

ODA #4

MF111133

NumL 9591
 INUT 12177
 INUT 12180
 #06763

State Lease	Control	Base File	County
MF111133	07-032702	88731	CULBERSON
MF111133	07-032711	126081	CULBERSON
MF111133	07-032720	88732	CULBERSON
MF111133	07-032800	135674	CULBERSON

Survey PUBLIC SCHOOL LAND
 Block 113
 Block Name
 Township
 Section/Tract 8, 9, 19, 20, 24
 Land Part
 Part Description
 Acres 3040
 Depth Below Depth Above Depth Other

Leasing: DR
 Analyst: DR
 Maps: mc
 GIS: 76

Name LEGEND NATURAL GAS IV, LP
 Lease Date 5/25/2010
 Primary Term 5 yrs
 Bonus (\$) \$0.00
 Rental (\$) \$0.00
 Lease Royalty 0.0000



CAUTION

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

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

Thank you for your assistance.

Archives and Records Staff

ATTENTION FILE USERS!
 This file has been placed in table of contents order.
 RETURN TO VAULT WITH DOCUMENTS IN ORDER!

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scanned sm	3/13/2017		
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See # 27 in M-111132 For 2017 Plan of Dev. for Horseshoe Springs State Unit ODA #4			
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See # 34 & 37 in M-111132 For the 2018 Plan of Dev. & 2nd Add to Horseshoe Springs State Unit			
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31. Division Order	7-20-18		
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Contents of Mineral File Number: MF 11133

33. NUML 9591 Sec. 9, B1K113	10/23/18	Keep MF 11132 #46. Clarification And Correction of Amended Unit Agreement
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34. Final As Drilled Plat API 109-33228	11/11/19	#06763 Horseshoe Springs State
35. Division Order	1/18/19	Unit 4/24/23
Scanned	PJ	2-7-2019
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Sec #41 in M-111132 For the 2019 Plan of Dev.		(See MF 11132 #47
For the Horseshoe Springs State Unit ODA #4		Surface Damages 5/12/23
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37. Recon Billing	8/16/2021	Retained Tracts Horseshoe Springs State)
38. Recon Billing	8/16/2021	Scanned WM 2-27-2024
39. Recon Billing	8/16/2021	
Scanned	JG	8-18-21
40. Damages Pmt	10/8/21	
41. Damages Pmt	10/8/21	
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(See MF 113061 #55		
Surface Damages	1-28-22	
Scanned	JG	1/31/2022
42. Surface Damages	3-11-22	
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44. Surface Damages	3-11-22	
Scanned	JG	3/15/2022
45. iNut 12177-API 42-109-33685	11/16/22	
46. iNut 12180-API 42-109-33686	11/16/22	
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DIVISION ORDER		
47.	1/25/2023	
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New
Clay Johnson Oil & Gas Properties
203 W. WALL, SUITE 202, MIDLAND, TEXAS 79701 *(432) 684-4110 FAX (432) 684-5166

May 18, 2010

GENERAL LAND OFFICE

Mr. Drew Reed
Stephen F. Austin Bldg.
1700 North Congress Ave.
Austin, TX 78701

Re: Approval Request, Oil and Gas Lease,
Mary Jane Barron, Culberson County, Texas

Dear Drew:

The Deed Records of Culberson County, Texas indicate that Mary Jane Barron owns an undivided ~~88~~ surface interest under the following mineral classified lands in Culberson County, Texas: $\frac{1}{4}$

Block 114, PSL Survey

Sections 12, 13, 22, 23 & 24 for 3,200 acres

Block 113, PSL Survey

Parts of Sections 8 & 9, all of Sections 19, 20 & 24 for 3,404 acres

Block 111, PSL

All of Section 1 and part of Sections 4 & 5 for 1,175.9 acres

$\left\{ \begin{array}{l} 7,779.9 \text{ gross ac} \\ 1,944.975 \text{ net ac} \end{array} \right.$

A trade has recently been made for an Oil and Gas Lease covering the above interest based on the following terms: \$425.00 per net mineral acre for bonus consideration, $\frac{1}{4}$ th royalty for a Five (5) year term with escalated rentals of \$425.00 per acre for the ~~third~~ ^{fourth} year rentals. This offer is based on the fact that the rentals have not been paid for the last Oil and Gas Lease covering these lands.

If you have any questions please advise. Your prompt and favorable response will be greatly appreciated. Thank you for your time and consideration on this matter.

Respectfully,

Mary Kay Brasuel

1.
File No. MF111133

Letter

Date Filed: 5/18/10
Jerry Patterson, Commissioner

By [Signature]

RAL REVIEW SHEET

Transaction # 6876

Geologist: R.W.

Lessor: Barron, Mary Jane

Lease Date: 5/25/2010

UI: ☐

Lessee: Legend Natural Gas IV, LP

Gross Acres: 3040

Net Acres: 760

LEASE DESCRIPTION

County	PIN#	Base File No	Part	Sec.	Block	Twp	Survey	Abst#
CULBERSON	07-032702	88731		8	113	00	PUBLIC SCHOOL LAND	1988
CULBERSON	07-032711	126081		9	113	00	PUBLIC SCHOOL LAND	4422
CULBERSON	07-032720	88732		9	113	00	PUBLIC SCHOOL LAND	1989
CULBERSON	07-032800	135674		19	113	00	PUBLIC SCHOOL LAND	5122
CULBERSON	07-032819	100587		20	113	00	PUBLIC SCHOOL LAND	1849

TERMS OFFERED

Primary Term: 5 years

Bonus/Acre: \$423.00

Rental/Acre: \$1.00

Royalty: 1/4

TERMS RECOMMENDED

Primary Term: 5 years

Bonus/Acre: \$423.00

Rental/Acre: \$1.00

Royalty: 1/4

COMPARISONS

MF #	Lessee	Date	Term	Bonus/Ac.	Rental/Ac.	Royalty	Distance
							Last Lease
MF106578	Clay Johnson	5/31/2006	5 years	\$75.00	\$1.00	1/5	
MF109592	Hallwood Energy, II, LP	7/28/2008	3 years	\$400.00	\$1.00	1/4	ADJACENT UI
							ADJACENT SO

Comments: 07-032855.Paid up rentals years 2 & 3. \$423.00 plus 2.00) 4th to be 425.00 paying up 5th.

Approved: _____

Thursday, August 05, 2010

5/24/10

RAL REVIEW SHEET

Transaction #

~~6794~~

Geologist:

R. Widmayer

Lessor:

Barron, Mary Jane

Lease Date:

5/19/2010

UL



Lessee:

Clay Johnson Oil & Gas Properties

Gross Acres:

~~7779.9~~

Net Acres:

~~4944.975~~

LEASE DESCRIPTION

MF 111133 - see 3rd pg

County	PIN#	Base File No	Part	Sec.	Block	Twp	Survey	Abst#
CULBERSON	07-032980	135675		2	114	00	PUBLIC SCHOOL LAND	5123
CULBERSON	07-032999	135676		13	114	00	PUBLIC SCHOOL LAND	5124
CULBERSON	07-033088	135677		23	114	00	PUBLIC SCHOOL LAND	5125
CULBERSON	07-033097	135678		23	114	00	PUBLIC SCHOOL LAND	5126
CULBERSON	07-033104	135679		24	114	00	PUBLIC SCHOOL LAND	5127

TERMS OFFERED

Primary Term:

5 years

Bonus/Acre:

\$423.00

Rental/Acre:

\$1.00

Royalty:

1/4

TERMS RECOMMENDED

Primary Term

5 years

Bonus/Acre

\$423.00

Rental/Acre

\$1.00

Royalty

1/4

COMPARISONS

MF #	Lessee	Date	Term	Bonus/Ac.	Rental/Ac.	Royalty	Distance
MF106578	Clay Johnson	5/31/2006	5 years	\$75.00	\$1.00	1/5	Last Lease
MF109592	Hallwood Energy, II, LP	7/28/2008	3 years	\$400.00	\$1.00	1/4	Adjacent - UI
Pending	Devon Energy	5-6-2010	5 yrs	\$421.00	\$1.00	1/4	Adjacent South

Comments:

See lease for balance of property. Paid up rentals for the 2nd and 3rd years (\$423.00 plus \$2.00). 4th year rental will be \$425.00 per acre and will pay up the 5th year.

