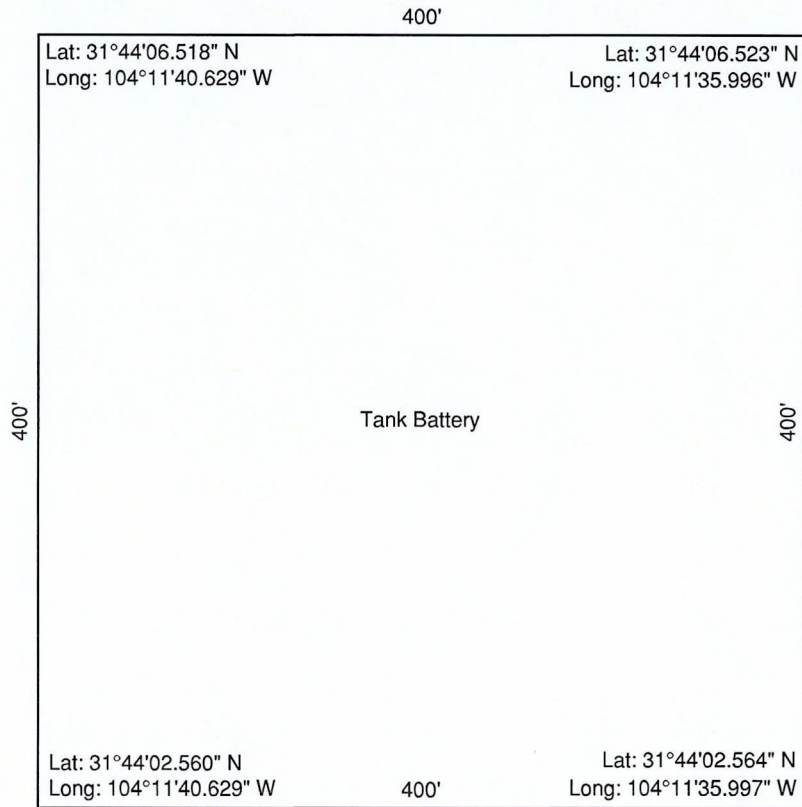
CIMAREX ENERGY CO.
Proposed Roadway Survey
In and Through
Section 7, Block 111
Public School Land Survey
Culberson County, Texas

August 09, 2016
160809M1-KRM

Stephen P. Marlowe
REGISTERED PROFESSIONAL LAND SURVEYOR NO. 5715

Scale: 1" = 1000'

Baden Baden 7 State Unit #1H Tank Battery
Section 7, Block 111
Public School Land Survey
Culberson County, Texas



Stephen P. Marlowe
REGISTERED PROFESSIONAL LAND SURVEYOR NO. 5715



Note: Lat/Longs are NAD'27 Datum.

August 09, 2016
Baden Baden 7 State Tank Battery

USGS Quadrangle Sheet: Ruster Hills, Tex.

Pad Diagram

CIMAREX ENERGY CO.
Baden Baden 7 State Unit #1H Tank Battery
Section 7, Block 111
Public School Land Survey
Culberson County, Texas

Scale: 1" = 100'

EXHIBIT "G"

SECTION 5, BLOCK 113,
PUBLIC SCHOOL LAND SURVEY, A-4496
CULBERSON COUNTY, TEXAS
EASEMENT PLAT

TOTAL LENGTH: 3170.13 FEET OR 192.13 RODS
PERMANENT EASEMENT: 2.18 ACRES



LINE TABLE

LINE	BEARING	DISTANCE
1	N 37°24'32" E	433.77'
2	N 26°47'39" E	1650.83'
3	N 03°04'24" W	334.21'
4	N 32°44'18" E	79.44'
5	N 47°53'30" E	671.88'

SCALE: 1" = 1000'
0' 500' 1000'

CALCULATED CORNER FROM WHICH A
"T" POST FOUND
FOR THE SOUTHEAST CORNER OF
SECTION 44 BEARS:
S 87°53'12" E A DISTANCE OF 2407.07'

T. & P. RR. CO.
A-6935

T. & P. RR. CO.
A-2732

BLOCK 59, T-2
BLOCK 113

PUBLIC
SCHOOL
LAND
A-4200

EARMARK ENTERPRISES LLC.
DOCUMENT NO. 00000000772
CALLED 646.78 ACRES
O.P.R.C.C.T.

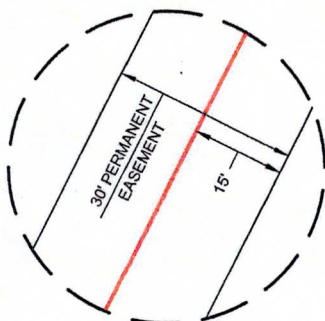
PUBLIC SCHOOL LAND
A-4496

PUBLIC SCHOOL LAND
A-1988

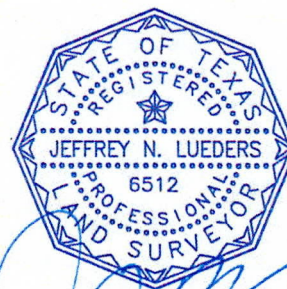
PUBLIC
SCHOOL
LAND
A-1989

LEGEND

- BLOCK LINE
- SECTION LINE
- SURVEYED BASELINE
- TRACT BORDER
- EDGE OF EASEMENT
- PROPOSED POWERLINE
- ROAD WAY
- EXISTING PIPELINE
- OHE OVERHEAD ELECTRIC
- WATER LINE
- POINT OF INTERSECTION
- CALCULATED CORNER
- T POST FOUND



DETAIL VIEW
SCALE: 1" = 30'



Jeffrey N. Lueders, R.P.L.S. No. 6512

SURVEYED ON THE GROUND: 8/28/16-10/21/16
Field note description of even date accompanies this plat.

BADEN BADEN 7 STATE
UNIT #1 SWD PIPELINE
EASEMENT

REVISION:

INT DATE

DATE: 11/02/2016

FILE: EP_BADEN_BADEN_SEC5_SWD

DRAWN BY: CAR

SHEET: 1 OF 3

NOTES:

- ORIGINAL DOCUMENT SIZE: 8.5" X 14"
- ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREIN ARE GRID BASED UPON THE TEXAS STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE, U.S. SURVEY FEET, NORTH AMERICAN DATUM 1983.
- CERTIFICATION IS MADE ONLY TO THE LOCATION OF THIS EASEMENT, IN RELATION TO THE EVIDENCE FOUND DURING A FIELD SURVEY, MADE ON THE GROUND, UNDER MY SUPERVISION, AND USING DOCUMENTATION PROVIDED BY CIMAREX ENERGY. ONLY UTILITIES/EASEMENTS THAT WERE VISIBLE ON THE DATE OF THIS SURVEY, WITHIN/ADJOINING THIS EASEMENT, HAVE BEEN LOCATED AS SHOWN HEREON OF WHICH I HAVE KNOWLEDGE. THIS CERTIFICATION IS LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE, AND MADE FOR THIS TRANSACTION ONLY.
- ADJOINER INFORMATION SHOWN FOR INFORMATIONAL PURPOSES ONLY.
- B.O.L./P.O.B. = BEGINNING OF LINE/POINT OF BEGINNING
- E.O.L./P.O.E. = END OF LINE/POINT OF EXIT
- SWD PIPELINE FOOTAGE = 3,170.13 FEET OR 192.13 RODS

EXHIBIT "G"
SECTION 5, BLOCK 113,
PUBLIC SCHOOL LAND SURVEY, A-4496
CULBERSON COUNTY, TEXAS
EASEMENT PLAT



TOTAL LENGTH: 3170.13 FEET OR 192.13 RODS
PERMANENT EASEMENT: 2.18 ACRES

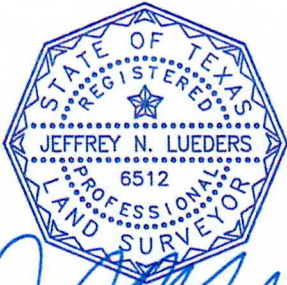
SWD PIPELINE STATION TABLE

STATION	DESCRIPTION	DEFLECTION	LAT. (DEC. DEG.)	LONG. (DEC. DEG.)
68+43.22	SECTION LINE		N31.75167641	W104.18753734
70+75.73	PROPOSED CIMAREX POWERLINE		N31.75219725	W104.18710377
71+47.99	TOE		N31.75235911	W104.18696904
71+53.50	TOP		N31.75237146	W104.18695875
71+56.00	EXISTING PIPELINE		N31.75237706	W104.18695410
71+59.37	EDGE OF ROAD		N31.75238460	W104.18694782
71+64.37	CL ROAD		N31.75239581	W104.18693849
71+69.38	EDGE OF ROAD		N31.75240702	W104.18692916
72+76.99	PI	10°36'53"	N31.75264810	W104.18672848
89+27.82	PI	29°52'04"	N31.75676729	W104.18449989
92+62.03	PI	35°48'43"	N31.75768244	W104.18459467
93+41.47	PI	15°09'12"	N31.75787010	W104.18446398
100+13.35	SECTION LINE		N31.75915523	W104.18291141



TOPOGRAPHIC
LOYALTY INNOVATION LEGACY

1400 EVERMAN PARKWAY, Ste. 197 • FT. WORTH, TEXAS 76140
TELEPHONE: (817) 744-7512 • FAX (817) 744-7548
TEXAS FIRM REGISTRATION NO. 10042504
WWW.TOPOGRAPHIC.COM



Jeffrey N. Lueders, R.P.L.S. No. 6512
SURVEYED ON THE GROUND: 8/28/16-10/21/16
Field note description of even date accompanies this plat.