Approved:

M 5-24-10

RELINQUISHMENT ACT LEASE APPLICATION

Texas General Land Office

Jerry Patterson, Commissioner

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

DATE: 21-May-10

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

Applicant:	Clay Johnson Oil & Gas Properties	County:	CULBERSON
Prim. Term:	5 years	Bonus/Acre	\$423.00
Royalty:	1/4	Rental/Acre	\$1.00

Consideration

Recommended: TH Date: 5-24-10

Not Recommended: _____

Comments: See lease for balance of property. Paid up rentals for the 2nd and 3rd years (\$423.00 plus \$2.00). 4th year rental will be \$425.00 per acre and will pay up the 5th year.

✓ Lease Form

Recommended: RJH Date: 6/07/10

Not Recommended: _____

Comments:

Louis Renaud, Deputy Commissioner Date: 6/9/10

Recommended: CCR

Not Recommended: _____

Bill Warnick, General Counsel Date: 6/10/10

Recommended: WW

Not Recommended: _____

Larry Laine, Chief Clerk Date: 6/6/10

Approved: [Signature]

Not Approved: _____

Jerry Patterson, Commissioner Date: 6/15/10

Approved: [Signature]

Not Approved: _____

07-032980 - Sec. 12 - Bkt. 114
 07-032999 - Sec. 13 - Bkt. 114
 07-033088 - Sec. ~~13~~ - Bkt. 114
 07-033097 - Sec. 23 -
 07-033104 - Sec. 24 -
 07-032702 - Sec. 8 - Bkt. 113
 07-032711 - Sec. 9 - Bkt. 113 - NE/4
 07-032720 - Sec. 9 - Bkt. 113 - S/2 + NW/4
 07-032800 - Sec. 19 - Bkt. 113
 07-032819 - Sec. 20 -
 07-032855 - Sec. 24 -
 07-032249 - Sec. 1 - Bkt. 111
 07-032267 - Sec. 4 - Bkt. 111 - N/2 + S/2/4 + N/2 + S/2/4
 07-032276 - Sec. 4 - Bkt. 111 - SE/4 & SE
 07-032285 - Sec. 5, Bkt. 111

ME 11138

2.

File No. MF 111133

RAA Review

Date Filed: 5/24/10

Jerry Patterson, Commissioner

By JP

Clay Johnson Oil & Gas Properties

203 WEST WALL, SUITE 202* MIDLAND, TEXAS 79701 *(432) 684-4110* FAX (432) 684-5166



AAPL-CPL

May 27, 2010

GENERAL LAND OFFICE

Mr. Drew Reed
Stephen F. Austin Bldg.
1700 North Congress Ave.
Austin, TX 78701

Re: Approval Request, Oil and Gas Lease,
Block 114, PSL Survey
Sections 12, 13, 22, 23 & 24 for 3,200 acres
Block 113, PSL Survey
Parts of Sections 8 & 9, all of Sections 19, 20 & 24 for 3,404 acres
Block 111, PSL
All of Section 1 and part of Sections 4 & 5 for 1,175.9 acres
Culberson County, Texas

Dear Drew:

The Deed Records of Culberson County, Texas indicate that Mary Jane Barron owns an undivided 1/4 surface interest under the above referenced mineral classified lands.

A trade has recently been made for an Oil and Gas Lease covering the above interest based on the following terms: \$425.00 per net mineral acre for bonus consideration, 1/4th royalty for a Five (5) year lease, with escalated rentals for the fourth year at \$425.00 per acre.

I have enclosed copies of these lease for the approval of the General Land Office, as well as a personal check in the amount of \$100.00 for the States processing fee.

If you have any questions please advise. Your prompt and favorable response will be greatly appreciated. Thank you for your time and consideration on this matter.

Respectfully,

A handwritten signature in dark ink that reads "M. K. Brasuel". The signature is written in a cursive, flowing style.

Mary Kay Brasuel

Enclosures:

3,
File No. MF 111133

Lott

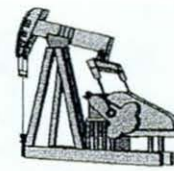
Date Filed: 5/27/10

Jerry Patterson, Commissioner

By [Signature]

Clay Johnson Oil & Gas Properties

203 WEST WALL, SUITE 202* MIDLAND, TEXAS 79701 *(432) 684-4110* FAX (432) 684-5166



AAPL-CPL

June 11, 2010

GENERAL LAND OFFICE

Mr. Drew Reid
Stephen F. Austin Bldg.
1700 North Congress Ave.
Austin, TX 78701

Re: Relinquishment Act Leases
Culberson County, Texas

Dear Drew:

Find enclosed for your files and further handling a certified file stamped copy of the following described Relinquishment Act Oil and Gas Leases and bonus checks:

- 1) Oil and Gas Lease dated May 25, 2010, by and between The State of Texas, acting by and through its agent, Mary Jane Barron, Individually and as Trustee of the Mary Jane Barron Revocable Living Trust, as Lessor and Legend Natural Gas IV, LP, as Lessee, file stamped #65560, Culberson County, Texas.
- 2) Oil and Gas Lease dated May 25, 2010, by and between The State of Texas, acting by and through its agent, Mary Jane Barron, Individually and as Trustee of the Mary Jane Barron Revocable Living Trust, as Lessor and Legend Natural Gas IV, LP, as Lessee, file stamped #65561, Culberson County, Texas.
- 3) Oil and Gas Lease dated May 25, 2010, by and between The State of Texas, acting by and through its agent, Mary Jane Barron, Individually and as Trustee of the Mary Jane Barron Revocable Living Trust, as Lessor and Legend Natural Gas IV, LP, as Lessee, file stamped #65562, Culberson County, Texas.

Also enclosed is Legend Natural Gas IV, LP check no. 1564 in the amount of \$393,969.69 as payment for the State's 1/2 bonus due for the above leases. To cover the required filing fees for handling this matter find enclosed Clay Johnson Check in the amount of \$75.00 made payable to the order of General Land Office - State of Texas.

Respectfully

Mary Kay Brasuel

Enclosures:

4.

File No. MF111133

Letter

Date Filed: 6/11/10

Jerry Patterson, Commissioner

By [Signature]

OIL AND GAS LEASE

THIS AGREEMENT is made and entered into this 25th day of May, 2010, between the State of Texas, acting by and through its agent, **Mary Jane Barron, Individually and as Trustee of the Mary Jane Barron Revocable Living Trust**

of 10 Rio Bonito Circle, Roswell, New Mexico 88201

agent

said

(Give Permanent Address)

herein referred to as the owner of the soil (whether one or more), and **LEGEND NATURAL GAS IV, LP**

of 410 W. Grand Parkway South, Suite 400
Katy, Texas 77494

(Give Permanent Address)

hereinafter called Lessee.

1. GRANTING CLAUSE For and in consideration of the amounts stated below and of the covenants and agreements to be paid, kept and performed by Lessee under this lease, the State of Texas acting by and through the owner of the soil, hereby grants, leases and lets unto Lessee, for the sole and only purpose of prospecting and drilling for and producing oil and gas, laying pipe lines, building tanks, storing oil and building power Stations, telephone lines and other Structures thereon, to produce, save, take care of, treat and transport said products of the lease, the following lands situated in Culberson County, State of Texas, to-wit:

Block 113, Public School Land Survey

A-1986 Section 8: All, save and except that portion of the Bexar Preemption Survey 199 lying within the boundaries of Section 8
A-1986 Section 9: All, save and except that portion of the Bexar Preemption Survey 199 lying within the boundaries of Section 9
Section 19: All A-5127
Section 20: All A-1849
Section 24: All A-1854

Containing 3,040.00 acres, more or less. The bonus consideration paid for this lease is as follows:

To the State of Texas: One Hundred Sixty-one Thousand Five Hundred and No/100-----
Dollars (\$ 161,500.00)

To the owner of the soil: One Hundred Sixty-one Thousand Five Hundred and No/100-----
Dollars (\$ 161,500.00)

Total bonus consideration: Three Hundred Twenty-three Thousand and No/100-----
Dollars (\$ 323,000.00)

The total bonus consideration paid represents a bonus of Four Hundred Twenty-five and No/100-----
Dollars (\$ 425.00) per acre, on 760.00 net acres.

2. TERM. Subject to the other provisions in this lease, this lease shall be for a term of Five (5) years from this date (herein called primary term") and as long thereafter as oil and gas, or either of them, is produced in paying quantities from said land. As used in this lease, the term "produced in paying quantities" means that the receipts from the sale or other authorized commercial use of the substance(s) covered exceed out of pocket operational expenses for the six months last past.

3. DELAY RENTALS. If no well is commenced on the leased premises on or before one (1) year from this date, this lease shall terminate, unless on or before such anniversary date Lessee shall pay or tender to the owner of the soil or to his credit in the Pay direct to Lessor at the above address Bank, at _____, or its successors (which shall continue as the depository regardless of changes in the ownership of said land), the amount specified below; in addition, Lessee shall pay or tender to the COMMISSIONER OF THE GENERAL LAND OFFICE OF THE STATE OF TEXAS, AT AUSTIN, TEXAS, a like sum on or before said date. Payments under this paragraph shall operate as a rental and shall cover the privilege of deferring the commencement of a well for one (1) year from said date. Payments under this paragraph shall be in the following amounts:

To the owner of the soil: Three Hundred Eighty and No/100-----
Dollars (\$ 380.00 *)

To the State of Texas: Three Hundred Eighty and No/100-----
Dollars (\$ 380.00 *)

Total Rental: Seven Hundred Sixty and No/100-----
Dollars (\$ 760.00 **)

A CERTIFIED COPY
IF IT BEARS THE SEAL OF THE COUNTY CLERK
ATTEST: 6-2-2010



LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS

BY [Signature] DEPUTY

(* ** See attached Exhibit "A" for Amended Delay Rental Provision)

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

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

(A) **OIL.** Royalty payable on oil, which is defined as including all hydrocarbons produced in a liquid form at the mouth of the well and also as all condensate, distillate, and other liquid hydrocarbons recovered from oil or gas run through a separator or other equipment, as hereinafter provided, shall be 1/4th part of the gross production or the market value thereof, at the option of the owner of the soil or the Commissioner of the General Land Office, such value to be determined by 1) the highest posted price, plus premium, if any, offered or paid for oil, condensate, distillate, or other liquid hydrocarbons, respectively, of a like type and gravity in the general area where produced and when run, or 2) the highest market price thereof offered or paid in the general area where produced and when run, or 3) the gross proceeds of the sale thereof, whichever is the greater. Lessee agrees that before any gas produced from the leased premises is sold, used or processed in a plant, it will be run free of cost to the royalty owners through an adequate oil and gas separator of conventional type, or other equipment at least as efficient, so that all liquid hydrocarbons recoverable from the gas by such means will be recovered. The requirement that such gas be run through a separator or other equipment may be waived in writing by the royalty owners upon such terms and conditions as they prescribe.

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

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

(D) **OTHER PRODUCTS.** Royalty on carbon black, sulphur or any other products produced or manufactured from gas (excepting liquid hydrocarbons) whether said gas be casinghead, "dry," or any other gas, by fractionating, burning or any other processing shall be 1/4th part of the gross production of such products, or the market value thereof, at the option of the owner of the soil or the Commissioner of the General Land Office, such market value to be determined as follows: 1) on the basis of the highest market price of each product for the same month in which such product is produced, or 2) on the basis of the average gross sale price of each product for the same month in which such products are produced; whichever is the greater.

5. **MINIMUM ROYALTY.** During any year after the expiration of the primary term of this lease, if this lease is maintained by production, the royalties paid under this lease in no event shall be less than an amount equal to the total annual delay rental herein provided; otherwise, there shall be due and payable on or before the last day of the month succeeding the anniversary date of this lease a sum equal to the total annual rental less the amount of royalties paid during the preceding year. If Paragraph 3 of this lease does not specify a delay rental amount, then for the purposes of this paragraph, the delay rental amount shall be one dollar (\$1.00) per acre.

A CERTIFIED COPY
IF IT BEARS THE SEAL OF THE COUNTY CLERK
ATTEST: 6-2-2010
LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS
BY [Signature] DEPUTY



6. **ROYALTY IN KIND.** Notwithstanding any other provision in this lease, at any time or from time to time, the owner of the soil or the Commissioner of the General Land Office may, at the option of either, upon not less than sixty (60) days notice to the holder of the lease, require that the payment of any royalties accruing to such royalty owner under this lease be made in kind. The owner of the soil's or the Commissioner of the General Land Office's right to take its royalty in kind shall not diminish or negate the owner of the soil's or the Commissioner of the General Land Office's rights or Lessee's obligations, whether express or implied, under this lease.

7. **NO DEDUCTIONS.** Lessee agrees that all royalties accruing under this lease (including those paid in kind) shall be without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, and otherwise making the oil, gas and other products hereunder ready for sale or use. Lessee agrees to compute and pay royalties on the gross value received, including any reimbursements for severance taxes and production related costs.

8. **PLANT FUEL AND RECYCLED GAS.** No royalty shall be payable on any gas as may represent this lease's proportionate share of any fuel used to process gas produced hereunder in any processing plant. Notwithstanding any other provision of this lease, and subject to the written consent of the owner of the soil and the Commissioner of the General Land Office, Lessee may recycle gas for gas lift purposes on the leased premises or for injection into any oil or gas producing formation underlying the leased premises after the liquid hydrocarbons contained in the gas have been removed; no royalties shall be payable on the recycled gas until it is produced and sold or used by Lessee in a manner which entitles the royalty owners to a royalty under this lease.