BADEN BADEN 7 STATE
UNIT #1 SWD PIPELINE
EASEMENT

DATE: 11/02/2016
FILE: EP_BADEN_BADEN_SEC5_SWD
DRAWN BY: CAR
SHEET: 2 OF 3

REVISION:

INT	DATE

- NOTES:
1. ORIGINAL DOCUMENT SIZE: 8.5" X 14"
 2. ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREIN ARE GRID BASED UPON THE TEXAS STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE, U.S. SURVEY FEET, NORTH AMERICAN DATUM 1983.
 3. CERTIFICATION IS MADE ONLY TO THE LOCATION OF THIS EASEMENT, IN RELATION TO THE EVIDENCE FOUND DURING A FIELD SURVEY, MADE ON THE GROUND, UNDER MY SUPERVISION, AND USING DOCUMENTATION PROVIDED BY CIMAREX ENERGY. ONLY UTILITIES/EASEMENTS THAT WERE VISIBLE ON THE DATE OF THIS SURVEY, WITHIN/ADJOINING THIS EASEMENT, HAVE BEEN LOCATED AS SHOWN HEREON OF WHICH I HAVE KNOWLEDGE. THIS CERTIFICATION IS LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE, AND MADE FOR THIS TRANSACTION ONLY.
 4. ADJOINER INFORMATION SHOWN FOR INFORMATIONAL PURPOSES ONLY.
 5. B.O.L./P.O.B. = BEGINNING OF LINE/POINT OF BEGINNING
 6. E.O.L./P.O.E. = END OF LINE/POINT OF EXIT
 7. SWD PIPELINE FOOTAGE = 3,170.13 FEET OR 192.13 RODS

EXHIBIT "G"
CULBERSON COUNTY, TEXAS
30 FOOT WIDE SWD PIPELINE EASEMENT DESCRIPTION

November 2, 2016
Sheet 3 of 3

A 30 foot wide permanent easement, 15 feet each side of a surveyed baseline as shown on sheet 1 of 3 of this Exhibit "G", being situated in Section 5, Block 113, of the Public School Land Survey, Abstract No. 4496, Culberson County, Texas, and being out of a called 646.78 acre tract of land described in a deed to Earmark Enterprises, LLC., recorded in Document No. 00000000772, Official Public Records, Reeves County, Texas, (O.P.R.R.C.T.), said 30 foot wide permanent easement being more particularly described along a surveyed baseline by centerline description as follows:

BEGINNING (P.O.B.) at a point on the West line of said Section 5, from which the calculated Northwest corner of said Section 5, bears: North $01^{\circ}10'21''$ East, a distance of 2,724.22 feet;

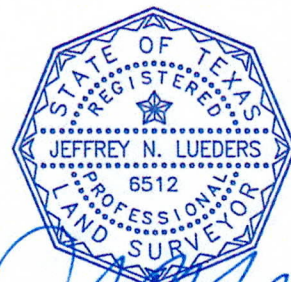
THENCE North $37^{\circ}24'32''$ East, a distance of 433.77 feet;
THENCE North $26^{\circ}47'39''$ East, a distance of 1,650.83 feet;
THENCE North $03^{\circ}04'24''$ West, a distance of 334.21 feet;
THENCE North $32^{\circ}44'18''$ East, a distance of 79.44 feet;

THENCE North $47^{\circ}53'30''$ East, a distance of 671.88 feet to a point on the North line of said Section 5, for the POINT OF EXIT (P.O.E.), and END OF THIS DESCRIPTION, from which a T post found for an angle corner on North line of said Section 5, bears: South $87^{\circ}53'12''$ East, a distance of 930.62 feet.

The above surveyed baseline traverses said Section 5 for a total distance of 3,170.13 feet or 192.13 rods.

All bearings and distances contained herein are grid, based upon the Texas State Plane Coordinate System, Central Zone, of the North American Datum 1983, in U.S. Survey Feet.

Plat of even date accompanies this field note description.



Topographic Land Surveyors
1400 Everman Parkway
Suite 197
Fort Worth, TX 76140

Jeffrey N. Lueders, R.P.L.S. No. 6512
SURVEYED ON THE GROUND: 8/28/16-10/21/16



EXHIBIT "E"

SECTION 6, BLOCK 113,
PUBLIC SCHOOL LAND SURVEY, A-6919
CULBERSON COUNTY, TEXAS
EASEMENT PLAT



TOTAL LENGTH: 2937.79 FEET OR 178.05 RODS
PERMANENT EASEMENT: 2.02 ACRES



SCALE: 1" = 500'
0' 250' 500'

LINE TABLE

LINE	BEARING	DISTANCE
1	N 13°43'11" W	230.39'
2	N 19°12'05" E	1193.53'
3	N 36°19'53" E	660.50'
4	N 37°24'32" E	853.37'

CALCULATED CORNER FROM WHICH A
"T" POST FOUND
FOR THE SOUTHEAST CORNER OF
SECTION 44 BEARS:
S 87°53'12" E A DISTANCE OF 2407.07'

T. & P. RR. CO.
A-6935

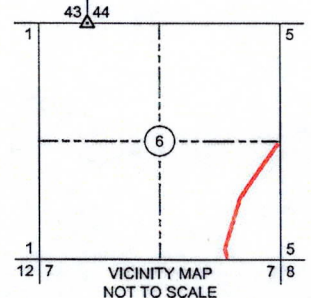
T. & P. RR. CO.
A-2732

BLOCK 59, T-2
BLOCK 113

X=1098842.97
Y=10624314.11

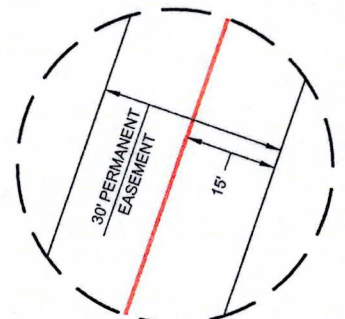
T POST FOUND
X=1101248.40
Y=10624225.35

P.O.E.
X=1098787.22
Y=10621590.47



EARMARK ENTERPRISES LLC.
DOCUMENT NO. 00000000772
CALLED 648.15 ACRES
O.P.R.C.C.T.

PUBLIC SCHOOL LAND
A-4496



DETAIL VIEW
SCALE: 1" = 30'

PUBLIC SCHOOL LAND
A-6919

CALCULATED CORNER
FROM WHICH A
5/8-INCH IRON ROD
FOUND FOR THE
SOUTHEAST CORNER OF
SECTION 7 BEARS:
S 01°10'21" W
A DISTANCE OF 5328.39'

P.O.B.
X=1097539.59
Y=10619029.58

X=1098733.93
Y=10618986.84

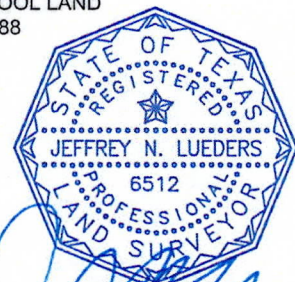
LEGEND

- BLOCK LINE
- SECTION LINE
- SURVEYED BASELINE
- TRACT BORDER
- EDGE OF EASEMENT
- ROAD WAY
- EXISTING PIPELINE
- OHE OVERHEAD ELECTRIC
- POINT OF INTERSECTION
- IRON ROD FOUND
- CALCULATED CORNER
- T POST FOUND

PUBLIC SCHOOL LAND
A-4494

PUBLIC SCHOOL LAND
A-1988

5/8" IRON ROD
FOUND
X=1098624.90
Y=10613659.57



Jeffrey N. Lueders, R.P.L.S. No. 6512

SURVEYED ON THE GROUND: 8/28/16-10/21/16
Field note description of even date accompanies this plat.

TOPOGRAPHIC
LOYALTY INNOVATION LEGACY

1400 EVERMAN PARKWAY, Ste. 197 • FT. WORTH, TEXAS 76140
TELEPHONE: (817) 744-7512 • FAX (817) 744-7548
TEXAS FIRM REGISTRATION NO. 10042504
WWW.TOPOGRAPHIC.COM

BADEN BADEN 7 STATE
UNIT #1 SWD PIPELINE
EASEMENT

DATE: 11/01/2016

FILE:EP_BADEN_BADEN_SEC6_SWD

DRAWN BY: CAR

SHEET: 1 OF 3

REVISION:

INT DATE

NOTES:

1. ORIGINAL DOCUMENT SIZE: 8.5" X 14"
2. ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREIN ARE GRID BASED UPON THE TEXAS STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE, U.S. SURVEY FEET, NORTH AMERICAN DATUM 1983.
3. CERTIFICATION IS MADE ONLY TO THE LOCATION OF THIS EASEMENT, IN RELATION TO THE EVIDENCE FOUND DURING A FIELD SURVEY, MADE ON THE GROUND, UNDER MY SUPERVISION, AND USING DOCUMENTATION PROVIDED BY CIMAREX ENERGY. ONLY UTILITIES/EASEMENTS THAT WERE VISIBLE ON THE DATE OF THIS SURVEY, WITHIN/ADJOINING THIS EASEMENT, HAVE BEEN LOCATED AS SHOWN HEREON OF WHICH I HAVE KNOWLEDGE. THIS CERTIFICATION IS LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE, AND MADE FOR THIS TRANSACTION ONLY.
4. ADJOINER INFORMATION SHOWN FOR INFORMATIONAL PURPOSES ONLY.
5. B.O.L./P.O.B. = BEGINNING OF LINE/POINT OF BEGINNING
6. E.O.L./P.O.E. = END OF LINE/POINT OF EXIT
7. SWD PIPELINE FOOTAGE = 2,937.78 FEET OR 178.05 RODS

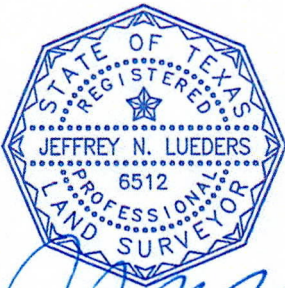
EXHIBIT "E"
SECTION 6, BLOCK 113,
PUBLIC SCHOOL LAND SURVEY, A-6919
CULBERSON COUNTY, TEXAS
EASEMENT PLAT



TOTAL LENGTH: 2937.79 FEET OR 178.05 RODS
PERMANENT EASEMENT: 2.02 ACRES

SWD PIPELINE STATION TABLE

STATION	DESCRIPTION	DEFLECTION	LAT. (DEC. DEG.)	LONG. (DEC. DEG.)
39+05.44	SECTION LINE		N31.74452201	W104.19126302
39+11.17	TOE		N31.74453718	W104.19126801
41+35.83	PI	32°55'16"	N31.74513168	W104.19146366
53+29.36	PI	17°07'48"	N31.74826566	W104.19032735
53+34.90	TOP		N31.74827824	W104.19031730
54+01.74	TOE		N31.74842994	W104.19019599
54+76.36	TOE		N31.74859932	W104.19006055
55+73.57	TOP		N31.74881996	W104.18988412
58+15.61	EDGE OF ROAD		N31.74936931	W104.18944483
58+21.13	CL ROAD		N31.74938183	W104.18943482
58+26.50	EDGE OF ROAD		N31.74939402	W104.18942507
59+89.85	PI	1°04'40"	N31.74976479	W104.18912858
60+27.26	EDGE OF ROAD		N31.74984859	W104.18905883
60+48.76	EDGE OF ROAD		N31.74989674	W104.18901874
60+67.00	POWERLINE		N31.74993761	W104.18898472
60+81.72	WATERLINE		N31.74997057	W104.18895729
60+99.19	WATERLINE		N31.75000972	W104.18892470
65+66.97	EXISTING NUEVO MIDSTREAM PIPELINE		N31.75105758	W104.18805246
65+91.66	PROPOSED PIPELINE		N31.75111288	W104.18800643
68+43.22	SECTION LINE		N31.75167641	W104.18753734



Jeffrey N. Lueders, R.P.L.S. No. 6512

SURVEYED ON THE GROUND: 8/28/16-10/21/16
Field note description of even date accompanies this plat.



TOPOGRAPHIC
LOYALTY INNOVATION LEGACY

1400 EVERMAN PARKWAY, Ste. 197 • FT. WORTH, TEXAS 76140
TELEPHONE: (817) 744-7512 • FAX (817) 744-7548
TEXAS FIRM REGISTRATION NO. 10042504
WWW.TOPOGRAPHIC.COM

BADEN BADEN 7 STATE
UNIT #1 SWD PIPELINE
EASEMENT

REVISION:

INT	DATE
-----	------

DATE: 11/01/2016

FILE:EP_BADEN_BADEN_SEC6_SWD

DRAWN BY: CAR

SHEET: 2 OF 3

NOTES:

1. ORIGINAL DOCUMENT SIZE: 8.5" X 14"
2. ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREIN ARE GRID BASED UPON THE TEXAS STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE, U.S. SURVEY FEET, NORTH AMERICAN DATUM 1983.
3. CERTIFICATION IS MADE ONLY TO THE LOCATION OF THIS EASEMENT, IN RELATION TO THE EVIDENCE FOUND DURING A FIELD SURVEY, MADE ON THE GROUND, UNDER MY SUPERVISION, AND USING DOCUMENTATION PROVIDED BY CIMAREX ENERGY. ONLY UTILITIES/EASEMENTS THAT WERE VISIBLE ON THE DATE OF THIS SURVEY, WITHIN/ADJOINING THIS EASEMENT, HAVE BEEN LOCATED AS SHOWN HEREON OF WHICH I HAVE KNOWLEDGE. THIS CERTIFICATION IS LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE, AND MADE FOR THIS TRANSACTION ONLY.
4. ADJOINER INFORMATION SHOWN FOR INFORMATIONAL PURPOSES ONLY.
5. B.O.L./P.O.B. = BEGINNING OF LINE/POINT OF BEGINNING
6. E.O.L./P.O.E. = END OF LINE/POINT OF EXIT
7. SWD PIPELINE FOOTAGE = 2,937.79 FEET OR 178.05 RODS

EXHIBIT "E"
CULBERSON COUNTY, TEXAS
30 FOOT WIDE SWD PIPELINE EASEMENT DESCRIPTION

November 1, 2016
Sheet 3 of 3

A 30 foot wide permanent easement, 15 feet each side of a surveyed baseline as shown on sheet 1 of 3 of this Exhibit "E", being situated in Section 6, Block 113, of the Public School Land Survey, Abstract No. 6919, Culberson County, Texas, and being out of a called 648.15 acre tract of land described in a deed to Earmark Enterprises, LLC., recorded in Document No. 00000000772, Official Public Records, Reeves County, Texas, (O.P.R.R.C.T.), said 30 foot wide permanent easement being more particularly described along a surveyed baseline by centerline description as follows:

BEGINNING (P.O.B.) at a point on the South line of said Section 6, from which the calculated Southeast corner of said Section 6, bears: South $87^{\circ}57'02''$ East, a distance of 1,195.11 feet;

THENCE North $13^{\circ}43'11''$ West, a distance of 230.39 feet;
THENCE North $19^{\circ}12'05''$ East, a distance of 1,193.53 feet;
THENCE North $36^{\circ}19'53''$ East, a distance of 660.50 feet;

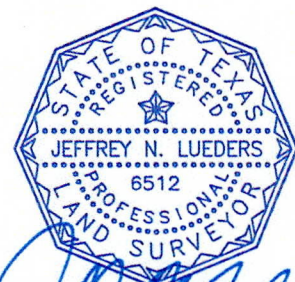
THENCE North $37^{\circ}24'32''$ East, a distance of 853.37 feet to a point on the East line of said Section 6, for the POINT OF EXIT (P.O.E.), and END OF THIS DESCRIPTION, from which the calculated Northeast corner of said Section 6, bears: North $01^{\circ}10'21''$ East, a distance of 2,724.22 feet.

The above surveyed baseline traverses said Section 6 for a total distance of 2,937.79 feet or 178.05 rods.

All bearings and distances contained herein are grid, based upon the Texas State Plane Coordinate System, Central Zone, of the North American Datum 1983, in U.S. Survey Feet.

Plat of even date accompanies this field note description.

Topographic Land Surveyors
1400 Everman Parkway
Suite 197
Fort Worth, TX 76140



Jeffrey N. Lueders, R.P.L.S. No. 6512
SURVEYED ON THE GROUND: 8/28/16-10/21/16



EXHIBIT "C"

SECTION 7, BLOCK 113,
PUBLIC SCHOOL LAND SURVEY, A-4494
CULBERSON COUNTY, TEXAS
EASEMENT PLAT



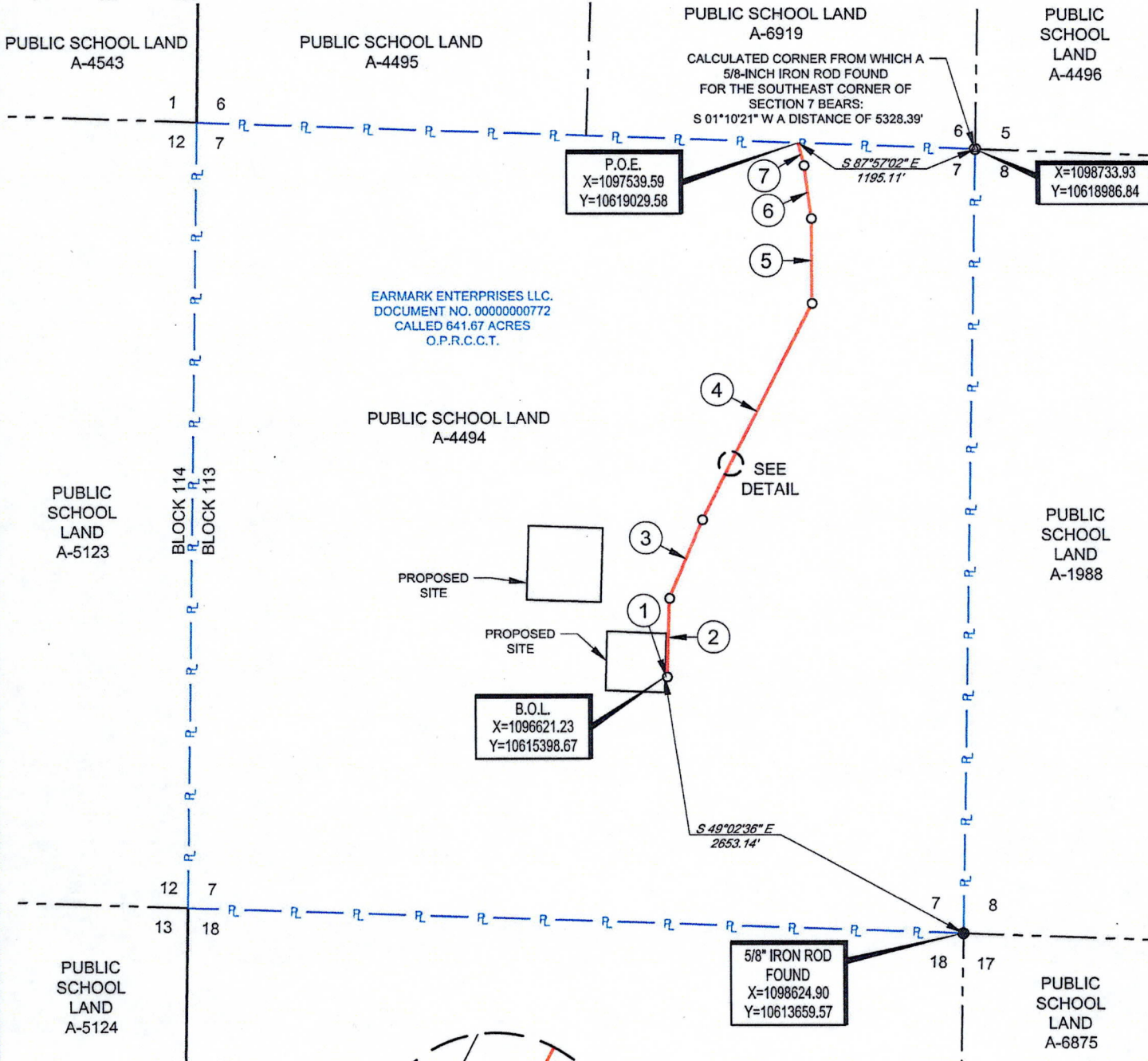
LINE TABLE

LINE	BEARING	DISTANCE
1	S 88°01'43" E	15.00'
2	N 01°58'17" E	535.16'
3	N 22°50'23" E	579.17'
4	N 26°56'54" E	1649.78'
5	N 00°10'32" W	573.12'
6	N 07°27'32" W	365.01'
7	N 13°43'11" W	161.75'

TOTAL LENGTH: 3878.99 FEET OR 235.09 RODS
PERMANENT EASEMENT: 2.67 ACRES



SCALE: 1" = 1000'
0' 500' 1000'



EARMARK ENTERPRISES LLC.
DOCUMENT NO. 00000000772
CALLED 641.67 ACRES
O.P.R.C.C.T.

PROPOSED SITE

PROPOSED SITE

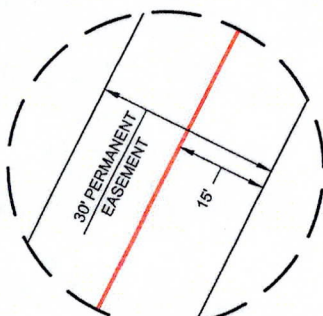
B.O.L.
X=1096621.23
Y=10615398.67

S 49°02'36" E
2653.14'

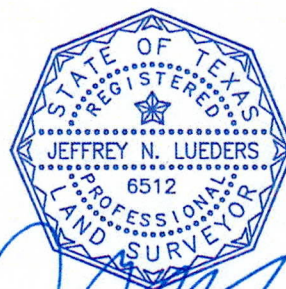
5/8" IRON ROD
FOUND
X=1098624.90
Y=10613659.57

LEGEND

- BLOCK LINE
- SECTION LINE
- SURVEYED BASELINE
- TRACT BORDER
- EDGE OF EASEMENT
- POINT OF INTERSECTION
- IRON ROD FOUND
- CALCULATED CORNER



DETAIL VIEW
SCALE: 1" = 30'



Jeffrey N. Lueders, R.P.L.S. No. 6512

SURVEYED ON THE GROUND: 8/28/16-10/21/16
Field note description of even date accompanies this plat.