9. **ROYALTY PAYMENTS AND REPORTS.** All royalties not taken in kind shall be paid to the Commissioner of the General Land Office at Austin, Texas, in the following manner:

Payment of royalty on production of oil and gas shall be as provided in the rules set forth in the Texas Register. Rules currently provide that royalty on oil is due and must be received in the General Land Office on or before the 5th day of the second month succeeding the month of production, and royalty on gas is due and must be received in the General Land Office on or before the 15th day of the second month succeeding the month of production, accompanied by the affidavit of the owner, manager or other authorized agent, completed in the form and manner prescribed by the General Land Office and showing the gross amount and disposition of all oil and gas produced and the market value of the oil and gas, together with a copy of all documents, records or reports confirming the gross production, disposition and market value including gas meter readings, pipeline receipts, gas line receipts and other checks or memoranda of amount produced and put into pipelines, tanks, or pools and gas lines or gas storage, and any other reports or records which the General Land Office may require to verify the gross production, disposition and market value. In all cases the authority of a manager or agent to act for the Lessee herein must be filed in the General Land Office. Each royalty payment shall be accompanied by a check stub, schedule, summary or other remittance advice showing by the assigned General Land Office lease number the amount of royalty being paid on each lease. If Lessee pays his royalty on or before thirty (30) days after the royalty payment was due, then Lessee owes a penalty of 5% on the royalty or \$25.00, whichever is greater. A royalty payment which is over thirty (30) days late shall accrue a penalty of 10% of the royalty due or \$25.00 whichever is greater. In addition to a penalty, royalties shall accrue interest at a rate of 12% per year, such interest will begin 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.

10. (A) **RESERVES, CONTRACTS AND OTHER RECORDS.** Lessee shall annually furnish the Commissioner of the General Land Office with its best possible estimate of oil and gas reserves underlying this lease or allocable to this lease and shall furnish said Commissioner with copies of all contracts under which gas is sold or processed and all subsequent agreements and amendments to such contracts within thirty (30) days after entering into or making such contracts, agreements or amendments. Such contracts and agreements when received by the General Land Office shall be held in confidence by the General Land Office unless otherwise authorized by Lessee. All other contracts and records pertaining to the production, transportation, sale and marketing of the oil and gas produced on said premises, including the books and accounts, receipts and discharges of all wells, tanks, pools, meters, and pipelines shall at all times be subject to inspection and examination by the Commissioner of the General Land Office, the Attorney General, the Governor, or the representative of any of them.

(B) **PERMITS, DRILLING RECORDS.** Written notice of all operations on this lease shall be submitted to the Commissioner of the General Land Office by Lessee or operator five (5) days before spud date, workover, re-entry, temporary abandonment or plug and abandonment of any well or wells. Such written notice to the General Land Office shall include copies of Railroad Commission forms for application to drill. Copies of well tests, completion reports and plugging reports shall be supplied to the General Land Office at the time they are filed with the Texas Railroad Commission. All applications, permits, reports or other filings that reference this lease or any specific well on the leased premises and that are submitted to the Texas Railroad Commission or any other governmental agency shall include the word "State" in the title. Additionally, in accordance with Railroad Commission rules, any signage on the leased premises for the purpose of identifying wells, tank batteries or other associated improvements to the land must also include the word "State." Lessee shall supply the General Land Office with any records, memoranda, accounts, reports, cuttings and cores, or other information relative to the operation of the above described premises, which may be requested by the General Land Office, in addition to those herein expressly provided for. Lessee shall have an electrical and/or radioactivity survey made on the bore-hole section, from the base of the surface casing to the total depth of well, of all wells drilled on the above described premises and shall transmit a true copy of the log of each survey on each well to the General Land Office within fifteen (15) days after the making of said survey.



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

11. DRY HOLE/CESSATION OF PRODUCTION DURING PRIMARY TERM. If, during the primary term hereof and prior to discovery and production of oil or gas on said land, Lessee should drill a dry hole or holes thereon, or if during the primary term hereof and after the discovery and actual production of oil or gas from the leased premises such production thereof should cease from any cause, this lease shall not terminate if on or before the expiration of sixty (60) days from date of completion of said dry hole or cessation of production Lessee commences additional drilling or reworking operations thereon, or pays or tenders the next annual delay rental in the same manner as provided in this lease. If, during the last year of the primary term or within sixty (60) days prior thereto, a dry hole be completed and abandoned, or the production of oil or gas should cease for any cause, Lessee's rights shall remain in full force and effect without further operations until the expiration of the primary term; and if Lessee has not resumed production in paying quantities at the expiration of the primary term, Lessee may maintain this lease by conducting additional drilling or reworking operations pursuant to Paragraph 13, using the expiration of the primary term as the date of cessation of production under Paragraph 13. Should the first well or any subsequent well drilled on the above described land be completed as a shut-in oil or gas well within the primary term hereof, Lessee may resume payment of the annual rental in the same manner as provided herein on or before the rental paying date following the expiration of sixty (60) days from the date of completion of such shut-in oil or gas well and upon the failure to make such payment, this lease shall ipso facto terminate. If at the expiration of the primary term or any time thereafter a shut-in oil or gas well is located on the leased premises, payments may be made in accordance with the shut-in provisions hereof.

12. DRILLING AND REWORKING AT EXPIRATION OF PRIMARY TERM. If, at the expiration of the primary term, neither oil nor gas is being produced on said land, but Lessee is then engaged in drilling or reworking operations thereon, this lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted in good faith and in workmanlike manner without interruptions totaling more than sixty (60) days during any one such operation, and if they result in the production of oil and/or gas, so long thereafter as oil and/or gas is produced in paying quantities from said land, or payment of shut-in oil or gas well royalties or compensatory royalties is made as provided in this lease.

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

14. SHUT-IN ROYALTIES. For purposes of this paragraph, "well" means any well that has been assigned a well number by the state agency having jurisdiction over the production of oil and gas. If, at any time after the expiration of the primary term of a lease that, until being shut in, was being maintained in force and effect, a well capable of producing oil or gas in paying quantities is located on the leased premises, but oil or gas is not being produced for lack of suitable production facilities or lack of a suitable market, then Lessee may pay as a shut-in oil or gas royalty an amount equal to double the annual rental provided in the lease, but not less than \$1,200 a year for each well capable of producing oil or gas in paying quantities. If Paragraph 3 of this lease does not specify a delay rental amount, then for the purposes of this paragraph, the delay rental amount shall be one dollar (\$1.00) per acre. To be effective, each initial shut-in oil or gas royalty must be paid on or before: (1) the expiration of the primary term, (2) 60 days after the Lessee ceases to produce oil or gas from the leased premises, or (3) 60 days after Lessee completes a drilling or reworking operation in accordance with the lease provisions; whichever date is latest. Such payment shall be made one-half (1/2) to the Commissioner of the General Land Office and one-half (1/2) to the owner of the soil. If the shut-in oil or gas royalty is paid, the lease shall be considered to be a producing lease and the payment shall extend the term of the lease for a period of one year from the end of the primary term, or from the first day of the month following the month in which production ceased, and, after that, if no suitable production facilities or suitable market for the oil or gas exists, Lessee may extend the lease for four more successive periods of one (1) year by paying the same amount each year on or before the expiration of each shut-in year.