BADEN BADEN 7 STATE
UNIT #1 SWD PIPELINE
EASEMENT

REVISION:

INT DATE

DATE: 11/01/2016

FILE: EP_BADEN_BADEN_SEC7_SWD

DRAWN BY: CAR

SHEET: 1 OF 3

NOTES:

- ORIGINAL DOCUMENT SIZE: 8.5" X 14"
- ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREIN ARE GRID BASED UPON THE TEXAS STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE, U.S. SURVEY FEET, NORTH AMERICAN DATUM 1983.
- CERTIFICATION IS MADE ONLY TO THE LOCATION OF THIS EASEMENT, IN RELATION TO THE EVIDENCE FOUND DURING A FIELD SURVEY, MADE ON THE GROUND, UNDER MY SUPERVISION, AND USING DOCUMENTATION PROVIDED BY CIMAREX ENERGY. ONLY UTILITIES/EASEMENTS THAT WERE VISIBLE ON THE DATE OF THIS SURVEY, WITHIN/ADJOINING THIS EASEMENT, HAVE BEEN LOCATED AS SHOWN HEREON OF WHICH I HAVE KNOWLEDGE. THIS CERTIFICATION IS LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE, AND MADE FOR THIS TRANSACTION ONLY.
- ADJOINER INFORMATION SHOWN FOR INFORMATIONAL PURPOSES ONLY.
- B.O.L./P.O.B. = BEGINNING OF LINE/POINT OF BEGINNING
- E.O.L./P.O.E. = END OF LINE/POINT OF EXIT
- SWD PIPELINE FOOTAGE = 3,905.44 FEET OR 236.69 RODS

EXHIBIT "C"
SECTION 7, BLOCK 113,
PUBLIC SCHOOL LAND SURVEY, A-4494
CULBERSON COUNTY, TEXAS
EASEMENT PLAT



TOTAL LENGTH: 3878.99 FEET OR 235.09 RODS
PERMANENT EASEMENT: 2.67 ACRES

SWD PIPELINE STATION TABLE

STATION	DESCRIPTION	DEFLECTION	LAT. (DEC. DEG.)	LONG. (DEC. DEG.)
0+00.00	BOL SWD		N31.73445918	W104.19389527
0+26.44	EDGE OF PAD		N31.73445920	W104.19381022
0+41.44	PI	90°00'00"	N31.73445922	W104.19376197
5+76.61	PI	20°52'06"	N31.73593037	W104.19376248
9+92.45	TOE		N31.73699863	W104.19328637
11+55.78	PI	4°06'31"	N31.73741822	W104.19309936
11+55.93	TOP		N31.73741860	W104.19309916
13+52.76	TOE		N31.73790914	W104.19283198
14+40.23	TOE		N31.73812712	W104.19271326
15+52.47	TOE		N31.73840686	W104.19256090
16+03.00	TOP		N31.73853278	W104.19249231
16+05.38	TOE		N31.73853872	W104.19248907
16+30.48	TOE		N31.73860126	W104.19245501
16+37.33	TOP		N31.73861835	W104.19244571
28+05.56	PI	27°07'26"	N31.74152980	W104.19085989
30+42.01	TOE		N31.74217934	W104.19088859
33+78.68	PI	7°17'00"	N31.74310417	W104.19092946
37+42.52	TOP		N31.74409078	W104.19112154
37+43.69	PI	6°15'39"	N31.74409396	W104.19112216
39+05.44	SECTION LINE		N31.74452201	W104.19126302



Jeffrey N. Lueders, R.P.L.S. No. 6512

SURVEYED ON THE GROUND: 8/28/16-10/21/16
Field note description of even date accompanies this plat.



TOPOGRAPHIC
LOYALTY INNOVATION LEGACY

1400 EVERMAN PARKWAY, Ste. 197 • FT. WORTH, TEXAS 76140
TELEPHONE: (817) 744-7512 • FAX (817) 744-7548
TEXAS FIRM REGISTRATION NO. 10042504
WWW.TOPOGRAPHIC.COM

BADEN BADEN 7 STATE
UNIT #1 SWD PIPELINE
EASEMENT

DATE: 11/01/2016

FILE:EP_BADEN_BADEN_SEC7_SWD

DRAWN BY: CAR

SHEET: 2 OF 3

REVISION:

INT	DATE
-----	------

NOTES:

1. ORIGINAL DOCUMENT SIZE: 8.5" X 14"
2. ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREIN ARE GRID BASED UPON THE TEXAS STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE, U.S. SURVEY FEET, NORTH AMERICAN DATUM 1983.
3. CERTIFICATION IS MADE ONLY TO THE LOCATION OF THIS EASEMENT, IN RELATION TO THE EVIDENCE FOUND DURING A FIELD SURVEY, MADE ON THE GROUND, UNDER MY SUPERVISION, AND USING DOCUMENTATION PROVIDED BY CIMAREX ENERGY. ONLY UTILITIES/EASEMENTS THAT WERE VISIBLE ON THE DATE OF THIS SURVEY, WITHIN/ADJOINING THIS EASEMENT, HAVE BEEN LOCATED AS SHOWN HEREON OF WHICH I HAVE KNOWLEDGE. THIS CERTIFICATION IS LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE, AND MADE FOR THIS TRANSACTION ONLY.
4. ADJOINER INFORMATION SHOWN FOR INFORMATIONAL PURPOSES ONLY.
5. B.O.L./P.O.B. = BEGINNING OF LINE/POINT OF BEGINNING
6. E.O.L./P.O.E. = END OF LINE/POINT OF EXIT
7. SWD PIPELINE FOOTAGE = 3,905.44 FEET OR 236.69 RODS

EXHIBIT "C"
CULBERSON COUNTY, TEXAS
30 FOOT WIDE SWD PIPELINE EASEMENT DESCRIPTION

November 1, 2016
Sheet 3 of 3

A 30 foot wide permanent easement, 15 feet each side of a surveyed baseline as shown on sheet 1 of 3 of this Exhibit "C", being situated in Section 7, Block 113, of the Public School Land Survey, Abstract No. 4494, Culberson County, Texas, and being out of a called 641.67 acre tract of land described in a deed to Earmark Enterprises, LLC., recorded in Document No. 00000000772, Official Public Records, Reeves County, Texas, (O.P.R.R.C.T.), said 30 foot wide permanent easement being more particularly described along a surveyed baseline by centerline description as follows:

BEGINNING (B.O.L.) at a point within said Section 7, from which a 5/8-inch iron rod found for the Southeast corner of said Section 7, bears: South 49°02'36" East, a distance of 2,653.14 feet;

THENCE South 88°01'43" East, a distance of 15.00 feet;
THENCE North 01°58'17" East, a distance of 535.16 feet;
THENCE North 22°50'23" East, a distance of 579.17 feet;
THENCE North 26°56'54" East, a distance of 1,649.78 feet;
THENCE North 00°10'32" West, a distance of 573.12 feet;
THENCE North 07°27'32" West, a distance of 365.01 feet;

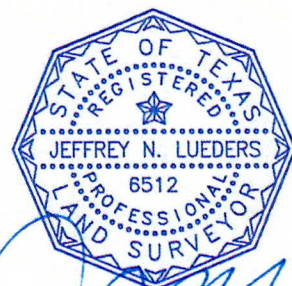
THENCE North 13°43'11" West, a distance of 161.75 feet to a point on the North line of said Section 7, for the POINT OF EXIT (P.O.E.), and END OF THIS DESCRIPTION, from which the calculated Northeast corner of said Section 7, bears: South 87°57'02" East, a distance of 1,195.11 feet.

The above surveyed baseline traverses said Section 7 for a total distance of 3,878.99 feet or 235.09 rods.

All bearings and distances contained herein are grid, based upon the Texas State Plane Coordinate System, Central Zone, of the North American Datum 1983, in U.S. Survey Feet.

Plat of even date accompanies this field note description.

Topographic Land Surveyors
1400 Everman Parkway
Suite 197
Fort Worth, TX 76140



Jeffrey N. Lueders, R.P.L.S. No. 6512
SURVEYED ON THE GROUND: 8/28/16-10/21/16



EXHIBIT "A"

SECTION 7, BLOCK 113,
PUBLIC SCHOOL LAND SURVEY, A-4494
CULBERSON COUNTY, TEXAS
EASEMENT PLAT



LINE TABLE A

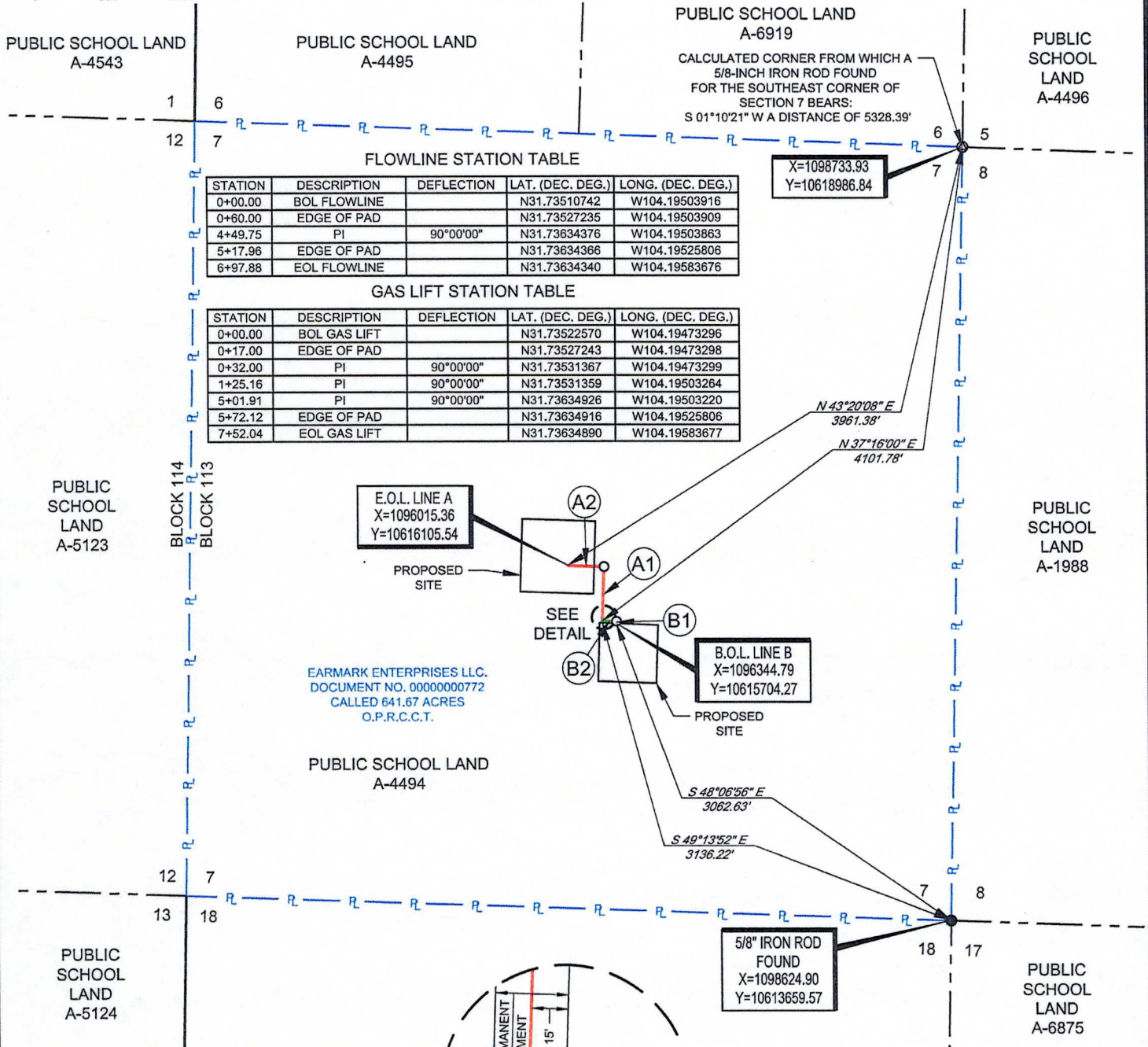
LINE	BEARING	DISTANCE
A1	N 02°00'36" E	389.75'
A2	N 88°02'27" W	248.13'

LINE TABLE B

LINE	BEARING	DISTANCE
B1	N 01°58'17" E	15.00'
B2	N 88°01'43" W	95.16'

LINE A TOTAL LENGTH: 637.88 FEET OR 38.66 RODS
PERMANENT EASEMENT: 0.44 ACRES
LINE B TOTAL LENGTH: 110.16 FEET OR 6.68 RODS
PERMANENT EASEMENT: 0.08 ACRES

SCALE: 1" = 1000'
0' 500' 1000'



LEGEND

- BLOCK LINE
- SECTION LINE
- SURVEYED BASELINE A
- SURVEYED BASELINE B
- TRACE BORDER
- EDGE OF EASEMENT
- POINT OF INTERSECTION
- IRON ROD FOUND
- CALCULATED CORNER



1400 EVERMAN PARKWAY, Ste. 197 • FT. WORTH, TEXAS 76140
TELEPHONE: (817) 744-7512 • FAX (817) 744-7548
TEXAS FIRM REGISTRATION NO. 10042504
WWW.TOPOGRAPHIC.COM



Jeffrey N. Lueders, R.P.L.S. No. 6512
SURVEYED ON THE GROUND: 8/28/16-10/21/16
Field note description of even date accompanies this plat.

BADEN BADEN 7 STATE
UNIT #1 GAS LIFT AND
FLOWLINE EASEMENT

REVISION:

INT DATE

DATE: 11/01/2016

FILE:EP_BADEN_BADEN_SEC7_GL_FL

DRAWN BY: CAR

SHEET: 1 OF 3

NOTES:

1. ORIGINAL DOCUMENT SIZE: 8.5" X 14"
2. ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREIN ARE GRID BASED UPON THE TEXAS STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE, U.S. SURVEY FEET, NORTH AMERICAN DATUM 1983.
3. CERTIFICATION IS MADE ONLY TO THE LOCATION OF THIS EASEMENT, IN RELATION TO THE EVIDENCE FOUND DURING A FIELD SURVEY, MADE ON THE GROUND, UNDER MY SUPERVISION, AND USING DOCUMENTATION PROVIDED BY CIMAREX ENERGY. ONLY UTILITIES/EASEMENTS THAT WERE VISIBLE ON THE DATE OF THIS SURVEY, WITHIN/ADJOINING THIS EASEMENT, HAVE BEEN LOCATED AS SHOWN HEREON OF WHICH I HAVE KNOWLEDGE. THIS CERTIFICATION IS LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE, AND MADE FOR THIS TRANSACTION ONLY.
4. ADJOINER INFORMATION SHOWN FOR INFORMATIONAL PURPOSES ONLY.
5. B.O.L./P.O.B. = BEGINNING OF LINE/POINT OF BEGINNING
6. E.O.L./P.O.E. = END OF LINE/POINT OF EXIT
7. FLOWLINE FOOTAGE = 697.88 FEET OR 42.30 RODS
8. GAS LIFT FOOTAGE = 752.04 FEET OR 45.58 RODS

EXHIBIT "A"
CULBERSON COUNTY, TEXAS
30 FOOT WIDE FLOWLINE EASEMENT DESCRIPTION

November 1, 2016
Sheet 2 of 3

LINE A

A 30 foot wide permanent easement, 15 feet each side of a surveyed baseline as shown on sheet 1 of 3 of this Exhibit "A", being situated in Section 7, Block 113, of the Public School Land Survey, Abstract No. 4494, Culberson County, Texas, and being out of a called 641.67 acre tract of land described in a deed to Earmark Enterprises, LLC., recorded in Document No. 00000000772, Official Public Records, Reeves County, Texas, (O.P.R.R.C.T.), said 30 foot wide permanent easement being more particularly described along a surveyed baseline by centerline description as follows:

BEGINNING (B.O.L. LINE A) at a point within said Section 7, from which a 5/8-inch iron rod found for the Southeast corner of said Section 7, bears: South $49^{\circ}13'52''$ East, a distance of 3,136.22 feet;

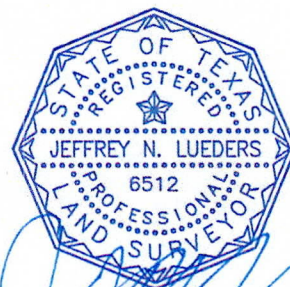
THENCE North $02^{\circ}00'36''$ East, a distance of 389.75 feet;

THENCE North $88^{\circ}02'27''$ West, a distance of 248.13 feet to a point within said Section 7, for the END OF LINE (E.O.L. LINE A), and END OF THIS DESCRIPTION, from which the calculated Northeast corner of said Section 7, bears: North $43^{\circ}20'08''$ East, a distance of 3,961.38 feet.

The above surveyed baseline traverses said Section 7 for a total distance of 637.88 feet or 38.66 rods.

All bearings and distances contained herein are grid, based upon the Texas State Plane Coordinate System, Central Zone, of the North American Datum 1983, in U.S. Survey Feet.

Plat of even date accompanies this field note description.



Topographic Land Surveyors
1400 Everman Parkway
Suite 197
Fort Worth, TX 76140

Jeffrey N. Lueders, R.P.L.S. No. 6512
SURVEYED ON THE GROUND: 8/28/16-10/21/16



EXHIBIT "A"
CULBERSON COUNTY, TEXAS
30 FOOT WIDE GAS LIFT EASEMENT DESCRIPTION

November 1, 2016
Sheet 3 of 3

LINE B

A 30 foot wide permanent easement, 15 feet each side of a surveyed baseline as shown on sheet 1 of 3 of this Exhibit "A", being situated in Section 7, Block 113, of the Public School Land Survey, Abstract No. 4494, Culberson County, Texas, and being out of a called 641.67 acre tract of land described in a deed to Earmark Enterprises, LLC., recorded in Document No. 00000000772, Official Public Records, Reeves County, Texas, (O.P.R.R.C.T.), said 30 foot wide permanent easement being more particularly described along a surveyed baseline by centerline description as follows:

BEGINNING (B.O.L. LINE B) at a point within said Section 7, from which a 5/8-inch iron rod found for the Southeast corner of said Section 7, bears: South 48°06'56" East, a distance of 3,062.63 feet;

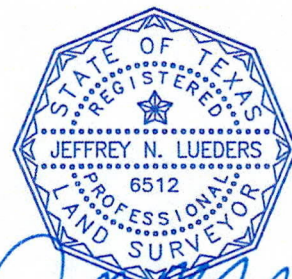
THENCE North 01°58'17" East, a distance of 15.00 feet;

THENCE North 88°01'43" West, a distance of 95.16 feet to a point within said Section 7, for the END OF LINE (E.O.L. LINE B), and END OF THIS DESCRIPTION, from which the calculated Northeast corner of said Section 7, bears: North 37°16'00" East, a distance of 4,101.78 feet.

The above surveyed baseline traverses said Section 7 for a total distance of 110.16 feet or 6.68 rods.

All bearings and distances contained herein are grid, based upon the Texas State Plane Coordinate System, Central Zone, of the North American Datum 1983, in U.S. Survey Feet.

Plat of even date accompanies this field note description.



Topographic Land Surveyors
1400 Everman Parkway
Suite 197
Fort Worth, TX 76140

Jeffrey N. Lueders, R.P.L.S. No. 6512
SURVEYED ON THE GROUND: 8/28/16-10/21/16



EXHIBIT "F"

SECTION 5, BLOCK 113,
PUBLIC SCHOOL LAND SURVEY, A-4496
CULBERSON COUNTY, TEXAS
EASEMENT PLAT

TOTAL LENGTH: 4672.90 FEET OR 283.21 RODS
PERMANENT EASEMENT: 3.22 ACRES

CIMAREX

LINE TABLE

LINE	BEARING	DISTANCE
1	N 13°27'44" E	8.99'
2	N 04°53'35" E	2149.13'
3	N 15°05'09" E	1588.09'
4	N 00°00'01" E	926.69'



SCALE: 1" = 1000'

0' 500' 1000'

CALCULATED CORNER FROM WHICH A
"T" POST FOUND
FOR THE SOUTHEAST CORNER OF
SECTION 44 BEARS:
S 87°53'12" E A DISTANCE OF 2407.07'

T. & P. RR. CO.
A-6935

T. & P. RR. CO.
A-2732

BLOCK 59, T-2
BLOCK 113

PUBLIC
SCHOOL
LAND
A-4200

EARMARK ENTERPRISES LLC.
DOCUMENT NO. 00000000772
CALLED 646.78 ACRES
O.P.R.C.C.T.

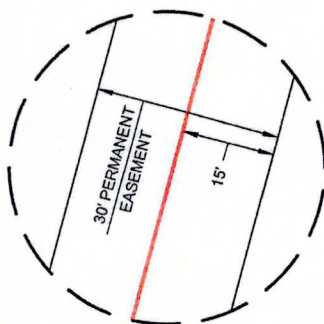
PUBLIC SCHOOL LAND
A-4496

PUBLIC SCHOOL LAND
A-1988

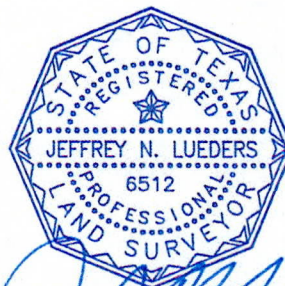
PUBLIC
SCHOOL
LAND
A-1989

LEGEND

- BLOCK LINE
- SECTION LINE
- SURVEYED BASELINE
- TRACT BORDER
- EDGE OF EASEMENT
- PROPOSED SWD PIPELINE
- ROAD WAY
- EXISTING PIPELINE
- OHE OVERHEAD ELECTRIC
- WATER LINE
- POINT OF INTERSECTION
- CALCULATED CORNER
- T POST FOUND



DETAIL VIEW
SCALE: 1" = 30'



Jeffrey N. Lueders, R.P.L.S. No. 6512

SURVEYED ON THE GROUND: 8/28/16-10/21/16
Field note description of even date accompanies this plat.