15. COMPENSATORY ROYALTIES. If, during the period the lease is kept in effect by payment of the shut-in oil or gas royalty, oil or gas is sold and delivered in paying quantities from a well located within one thousand (1,000) feet of the leased premises and completed in the same producing reservoir, or in any case in which drainage is occurring, the right to continue to maintain the lease by paying the shut-in oil or gas royalty shall cease, but the lease shall remain effective for the remainder of the year for which the royalty has been paid. The Lessee may maintain the lease for four more successive years by Lessee paying compensatory royalty at the royalty rate provided in the lease of the market value of production from the well causing the drainage or which is completed in the same producing reservoir and within one thousand (1,000) feet of the leased premises. The compensatory royalty is to be paid monthly, one-half (1/2) to the Commissioner of the General Land Office and one-half (1/2) to the owner of the soil, beginning on or before the last day of the month following the month in which the oil or gas is produced from the well causing the drainage or that is completed in the same producing reservoir and located within one thousand (1,000) feet of the leased premises. If the compensatory royalty paid in any 12-month period is 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. Compensatory royalty payments

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LINDA M. DONN, COUNTY CLERK
CULBERSON COUNTY, TEXAS

BY *Linda M. Donn* DEPUTY

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which are not timely paid will accrue penalty and interest in accordance with Paragraph 9 of this lease. None of these provisions will relieve Lessee of the obligation of reasonable development nor the obligation to drill offset wells as provided in Texas Natural Resources Code 52.173; however, at the determination of the Commissioner, and with the Commissioner's written approval, the payment of compensatory royalties can satisfy the obligation to drill offset wells.

16. **RETAINED ACREAGE.** Notwithstanding any provision of this lease to the contrary, after a well producing or capable of producing oil or gas has been completed on the leased premises, Lessee shall exercise the diligence of a reasonably prudent operator in drilling such additional well or wells as may be reasonably necessary for the proper development of the leased premises and in marketing the production thereon.

(A) **VERTICAL.** In the event this lease is in force and effect two (2) years after the expiration date of the primary or extended term it shall then terminate as to all of the leased premises, EXCEPT (1) 40 acres surrounding each oil well capable of producing in paying quantities and 320 acres surrounding each gas well capable of producing in paying quantities (including a shut-in oil or gas well as provided in Paragraph 14 hereof), or a well upon which Lessee is then engaged in continuous drilling or reworking operations, or (2) the number of acres included in a producing pooled unit pursuant to Texas Natural Resources Code 52.151-52.153, 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. If at any time after the effective date of the partial termination provisions hereof, the applicable field rules are changed or the well or wells located thereon are reclassified so that less acreage is thereafter allocated to said well or wells for production purposes, this lease shall thereupon terminate as to all acreage not thereafter allocated to said well or wells for production purposes. Notwithstanding the termination of this lease as to a portion of the lands covered hereby, Lessee shall nevertheless continue to have the right of ingress to and egress from the lands still subject to this lease for all purposes described in Paragraph 1 hereof, together with easements and right-of-ways for existing roads, existing pipelines and other existing facilities on, over and across all the lands described in Paragraph 1 hereof ("the retained lands"), for access to and from the retained lands and for the gathering or transportation of oil, gas and other minerals produced from the retained lands.

(B) **HORIZONTAL.** In the event this lease is in force and effect two (2) years after the expiration date of the primary or extended term it shall further terminate as to all depths below 100 feet below the total depth drilled (hereinafter "deeper depths") in each well located on acreage retained in Paragraph 16(A) above, unless on or before two (2) years after the primary or extended term Lessee pays an amount equal to one-half (1/2) of the bonus originally paid as consideration for this lease (as specified on page 1 hereof). If such amount is paid, this lease shall be in force and effect as to such deeper depths, and said termination shall be delayed for an additional period of two (2) years and so long thereafter as oil or gas is produced in paying quantities from such deeper depths covered by this lease.

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

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

18. **FORCE MAJEURE.** If, after a good faith effort, Lessee is prevented from complying with any express or implied covenant of this lease, from conducting drilling operations on the leased premises, or from producing oil or gas from the leased premises by reason of war, rebellion, riots, strikes, acts of God, or any valid order, rule or regulation of government authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended and Lessee shall not be liable for damages for failure to comply with such covenants; additionally, this lease shall be extended while Lessee is prevented, by any such cause, from conducting drilling and reworking operations or from producing oil or gas from the leased premises. However, nothing in this paragraph shall suspend the payment of delay rentals in order to maintain this lease in effect during the primary term in the absence of such drilling or reworking operations or production of oil or gas.

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

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

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

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

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

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

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

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

25. **POLLUTION.** In developing this area, Lessee shall use the highest degree of care and all proper safeguards to prevent pollution. Without limiting the foregoing, pollution of coastal wetlands, natural waterways, rivers and impounded water shall be prevented by the use of containment facilities sufficient to prevent spillage, seepage or ground water contamination. In the event of pollution, Lessee shall use all means at its disposal to recapture all escaped hydrocarbons or other pollutant and shall be responsible for all damage to public and private properties. Lessee shall build and maintain fences around its slush, sump, and drainage pits and tank batteries so as to protect livestock against loss, damage or injury; and upon completion or abandonment of any well or wells, Lessee shall fill and level all slush pits and cellars and completely clean up the drilling site of all rubbish thereon. Lessee shall, while conducting operations on the leased premises, keep said premises free of all rubbish, cans, bottles, paper cups or garbage, and upon completion of operations shall restore the surface of the land to as near its original condition and contours as is practicable. Tanks and equipment will be kept painted and presentable.

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

27. (A) **ASSIGNMENTS.** Under the conditions contained in this paragraph and Paragraph 29 of this lease, the rights and estates of either party to this lease may be assigned, in whole or in part, and the provisions of this lease shall extend to and be binding upon their heirs, devisees, legal representatives, successors and assigns. However, a change or division in ownership of the land, rentals, or royalties will not enlarge the obligations of Lessee, diminish the rights, privileges and estates of Lessee, impair the effectiveness of any payment made by Lessee or impair the effectiveness of any act performed by Lessee. And no change or division in ownership of the land, rentals, or royalties shall bind Lessee for any purpose until thirty (30) days after the owner of the soil (or his heirs, devisees, legal representatives or assigns) furnishes the Lessee with satisfactory written evidence of the change in ownership, including the original recorded muniments of title (or a certified copy of such original) when the ownership changed because of a conveyance. A total or partial assignment of this lease shall, to the extent of the interest assigned, relieve and discharge Lessee of all subsequent obligations under this lease. If this lease is assigned in its entirety as to only part of the acreage, the right and option to pay rentals shall be apportioned as between the several owners ratably, according to the area of each, and failure by one or more of them to

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pay his share of the rental shall not affect this lease on the part of the land upon which pro rata rentals are timely paid or tendered; however, if the assignor or assignee does not file a certified copy of such assignment in the General Land Office before the next rental paying date, the entire lease shall terminate for failure to pay the entire rental due under Paragraph 3. Every assignee shall succeed to all rights and be subject to all obligations, liabilities, and penalties owed to the State by the original lessee or any prior assignee of the lease, including any liabilities to the State for unpaid royalties.

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

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

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

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

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

31. **FIDUCIARY DUTY.** The owner of the soil owes the State a fiduciary duty and must fully disclose any facts affecting the State's interest in the leased premises. When the interests of the owner of the soil conflict with those of the State, the owner of the soil is obligated to put the State's interests before his personal interests.