BADEN BADEN 7 STATE
UNIT #1 POWERLINE
EASEMENT

REVISION:

INT	DATE
-----	------

DATE: 11/02/2016

FILE: EP_BADEN_BADEN_SEC5_POWER

DRAWN BY: CAR

SHEET: 1 OF 3

NOTES:

- ORIGINAL DOCUMENT SIZE: 8.5" X 14"
- ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREIN ARE GRID BASED UPON THE TEXAS STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE, U.S. SURVEY FEET, NORTH AMERICAN DATUM 1983.
- CERTIFICATION IS MADE ONLY TO THE LOCATION OF THIS EASEMENT, IN RELATION TO THE EVIDENCE FOUND DURING A FIELD SURVEY, MADE ON THE GROUND, UNDER MY SUPERVISION, AND USING DOCUMENTATION PROVIDED BY CIMAREX ENERGY. ONLY UTILITIES/EASEMENTS THAT WERE VISIBLE ON THE DATE OF THIS SURVEY, WITHIN/ADJOINING THIS EASEMENT, HAVE BEEN LOCATED AS SHOWN HEREON OF WHICH I HAVE KNOWLEDGE. THIS CERTIFICATION IS LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE, AND MADE FOR THIS TRANSACTION ONLY.
- ADJOINER INFORMATION SHOWN FOR INFORMATIONAL PURPOSES ONLY.
- B.O.L./P.O.B. = BEGINNING OF LINE/POINT OF BEGINNING
- E.O.L./P.O.E. = END OF LINE/POINT OF EXIT
- POWERLINE FOOTAGE = 4,672.91 FEET OR 283.21 RODS

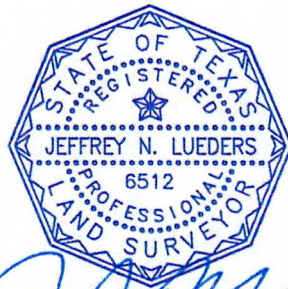
EXHIBIT "F"
SECTION 5, BLOCK 113,
PUBLIC SCHOOL LAND SURVEY, A-4496
CULBERSON COUNTY, TEXAS
EASEMENT PLAT



TOTAL LENGTH: 4672.90 FEET OR 283.21 RODS
PERMANENT EASEMENT: 3.22 ACRES

POWER LINE STATION TABLE

STATION	DESCRIPTION	DEFLECTION	LAT. (DEC. DEG.)	LONG. (DEC. DEG.)
60+46.16	SECTION LINE		N31.74643894	W104.18745041
60+48.20	TOP		N31.74644445	W104.18744910
60+55.15	PI	8°34'09"	N31.74646317	W104.18744465
60+67.19	TOP		N31.74649623	W104.18744268
61+71.26	TOE		N31.74678194	W104.18742570
62+78.88	TOE		N31.74707739	W104.18740814
65+34.50	TOP		N31.74777920	W104.18736642
66+07.71	TOE		N31.74798016	W104.18735447
66+60.08	TOP		N31.74812396	W104.18734592
66+68.21	TOE		N31.74814626	W104.18734460
67+34.18	TOE		N31.74832738	W104.18733383
67+43.64	TOP		N31.74835335	W104.18733229
67+93.68	EDGE OF ROAD		N31.74849073	W104.18732412
68+01.31	CL ROAD		N31.74851170	W104.18732287
68+10.91	EDGE OF ROAD		N31.74853804	W104.18732131
71+87.16	EDGE OF ROAD		N31.74957101	W104.18725990
72+08.85	EDGE OF ROAD		N31.74963054	W104.18725636
72+31.09	POWERLINE		N31.74969160	W104.18725273
72+44.61	PROPOSED WATERLINE		N31.74972873	W104.18725053
72+58.05	WATERLINE		N31.74976563	W104.18724833
77+12.22	NUEVO MIDSTREAM PIPELINE		N31.75101250	W104.18717421
81+43.76	PROPOSED CIMAREX SWD PIPELINE		N31.75219725	W104.18710377
82+04.28	PI	10°11'34"	N31.75236343	W104.18709389
82+07.59	TOE		N31.75237227	W104.18709148
82+22.72	TOP		N31.75241279	W104.18708045
82+39.66	EXISTING PIPELINE		N31.75245814	W104.18706810
82+41.56	EDGE OF ROAD		N31.75246324	W104.18706671
82+47.06	CL ROAD		N31.75247796	W104.18706270
82+52.56	EDGE OF ROAD		N31.75249269	W104.18705869
94+33.05	TOE		N31.75565332	W104.18619783
97+13.10	TOP		N31.75640312	W104.18599360
97+92.37	PI	15°05'08"	N31.75661537	W104.18593578
104+19.80	TOP		N31.75833911	W104.18600567
107+19.07	SECTION LINE		N31.75916128	W104.18603901



Jeffrey N. Lueders, R.P.L.S. No. 6512

SURVEYED ON THE GROUND: 8/28/16-10/21/16
Field note description of even date accompanies this plat.



1400 EVERMAN PARKWAY, Ste. 197 • FT. WORTH, TEXAS 76140
TELEPHONE: (817) 744-7512 • FAX (817) 744-7548
TEXAS FIRM REGISTRATION NO. 10042504
WWW.TOPOGRAPHIC.COM

BADEN BADEN 7 STATE
UNIT #1 POWERLINE
EASEMENT

REVISION:

INT	DATE
-----	------

DATE: 11/02/2016

FILE:EP_BADEN_BADEN_SECS_POWER

DRAWN BY: CAR

SHEET: 2 OF 3

NOTES:

1. ORIGINAL DOCUMENT SIZE: 8.5" X 14"
2. ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREIN ARE GRID BASED UPON THE TEXAS STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE, U.S. SURVEY FEET, NORTH AMERICAN DATUM 1983.
3. CERTIFICATION IS MADE ONLY TO THE LOCATION OF THIS EASEMENT, IN RELATION TO THE EVIDENCE FOUND DURING A FIELD SURVEY, MADE ON THE GROUND, UNDER MY SUPERVISION, AND USING DOCUMENTATION PROVIDED BY CIMAREX ENERGY. ONLY UTILITIES/EASEMENTS THAT WERE VISIBLE ON THE DATE OF THIS SURVEY, WITHIN/ADJOINING THIS EASEMENT, HAVE BEEN LOCATED AS SHOWN HEREON OF WHICH I HAVE KNOWLEDGE. THIS CERTIFICATION IS LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE, AND MADE FOR THIS TRANSACTION ONLY.
4. ADJOINER INFORMATION SHOWN FOR INFORMATIONAL PURPOSES ONLY.
5. B.O.L./P.O.B. = BEGINNING OF LINE/POINT OF BEGINNING
6. E.O.L./P.O.E. = END OF LINE/POINT OF EXIT
7. POWERLINE FOOTAGE = 4,672.91 FEET OR 283.21 RODS

EXHIBIT "F"
CULBERSON COUNTY, TEXAS
30 FOOT WIDE POWERLINE EASEMENT DESCRIPTION

November 2, 2016
Sheet 3 of 3

A 30 foot wide permanent easement, 15 feet each side of a surveyed baseline as shown on sheet 1 of 3 of this Exhibit "F", being situated in Section 5, Block 113, of the Public School Land Survey, Abstract No. 4496, Culberson County, Texas, and being out of a called 646.78 acre tract of land described in a deed to Earmark Enterprises, LLC., recorded in Document No. 00000000772, Official Public Records, Reeves County, Texas, (O.P.R.R.C.T.), said 30 foot wide permanent easement being more particularly described along a surveyed baseline by centerline description as follows:

BEGINNING (P.O.B.) at a point on the West line of said Section 5, from which the calculated Northwest corner of said Section 5, bears: North 01°10'21" East, a distance of 4,629.67 feet;

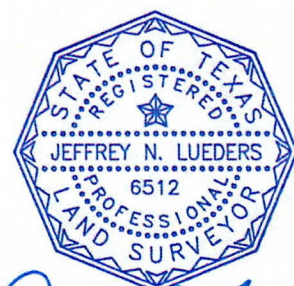
THENCE North 13°27'44" East, a distance of 8.99 feet;
THENCE North 04°53'35" East, a distance of 2,149.13 feet;
THENCE North 15°05'09" East, a distance of 1,588.09 feet;

THENCE North 00°00'01" East, a distance of 926.69 feet to a point on the North line of said Section 5, for the POINT OF EXIT (P.O.E.), and END OF THIS DESCRIPTION, from which a T post found for an angle corner on the North line of said Section 5, bears: South 87°53'12" East, a distance of 1,902.73 feet.

The above surveyed baseline traverses said Section 5 for a total distance of 4,672.90 feet or 283.21 rods.

All bearings and distances contained herein are grid, based upon the Texas State Plane Coordinate System, Central Zone, of the North American Datum 1983, in U.S. Survey Feet.

Plat of even date accompanies this field note description.



Topographic Land Surveyors
1400 Everman Parkway
Suite 197
Fort Worth, TX 76140

Jeffrey N. Lueders, R.P.L.S. No. 6512
SURVEYED ON THE GROUND: 8/28/16-10/21/16



EXHIBIT "D"

SECTION 6, BLOCK 113,
PUBLIC SCHOOL LAND SURVEY, A-6919
CULBERSON COUNTY, TEXAS
EASEMENT PLAT



LINE TABLE

LINE	BEARING	DISTANCE
1	N 13°27'44" E	712.73'

TOTAL LENGTH: 712.73 FEET OR 43.20 RODS
PERMANENT EASEMENT: 0.49 ACRES



SCALE: 1" = 300'
0' 150' 300'

CALCULATED CORNER FROM WHICH A
"T" POST FOUND
FOR THE SOUTHEAST CORNER OF
SECTION 44 BEARS:
S 87°53'12" E A DISTANCE OF 2407.07'

T. & P. RR. CO.
A-6935

T. & P. RR. CO.
A-2732

BLOCK 59, T-2
BLOCK 113

X=1098842.97
Y=10624314.11

T POST FOUND
X=1101248.40
Y=10624225.35

POWER LINE STATION TABLE

STATION	DESCRIPTION	DEFLECTION	LAT. (DEC. DEG.)	LONG. (DEC. DEG.)
53+33.43	SECTION LINE		N31.74451885	W104.18790661
55+08.28	EDGE OF ROAD		N31.74498991	W104.18779469
55+16.79	CL ROAD		N31.74501283	W104.18778924
55+24.93	EDGE OF ROAD		N31.74503475	W104.18778403
59+06.33	TOE		N31.74606225	W104.18753991
60+46.16	SECTION LINE		N31.74643894	W104.18745041

EARMARK ENTERPRISES LLC.
DOCUMENT NO. 0000000772
CALLED 648.15 ACRES
O.P.R.C.C.T.

P.O.E.
X=1098748.23
Y=10619685.41

PUBLIC SCHOOL LAND
A-4496

PUBLIC SCHOOL LAND
A-6919

SEE
DETAIL
1

P.O.B.
X=1098582.30
Y=10618992.27

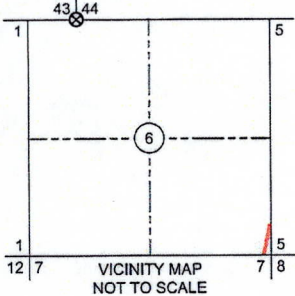
CALCULATED CORNER
FROM WHICH A
5/8-INCH IRON ROD
FOUND FOR THE
SOUTHEAST CORNER OF
SECTION 7 BEARS:
S 01°10'21" W
A DISTANCE OF 5328.39'

X=1098733.93
Y=10618986.84

PUBLIC SCHOOL LAND
A-4494

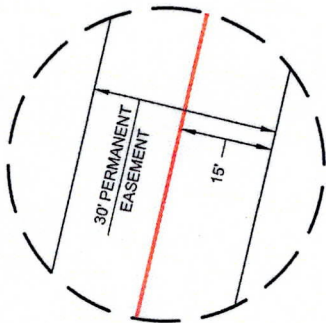
PUBLIC SCHOOL LAND
A-1988

5/8" IRON ROD
FOUND
X=1098624.90
Y=10613659.57



LEGEND

- BLOCK LINE
- SECTION LINE
- SURVEYED BASELINE
- TRACT BORDER
- EDGE OF EASEMENT
- POINT OF INTERSECTION
- IRON ROD FOUND
- CALCULATED CORNER
- T POST FOUND
- NAIL FOUND



Jeffrey N. Lueders, R.P.L.S. No. 6512
SURVEYED ON THE GROUND: 8/28/16-10/21/16
Field note description of even date accompanies this plat.



1400 EVERMAN PARKWAY, Ste. 197 • FT. WORTH, TEXAS 76140
TELEPHONE: (817) 744-7512 • FAX (817) 744-7548
TEXAS FIRM REGISTRATION NO. 10042504
WWW.TOPOGRAPHIC.COM

BADEN BADEN 7 STATE
UNIT #1 POWERLINE
EASEMENT

REVISION:

INT	DATE

DATE: 11/01/2016

FILE:EP_BADEN_BADEN_SEC6_POWER

DRAWN BY: CAR

SHEET: 1 OF 2

NOTES:

- ORIGINAL DOCUMENT SIZE: 8.5" X 14"
- ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREIN ARE GRID BASED UPON THE TEXAS STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE, U.S. SURVEY FEET, NORTH AMERICAN DATUM 1983.
- CERTIFICATION IS MADE ONLY TO THE LOCATION OF THIS EASEMENT, IN RELATION TO THE EVIDENCE FOUND DURING A FIELD SURVEY, MADE ON THE GROUND, UNDER MY SUPERVISION, AND USING DOCUMENTATION PROVIDED BY CIMAREX ENERGY. ONLY UTILITIES/EASEMENTS THAT WERE VISIBLE ON THE DATE OF THIS SURVEY, WITHIN ADJOINING THIS EASEMENT, HAVE BEEN LOCATED AS SHOWN HEREON OF WHICH I HAVE KNOWLEDGE. THIS CERTIFICATION IS LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE, AND MADE FOR THIS TRANSACTION ONLY.
- ADJOINER INFORMATION SHOWN FOR INFORMATIONAL PURPOSES ONLY.
- B.O.L./P.O.B. = BEGINNING OF LINE/POINT OF BEGINNING
- E.O.L./P.O.E. = END OF LINE/POINT OF EXIT
- POWERLINE FOOTAGE = 712.73 FEET OR 43.20 RODS

EXHIBIT "D"
CULBERSON COUNTY, TEXAS
30 FOOT WIDE POWERLINE EASEMENT DESCRIPTION

November 1, 2016
Sheet 2 of 2

A 30 foot wide permanent easement, 15 feet each side of a surveyed baseline as shown on sheet 1 of 2 of this Exhibit "D", being situated in Section 6, Block 113, of the Public School Land Survey, Abstract No. 6919, Culberson County, Texas, and being out of a called 648.15 acre tract of land described in a deed to Earmark Enterprises, LLC., recorded in Document No. 00000000772, Official Public Records, Reeves County, Texas, (O.P.R.R.C.T.), said 30 foot wide permanent easement being more particularly described along a surveyed baseline by centerline description as follows:

BEGINNING (P.O.B.) at a point on the South line of said Section 6, from which the calculated Southeast corner of said Section 6, bears: South $87^{\circ}57'02''$ East, a distance of 151.72 feet;

THENCE North $13^{\circ}27'44''$ East, a distance of 712.73 feet to a point on the East line of said Section 6, for the POINT OF EXIT (P.O.E.), and END OF THIS DESCRIPTION, from which the calculated Northeast corner of said Section 6, bears: North $01^{\circ}10'21''$ East, a distance of 4,629.67 feet.

The above surveyed baseline traverses said Section 6 for a total distance of 712.73 feet or 43.20 rods.

All bearings and distances contained herein are grid, based upon the Texas State Plane Coordinate System, Central Zone, of the North American Datum 1983, in U.S. Survey Feet.

Plat of even date accompanies this field note description.



Topographic Land Surveyors
1400 Everman Parkway
Suite 197
Fort Worth, TX 76140

Jeffrey N. Lueders, R.P.L.S. No. 6512
SURVEYED ON THE GROUND: 8/28/16-10/21/16

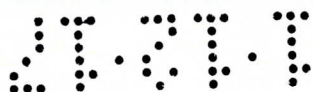


EXHIBIT "B"

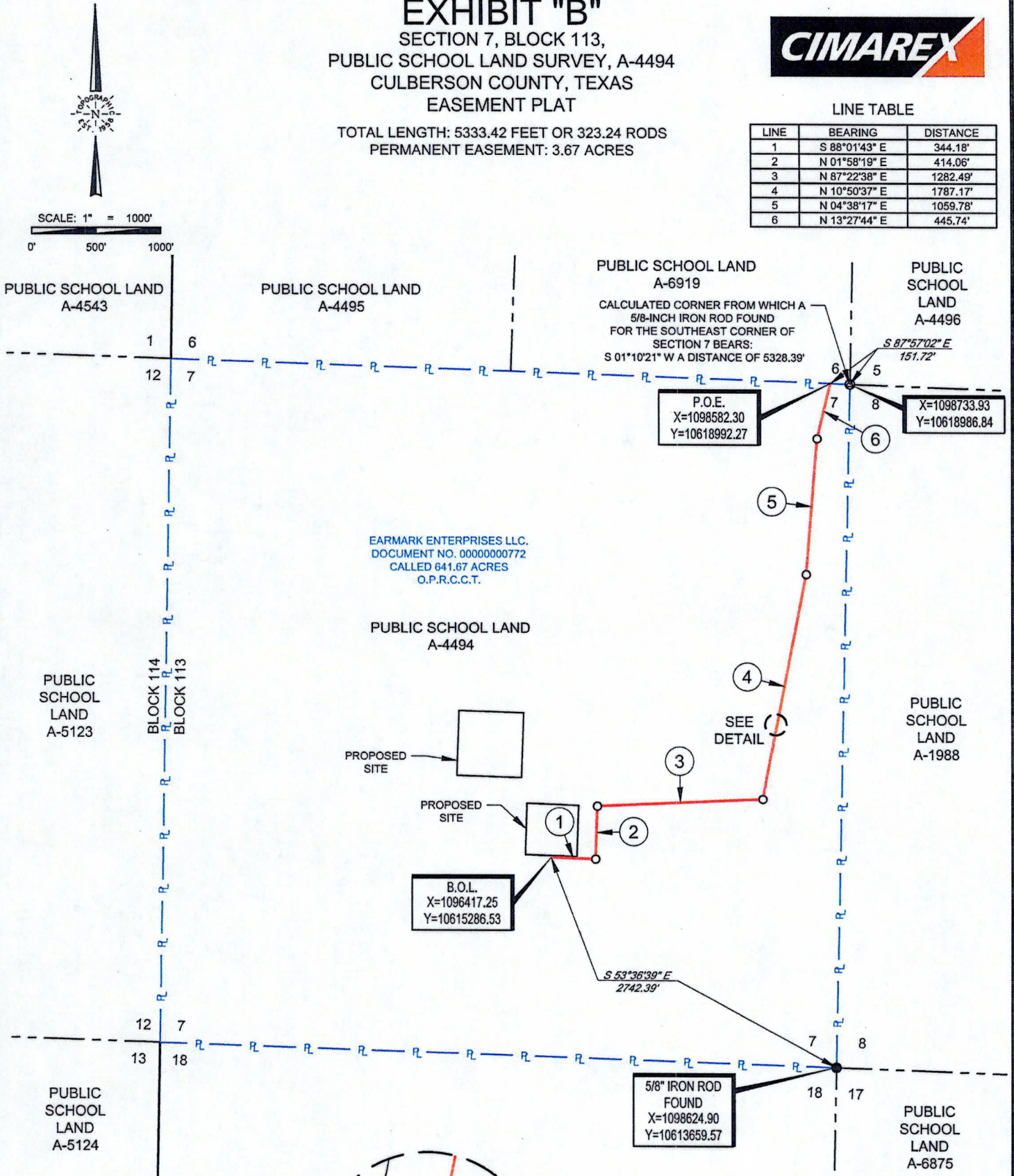
SECTION 7, BLOCK 113,
PUBLIC SCHOOL LAND SURVEY, A-4494
CULBERSON COUNTY, TEXAS
EASEMENT PLAT



LINE TABLE

LINE	BEARING	DISTANCE
1	S 88°01'43" E	344.18'
2	N 01°58'19" E	414.06'
3	N 87°22'38" E	1282.49'
4	N 10°50'37" E	1787.17'
5	N 04°38'17" E	1059.78'
6	N 13°27'44" E	445.74'

TOTAL LENGTH: 5333.42 FEET OR 323.24 RODS
PERMANENT EASEMENT: 3.67 ACRES



EARMARK ENTERPRISES LLC.
DOCUMENT NO. 00000000772
CALLED 641.67 ACRES
O.P.R.C.C.T.

PROPOSED SITE

PROPOSED SITE

B.O.L.
X=1096417.25
Y=10615286.53

5/8" IRON ROD
FOUND
X=1098624.90
Y=10613659.57



Jeffrey N. Lueders, R.P.L.S. No. 6512

SURVEYED ON THE GROUND: 8/28/16-10/21/16
Field note description of even date accompanies this plat.