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

33. **LIEN.** In accordance with Texas Natural Resources Code 52.136, the State shall have a first lien upon all oil and gas produced from the area covered by this lease to secure payment of all unpaid royalty and other sums of money that may become due under this lease. By acceptance of this lease, Lessee grants the State, in addition to the lien provided by Texas Natural Resources Code 52.136 and any other applicable statutory lien, an express contractual lien on and security interest in all leased minerals in and extracted from the leased premises, all proceeds which may accrue to Lessee from the sale of such leased minerals, whether such proceeds are held by Lessee or by a third party, and all fixtures on and improvements to the leased premises used in connection with the production or processing of such leased minerals in order to secure the payment of all royalties or other amounts due or to become due under this lease and to secure payment of any damages or loss that Lessor may suffer by reason of Lessee's breach of any covenant or condition of this lease, whether express or implied. This lien and security interest may be foreclosed with or without court

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LINDA M. DONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS

[Signature]

proceedings in the manner provided in the Title I, 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.

34. **POOLING.** Lessee is hereby granted the right to pool or unitize the royalty interest of the owner of the soil under this lease with any other leasehold or mineral interest for the exploration, development and production of oil or gas or either of them upon the same terms as shall be approved by the School Land Board and the Commissioner of the General Land Office for the pooling or unitizing of the interest of the State under this lease pursuant to Texas Natural Resources Code 52.151-52.153. The owner of the soil agrees that the inclusion of this provision in this lease satisfies the execution requirements stated in Texas Natural Resources Code 52.152.

35. **INDEMNITY.** Lessee hereby releases and discharges the State of Texas and the owner of the soil, their officers, employees, partners, agents, contractors, subcontractors, guests, invitees, and their respective successors and assigns, of and from all and any actions and causes of action of every nature, or other harm, including environmental harm, for which recovery of damages is sought, including, but not limited to, all losses and expenses which are caused by the activities of Lessee, its officers, employees, and agents arising out of, incidental to, or resulting from, the operations of or for Lessee on the leased premises hereunder, or that may arise out of or be occasioned by Lessee's breach of any of the terms or provisions of this Agreement, or by any other negligent or strictly liable act or omission of Lessee. Further, Lessee hereby agrees to be liable for, exonerate, indemnify, defend and hold harmless the State of Texas and the owner of the soil, their officers, employees and agents, their successors or assigns, against any and all claims, liabilities, losses, damages, actions, personal injury (including death), costs and expenses, or other harm for which recovery of damages is sought, under any theory including tort, contract, or strict liability, including attorneys' fees and other legal expenses, including those related to environmental hazards, on the leased premises or in any way related to Lessee's failure to comply with any and all environmental laws; those arising from or in any way related to Lessee's operations or any other of Lessee's activities on the leased premises; those arising from Lessee's use of the surface of the leased premises; and those that may arise out of or be occasioned by Lessee's breach of any of the terms or provisions of this Agreement or any other act or omission of Lessee, its directors, officers, employees, partners, agents, contractors, subcontractors, guests, invitees, and their respective successors and assigns. Each assignee of this Agreement, or an interest therein, agrees to be liable for, exonerate, indemnify, defend and hold harmless the State of Texas and the owner of the soil, their officers, employees, and agents in the same manner provided above in connection with the activities of Lessee, its officers, employees, and agents as described above. **EXCEPT AS OTHERWISE EXPRESSLY LIMITED HEREIN, ALL OF THE INDEMNITY OBLIGATIONS AND/OR LIABILITIES ASSUMED UNDER THE TERMS OF THIS AGREEMENT SHALL BE WITHOUT LIMITS AND WITHOUT REGARD TO THE CAUSE OR CAUSES THEREOF (EXCLUDING PRE-EXISTING CONDITIONS), STRICT LIABILITY, OR THE NEGLIGENCE OF ANY PARTY OR PARTIES (INCLUDING THE NEGLIGENCE OF THE INDENINIFIED PARTY), WHETHER SUCH NEGLIGENCE BE SOLE, JOINT, CONCURRENT, ACTIVE, OR PASSIVE.**

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

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

A CERTIFIED COPY
IF IT BEARS THE SEAL OF THE COUNTY CLERK
ATTEST: 4-2-2010



LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS

BY [Signature] DEPUTY

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

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

40. See attached Exhibit "A" for additional provisions.

LEGEND NATURAL GAS IV, LP

Carl Wimberley
Carl Wimberley, Vice President

Date: 5/28/2010

STATE OF TEXAS

BY: Mary Jane Barron
Individually and as agent for the State of Texas
**Mary Jane Barron, Individually and as Trustee of the
Mary Jane Barron Revocable Living Trust**

TAX ID NO: 585-20-3952

DATE: 5/25/10

STATE OF TEXAS

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

TAX ID NO: _____

DATE: _____

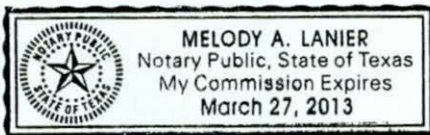
STATE OF TEXAS

COUNTY OF Harris

(CORPORATE ACKNOWLEDGMENT)

BEFORE ME, the undersigned authority, on this day personally appeared Carl Wimberley known to me to be the person whose name is subscribed to the foregoing instrument, as Vice President of Legend Natural Gas IV, LP, a Delaware limited partnership, 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 partnership.

Given under my hand and seal of office this the 28th day of May, 2010.



Melody A. Lanier
Notary Public in and for the State of TEXAS

STATE OF NEW MEXICO

COUNTY OF Chaves

(INDIVIDUAL ACKNOWLEDGMENT)

Before me, the undersigned authority, on this day personally appeared Mary Jane Barron, Individually and as Trustee of the Mary Jane Barron Revocable Living Trust known to me to be the person whose name is 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 25th day of May, 2010.

Susan L. Ralston
Notary Public in and for the State of ~~TEXAS~~ New Mexico

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

ATTEST: 6-2-2010



LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS

BY: [Signature] DEPUTY

EXHIBIT "A"

ATTACHED TO AND MADE PART OF THAT CERTAIN OIL AND GAS LEASE
DATED MAY 25, 2010, BY AND BETWEEN THE STATE OF TEXAS, ACTING BY AND
THROUGH ITS AGENT, MARY JANE BARRON, INDIVIDUALLY AND AS TRUSTEE OF THE MARY JANE
BARRON REVOCABLE LIVING TRUST, AS LESSOR, AND
LEGEND NATURAL GAS IV, LP, AS LESSEE