1400 EVERMAN PARKWAY, Ste. 197 • FT. WORTH, TEXAS 76140
TELEPHONE: (817) 744-7512 • FAX (817) 744-7548
TEXAS FIRM REGISTRATION NO. 10042504
WWW.TOPOGRAPHIC.COM

BADEN BADEN 7 STATE
UNIT #1 POWERLINE
EASEMENT

DATE: 11/01/2016

FILE: EP_BADEN_BADEN_SEC7_POWER

DRAWN BY: CAR

SHEET: 1 OF 3

REVISION:

INT DATE

NOTES:

1. ORIGINAL DOCUMENT SIZE: 8.5" X 14"
2. ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREIN ARE GRID BASED UPON THE TEXAS STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE, U.S. SURVEY FEET, NORTH AMERICAN DATUM 1983.
3. CERTIFICATION IS MADE ONLY TO THE LOCATION OF THIS EASEMENT, IN RELATION TO THE EVIDENCE FOUND DURING A FIELD SURVEY, MADE ON THE GROUND, UNDER MY SUPERVISION, AND USING DOCUMENTATION PROVIDED BY CIMAREX ENERGY. ONLY UTILITIES/EASEMENTS THAT WERE VISIBLE ON THE DATE OF THIS SURVEY, WITHIN/ADJOINING THIS EASEMENT, HAVE BEEN LOCATED AS SHOWN HEREON OF WHICH I HAVE KNOWLEDGE. THIS CERTIFICATION IS LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE, AND MADE FOR THIS TRANSACTION ONLY.
4. ADJOINER INFORMATION SHOWN FOR INFORMATIONAL PURPOSES ONLY.
5. B.O.L./P.O.B. = BEGINNING OF LINE/POINT OF BEGINNING
6. E.O.L./P.O.E. = END OF LINE/POINT OF EXIT
7. POWERLINE FOOTAGE = 5333.43 FEET OR 323.24 RODS

EXHIBIT "B"
SECTION 7, BLOCK 113,
PUBLIC SCHOOL LAND SURVEY, A-4494
CULBERSON COUNTY, TEXAS
EASEMENT PLAT



TOTAL LENGTH: 5333.42 FEET OR 323.24 RODS
PERMANENT EASEMENT: 3.67 ACRES

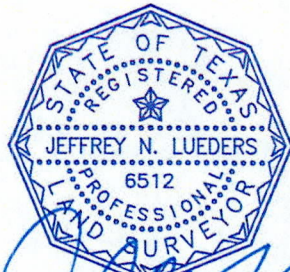
POWER LINE STATION TABLE

STATION	DESCRIPTION	DEFLECTION	LAT. (DEC. DEG.)	LONG. (DEC. DEG.)
0+00.00	BOL POWERLINE		N31.73413168	W104.19445341
3+44.18	PI	89°59'58"	N31.73413196	W104.19334635
7+58.24	PI	85°24'19"	N31.73527021	W104.19334673
18+36.57	TOE		N31.73550846	W104.18988944
20+27.10	TOP		N31.73555055	W104.18927858
20+40.73	PI	76°32'01"	N31.73555356	W104.18923488
20+45.48	TOP		N31.73556647	W104.18923252
23+54.04	TOE		N31.73640457	W104.18907970
31+18.65	TOE		N31.73848139	W104.18870099
37+26.09	TOE		N31.74013130	W104.18840011
37+88.12	TOP		N31.74029979	W104.18836938
38+27.90	PI	6°12'20"	N31.74040784	W104.18834968
38+84.45	TOP		N31.74056312	W104.18834126
40+93.52	TOP		N31.74113724	W104.18831014
45+88.34	TOE		N31.74249602	W104.18823647
46+24.94	TOP		N31.74259654	W104.18823102
46+28.87	TOE		N31.74260732	W104.18823044
46+33.06	TOE		N31.74261881	W104.18822982
46+35.86	TOP		N31.74262650	W104.18822940
48+12.43	TOP		N31.74311139	W104.18820311
48+16.66	TOE		N31.74312299	W104.18820248
48+24.68	TOE		N31.74314502	W104.18820129
48+30.48	TOP		N31.74316093	W104.18820043
48+87.68	PI	8°49'27"	N31.74331802	W104.18819191
49+75.18	TOE		N31.74355375	W104.18813590
51+46.12	TOP		N31.74401424	W104.18802650
51+75.28	TOP		N31.74409281	W104.18800783
52+75.18	TOE		N31.74436192	W104.18794389
53+33.43	SECTION LINE		N31.74451885	W104.18790661



TOPOGRAPHIC
LOYALTY INNOVATION LEGACY

1400 EVERMAN PARKWAY, Ste. 197 • FT. WORTH, TEXAS 76140
TELEPHONE: (817) 744-7512 • FAX (817) 744-7548
TEXAS FIRM REGISTRATION NO. 10042504
WWW.TOPOGRAPHIC.COM



Jeffrey N. Lueders, R.P.L.S. No. 6512
SURVEYED ON THE GROUND: 8/28/16-10/21/16
Field note description of even date accompanies this plat.

BADEN BADEN 7 STATE
UNIT #1 POWERLINE
EASEMENT

REVISION:

INT

DATE

DATE: 11/01/2016

FILE:EP_BADEN_BADEN_SEC7_POWER

DRAWN BY: CAR

SHEET: 2 OF 3

NOTES:

1. ORIGINAL DOCUMENT SIZE: 8.5" X 14"
2. ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREIN ARE GRID BASED UPON THE TEXAS STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE, U.S. SURVEY FEET, NORTH AMERICAN DATUM 1983.
3. CERTIFICATION IS MADE ONLY TO THE LOCATION OF THIS EASEMENT, IN RELATION TO THE EVIDENCE FOUND DURING A FIELD SURVEY, MADE ON THE GROUND, UNDER MY SUPERVISION, AND USING DOCUMENTATION PROVIDED BY CIMAREX ENERGY. ONLY UTILITIES/EASEMENTS THAT WERE VISIBLE ON THE DATE OF THIS SURVEY, WITHIN/ADJOINING THIS EASEMENT, HAVE BEEN LOCATED AS SHOWN HEREON OF WHICH I HAVE KNOWLEDGE. THIS CERTIFICATION IS LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE, AND MADE FOR THIS TRANSACTION ONLY.
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6. E.O.L./P.O.E. = END OF LINE/POINT OF EXIT
7. POWERLINE FOOTAGE = 5333.43 FEET OR 323.24 RODS

EXHIBIT "B"
CULBERSON COUNTY, TEXAS
30 FOOT WIDE POWERLINE EASEMENT DESCRIPTION

November 1, 2016
Sheet 3 of 3

A 30 foot wide permanent easement, 15 feet each side of a surveyed baseline as shown on sheet 1 of 3 of this Exhibit "B", being situated in Section 7, Block 113, of the Public School Land Survey, Abstract No. 4494, Culberson County, Texas, and being out of a called 641.67 acre tract of land described in a deed to Earmark Enterprises, LLC., recorded in Document No. 00000000772, Official Public Records, Reeves County, Texas, (O.P.R.C.T.), said 30 foot wide permanent easement being more particularly described along a surveyed baseline by centerline description as follows:

BEGINNING (B.O.L.) at a point within said Section 7, from which a 5/8-inch iron rod found for the Southeast corner of said Section 7, bears: South 53°36'39" East, a distance of 2,742.39 feet;

THENCE South 88°01'43" East, a distance of 344.18 feet;
THENCE North 01°58'19" East, a distance of 414.06 feet;
THENCE North 87°22'38" East, a distance of 1,282.49 feet;
THENCE North 10°50'37" East, a distance of 1,787.17 feet;
THENCE North 04°38'17" East, a distance of 1,059.78 feet;

THENCE North 13°27'44" East, a distance of 445.74 feet to a point on the North line of said Section 7, for the POINT OF EXIT (P.O.E.), and END OF THIS DESCRIPTION, from which the calculated Northeast corner of said Section 7, bears: South 87°57'02" East, a distance of 151.72 feet.

The above surveyed baseline traverses said Section 7 for a total distance of 5,333.42 feet or 323.24 rods.

All bearings and distances contained herein are grid, based upon the Texas State Plane Coordinate System, Central Zone, of the North American Datum 1983, in U.S. Survey Feet.

Plat of even date accompanies this field note description.

Topographic Land Surveyors
1400 Everman Parkway
Suite 197
Fort Worth, TX 76140



Jeffrey N. Lueders, R.P.L.S. No. 6512
SURVEYED ON THE GROUND: 8/28/16-10/21/16



File No. MF 110705Culberson CountySurface Damage PmtDate Filed: 6-29-2021

George P. Bush, Commissioner

By VB

THE AMOUNT OF THIS CHECK IS FOR PAYMENT TYPE NOTED BELOW DUE PARTY OR PARTIES OF
THE INSTRUMENT DESCRIBED HEREIN FOR THE STATED PERIOD.

ON BEHALF OF:
CIMAREX ENERGY CO
P O BOX 4544
HOUSTON, TX 77210-4544

PAYMENT TYPE: MINIMUM ROYALTY
RIGHTS HELD: OIL & GAS

Page 1 of 1

DATE 04/15/2024

CHECK NO. 513356

		RENTAL PERIOD			
COUNTY	STATE	DATE OF LEASE	MONTHS	FROM	TO
CULBERSON	TX	04/06/2010	12	05/01/2024	05/01/2025
LEASE NUMBER	PAYEE NUMBER	ORIGINAL LESSOR IDENTIFICATION OR LEASE SERIAL NUMBER		PAY EXACTLY	
42-0008415	704630-08	COMMISSIONER OF GENERAL LAND OFFICE AND/		\$****3,200.00	

TO
THE
ORDER
OF

TEXAS GENERAL LAND OFFICE
LAND OFFICE STATE OF TEXAS
LOCKBOX ACCOUNT
PO BOX 12873
AUSTIN, TX 78711-2873

RECORDED: CULBERSON Book :101 Page :316 Reception # :000065487

24706424

PAYEE: DETACH THIS STATEMENT BEFORE DEPOSITING

THIS CHECK IS VOID WITHOUT A COLORED BORDER AND BACKGROUND PLUS A KNIGHT & FINGERPRINT WATERMARK ON THE BACK - HOLD AT ANGLE TO VIEW



CIMAREX ENERGY CO
RENTAL ACCOUNT
P O BOX 4544
HOUSTON, TX 77210-4544

JPMorgan Chase Bank, N.A.
Columbus, Ohio 43271

No. **513356**

56-1544/441

VOID AFTER 90 DAYS

CHECK NUMBER	DATE	PAY EXACTLY
513356	Apr-15-2024	\$****3,200.00

\$3,200dols00cts

Three Thousand Two Hundred Dollars and Zero Cents

PAY
TO
THE
ORDER
OF

TEXAS GENERAL LAND OFFICE
LAND OFFICE STATE OF TEXAS
LOCKBOX ACCOUNT
PO BOX 12873
AUSTIN, TX 78711-2873

704630-08

24706424

Shawn Yee

0000513356



Coterra Energy Inc.
Corporate Headquarters
Three Memorial City Plaza
840 Gessner Road
Suite 1400
Houston, TX 77024

T 281-589-4600
F 281-589-4955
coterra.com

April 16, 2023

Texas General Land Office
1700 N. Congress Ave.
Austin, TX 78701-1495

RE: Armstrong Unit, CULBERSON CO., TX

To whom it may concern:

Please find enclosed Cimarex Energy Co checks in the amount of \$20,905.00. These checks are payment for the minimum royalty on the following leases:

M 110701	\$1,600.00	CK # 513361
M 117000	\$1,600.00	CK # 513360
M 110713	\$1,705.00	CK # 513359
M 110707	\$3,200.00	CK # 513358
M 110706	\$3,200.00	CK # 513357
M 110705	\$3,200.00	CK # 513356
M 110704	\$3,200.00	CK # 513355
M 110703	\$3,200.00	CK # 513354

Should you need anything further, please contact me by email at sheryl.kohl@coterra.com or phone 281-589-4960.

Thank you,

Sheryl Kohl
Lease Analyst

File No. ME 110705

County _____

Min. Royalty

Date Filed: 06/10/2024

Commissioner Dawn Buckingham, M.D.

By: AC