1. If, at the expiration of the primary term, this lease is being maintained in force under any provision of the lease, or within 180 days prior to the expiration of the primary term Lessee has completed a well as a dry hole or commenced a well on the leased premises or lands pooled therewith, or Lessee is then engaged in operations on the leased premises or lands pooled therewith, Lessee agrees to begin a continuous drilling program within 180 days after the end of the primary term or within 180 days after completion of such well or the cessation of such operations, whichever is the later date; and thereafter to carry on the continuous drilling program on the leased premises or lands pooled therewith until all proration units have been drilled, allowing not more than 180 days to elapse between the completion of one well and the commencement of the succeeding well. Should Lessee fail to begin the continuous drilling program or subsequently default in the performance thereof, then in either event, this lease shall terminate as to all lands covered hereby, save and except for the proration unit surrounding each well then producing, capable of producing or upon which operations are being conducted, limited, respectively, to those depths from the surface down to the stratigraphic equivalent of the depth 100 feet below the total depth drilled in any such proration unit. As used in this paragraph: i) the term "commission" means the Railroad Commission of the State of Texas or any successor agency, ii) the term "proration unit" means any acreage designated as a drilling unit or production unit in accordance with the rules of the commission (or any other governmental authority having jurisdiction) or any unit formed by pooling as provided in this lease or otherwise, iii) the terms "commenced" and "commencement" mean the date when a well is spudded, and iv) the terms "completed" and "completion" mean the date the initial potential test report is filed with the commission, if a productive well, or the date the plugging report is filed with the commission, if a dry hole. Notwithstanding the partial termination of this lease, Lessee shall continue to have the rights of ingress and egress across all of the leased premises to and from lands that remain subject to this lease, or lands pooled therewith, for the purposes described in paragraph 1 hereof, together with easements and rights of way for roads, pipelines, flowlines and other facilities on or across all of the leased premises for the exploration, development, production, gathering or transportation of oil, gas and other products from the lands still subject to this lease or lands pooled therewith. The sole liability or penalty for the failure of Lessee to drill any well or wells required or permitted by this lease shall be the termination or partial termination of Lessee's rights under the lease as provided above.

In conducting such continuous drilling program, Lessee shall be entitled to accumulate and later use time, if any, saved between wells, beginning with the second well under the continuous drilling program. If one well is commenced sooner than 180 days after the completion of the last preceding well, the portion of the prescribed 180 day period not used may be carried forward and added to the period between subsequent wells.

2. Amended Delay Rental Provision:

*As to any rentals that may be paid on or before the 1st, 2nd and 4th anniversary date.

In the event that delay rentals are paid on or before the 2nd anniversary date (and after the 3rd anniversary date), they shall be payable in the amount of \$380.00.

**Except that if delay rentals are paid on or before the 3rd anniversary date (and after the 2nd anniversary date), the total rental paid shall be \$323,000.00.

Notwithstanding anything herein to the contrary, Paragraph 5 (minimum royalty) and Paragraph 14 (shut-in royalty) refer to their computation to the delay rentals provided in Paragraph 3 herein. The undersigned do hereby recognize and acknowledge that minimum royalty and shut-in royalties due herein are payable in the amount of \$760.00. Of such amount, \$380.00 is payable to the owner of the soil as provided herein and \$380.00 is payable to the State of Texas as provided herein.

IF IT BEARS THE SEAL OF THE COUNTY CLERK
ATTEST: 6-2-2010



LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS

BY *[Signature]* DEPUTY

5.

File No. MF 111133
Lease
Date Filed: 6/14/10
Jerry Patterson, Commissioner
By [Signature]

THE STATE OF TEXAS

COUNTY OF CULBERSON I, Linda McDonald, Clerk of the County Court in and
for said County and State, do hereby certify that the foregoing is a true and
correct copy of Oil Lease dated 5-28-2010
1 filed for record in my office this JUNE day of JUNE
2010 at 3:08 P. M., under Clerk's File No. 65562 to be
recorded in the Oil & Gas Records of Culberson County,
Texas.

TO CERTIFY WHICH, Witness my hand and seal at Van Horn this 2
day of JUNE, 2010

By [Signature] Deputy LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS

011133

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

July 30, 2010

Carl Wimberley
Legend Natural Gas IV, LP
410 W Grand Parkway South, Suite 400
Katy, TX 77494

Re: Relinquishment Act Lease dated May 25, 2010- **MF-111133A**
760 net ac in Sec 8,9,19,20,24, Block 113, PSL Survey, Culberson Co TX
Mary Jane Barron, as Agent for the State of TX, Lessor

Dear Mr. Wimberley:

The certified copy of the Relinquishment Act lease covering the above referenced tract has been approved and filed in our records under Mineral File number **MF-111133A**. **Please refer to this number when making payments to the State and in all future correspondence concerning the lease. Failure to include the mineral file number may delay processing of any payments towards the lease.**

Your remittance of **\$161,500.00** (out of your total check of \$393,969.69) has been applied to the State's portion of the cash bonus. Please let me know if you have any questions.

Sincerely yours,

Drew Reid
Minerals Leasing
Energy Resources
(512) 475-1534
drew.reid@glo.state.tx.us

xc: Clay Johnson, 203 West Wall, Suite 202, Midland TX 79701

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

Post Office Box 12873 • Austin, Texas 78711-2873

512-463-5001 • 800-998-4GLO

www.glo.state.tx.us

6.

File No. MF 111133

SLO letter

Date Filed: 7/30/10

Jerry Patterson, Commissioner

By [Signature]

MEMO TO FILE 111133

Date: August 3, 2010

From: Harriet Dunne



Re: Lands covered by this lease in Sec 8 and 9, Block 113, PSL Survey, Culberson Co TX

Control No. 07-032702 sets out 640 acres in Sec 8, Blk 113, when actually the State has no mineral interest under the Bexar Preemption Survey 199 lying within the boundaries of Section 8.

Control Nos. 07-032711 and 07-032720 sets out 640.52 ac in Sec 9, Blk 113 when actually the state has no mineral interest under the Bexar Preemption Survey 199 lying within the boundaries of Section 9.

Drew Reid is my source for this title information.

I'll refer this to Jesse for some resolution of the gross acres in these 2 sections.

7.

File No. MF 111133
Memo to file - difference
in acreage - control noo. + lease
Date Filed: 8/3/10
Jerry E. Patterson, Commissioner
By JD

LEASE NO.	LEASE DATE	COUNTY	ST	RECORDED BOOK	PAGE	RENTAL PERIOD MOS.	BEGINNING
4005-01	05/25/10	CULBERSON	TX	101	424	12	05/25/11
MARY JANE BARRON, INDIVIDUALLY AND AS TRUSTEE						Serial # MF-111133A	
PROPERTY DESCRIPTION:							
Prospect: BONE SPRING SHALE PROSPECT							

BLOCK 113, PSL SURVEY
SECTION 8: ALL, SAVE AND EXCEPT THAT PORTION OF
THE BEXAR PREEMPTION SURVEY 199 LYING WITHIN
THE BOUNDARIES OF SECTION 8;
SECTION 9: ALL, SAVE AND EXCEPT THAT BORTION OF
THE BEXAR PREEMPTION SURVEY 199 LYING WITHIN
THE BOUNDARIES OF SECTION 9;
SECTION 19: ALL;
SECTION 20: ALL;
SECTION 24: ALL

11710905

DEPOSIT TO THE CREDIT OF:

TOTAL AMOUNT:	380.00
RENTAL AMOUNT:	380.00
BANK CHARGE:	

PAYABLE TO:
Texas General Land Office
Stephen F Austin Bldg
1700 North Congress Ave
Austin, TX 78701-1495

ACCOUNT NO.



410 W. Grand Parkway South
Suite 400
Katy, TX 77494

(281) 644-5900
Fax: (281) 644-5901

May 23, 2011

Texas General Land Office
Minerals Leasing
Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701-1495

Via Federal Express Overnight

Rental Payments for **MF111132A**, **MF111133A**, and **MF111134A**

Ladies and Gentlemen:

Enclosed, please find the following checks totaling \$926.99 to cover the rental payments for the following leases and lands:

MF111132A	800 net acres in Sec 12, 13, 22, 23, 24, Block 114, PSL Survey, Culberson County, Texas; Mary Jane Barron as Agent for the State of Texas as Lessor; Relinquishment Act Lease dated May 25, 2010
MF111133A	760 net acres in Sec 8, 9, 19, 20, 24, Block 113, PSL Survey, Culberson County, Texas; Mary Jane Barron as Agent for the State of Texas as Lessor; Relinquishment Act Lease dated May 25, 2010
MF111134A	293.975 net acres in Sec 1, 4, 5, Block 111, PSL Survey, Culberson County, Texas; Mary Jane Barron as Agent for the State of Texas as Lessor; Relinquishment Act Lease dated May 25, 2010

If you have any questions, please do not hesitate to contact me directly at (281) 644-5953 or email me at cnathanson@lng2.com.

We request that you please sign and return the additional copy of this letter in the self-addressed stamped envelope, evidencing your receipt of these payments.

Sincerely,

Coby Nathanson
Staff Attorney

RECEIVED THIS 24th DAY OF May, 2011.

BY:

TX General Land Office
[Signature]

File No. MF 111133 8.
Rental Payment -
Lease A

Date Filed: 5-24-11

Jerry E. Patterson, Commissioner

By [Signature]

LEASE NO.	LEASE DATE	COUNTY	ST	RECORDED BOOK	PAGE	RENTAL PERIOD MOS.	BEGINNING
4005-01	05/25/10	CULBERSON	TX	101	424	12	05/25/11
MARY JANE BARRON, INDIVIDUALLY AND AS TRUSTEE						Serial #	MF-111133A
PROPERTY DESCRIPTION:							
Prospect: BONE SPRING SHALE PROSPECT							

11710591

BLOCK 113, PSL SURVEY
SECTION 8: ALL, SAVE AND EXCEPT THAT PORTION OF
THE BEXAR PREEMPTION SURVEY 199 LYING WITHIN
THE BOUNDARIES OF SECTION 8;
SECTION 9: ALL, SAVE AND EXCEPT THAT BORTION OF
THE BEXAR PREEMPTION SURVEY 199 LYING WITHIN
THE BOUNDARIES OF SECTION 9;
SECTION 19: ALL;
SECTION 20: ALL;
SECTION 24: ALL

DEPOSIT TO THE CREDIT OF:

TOTAL AMOUNT: 380.00
RENTAL AMOUNT: 380.00
BANK CHARGE:

PAYABLE TO:
Texas General Land Office
Stephen F Austin Bldg
1700 North Congress Ave
Austin, TX 78701-1495

ACCOUNT NO.



410 W. Grand Parkway South
Suite 400
Katy, TX 77494

(281) 644-5900
Fax: (281) 644-5901

May 16, 2011

Texas General Land Office
Minerals Leasing
Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701-1495

Via Federal Express Overnight

Rental Payments for **MF111132A**, **MF111133A**, and **MF111134A**

Ladies and Gentlemen:

Enclosed, please find the following checks totaling \$926.99 to cover the rental payments for the following leases and lands:

MF111132A	800 net acres in Sec 12, 13, 22, 23, 24, Block 114, PSL Survey, Culberson County, Texas; Mary Jane Barron as Agent for the State of Texas as Lessor; Relinquishment Act Lease dated May 25, 2010
MF111133A	760 net acres in Sec 8, 9, 19, 20, 24, Block 113, PSL Survey, Culberson County, Texas; Mary Jane Barron as Agent for the State of Texas as Lessor; Relinquishment Act Lease dated May 25, 2010
MF111134A	293.975 net acres in Sec 1, 4, 5, Block 111, PSL Survey, Culberson County, Texas; Mary Jane Barron as Agent for the State of Texas as Lessor; Relinquishment Act Lease dated May 25, 2010

If you have any questions, please do not hesitate to contact me directly at (281) 644-5953 or email me at cnathanson@lng2.com.

We request that you please sign and return the additional copy of this letter in the self-addressed stamped envelope, evidencing your receipt of these payments.

Sincerely,

Coby Nathanson
Staff Attorney

RECEIVED THIS 17th DAY OF May, 2011.

BY: Mineral Leasing

9

File No. MF- 11133 A

RENTAL PAYMENT

Date Filed: 5/17/11

Jerry E. Patterson, Commissioner

By MA

PETROHAWK ENERGY CORPORATION

1000 LOUISIANA STREET, SUITE 5600 • HOUSTON, TX 77002 832-204-2799

CHECK NO.

051089

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 DATE	COUNTY	ST.	RECORDED		RENTAL PERIOD	
				BOOK	PAGE	MOS.	BEGINNING

TX1703-048-01 05/25/10 CULBERSON
STATE OF TEXAS, ACTING BY AND THROUGHPROPERTY DESCRIPTION:

Prospect: NORTH REEVES PROSPECT

TX 101 424 12 05/25/12

MF 111133A

PUBLIC SCHOOL LAND SURVEY, Twp Blk Sec
113 9

12707578

Gr acs: 400.0000 Net acs: 100.0000
BLOCK 113, PUBLIC SCHOOL LAND SURVEY
SEC. 9: ALL, SAVE & EXCEPT THAT PORTION OF THE
BEXAR PREEMPTION SURVEY 199 LYING WITHIN THE
BOUNDARIES OF SEC. 9

COPY

PUBLIC SCHOOL LAND SURVEY, 113 9

Gr acs: 160.0000 Net acs: 40.0000
BLOCK 113, PUBLIC SCHOOL LAND SURVEY
SEC. 9: ALL, SAVE & EXCEPT THAT PORTION OF THE
BEXAR PREEMPTION SURVEY 199 LYING WITHIN THE
BOUNDARIES OF SEC. 9

121

PUBLIC SCHOOL LAND SURVEY, Twp Blk Sec
113 19DEPOSIT TO THE CREDIT OF:TOTAL AMOUNT: 380.00
RENTAL AMOUNT: 380.00
BANK CHARGE: X

3rd 1/4 Rental

G

A

PAYABLE TO:

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

ACCOUNT NO.

File No. 111133

Delay Rental A

Date Filed: 2/24/12

Jerry E. Patterson, Commissioner
By EA

10

TX1703-048-01	05/25/10	CULBERSON	TX	101	424	12	05/25/12
---------------	----------	-----------	----	-----	-----	----	----------

CHECK DATE 02/10/12 TOTAL AMT: 380.00

REMARKS:

051089

DEPOSIT TO THE CREDIT OF:
TAX I.D.:
PAYABLE TO:
COMMISSIONER OF THE TEXAS

31433

IMPORTANT

The attached check is for the person(s) named above. **PLEASE DATE, SIGN AND RETURN THIS RECEIPT** in the return envelope provided. If directed to a bank, please deposit the amount to the credit of the person(s) named above and date, sign and return the receipt on the day you receive it. If correspondence is required, please make reference to lease number.

DATE: **FEB 24 2012**

SIGN HERE: **RENTAL PAYMENT**

PETROHAWK ENERGY CORPORATION

1360 POST OAK BLVD., SUITE 1900CT • HOUSTON, TX 77056 inquiry@bhpbilliton.com

13709295

157051

CHECK NO.

REFERENCE	INVOICE DATE	INVOICE NO.	INVOICE AMT.	PRIOR PAYMENT	DISCOUNT	AMOUNT PAID
LAND	3/25/13	1493	161,500.00			161,500.00
	NORTH REEVES PROSPECT	MF111133				
			(P)			
					121	
437294 COMMISSIONER OF THE TEXAS GENERAL LAND OFFICE	VENDOR			CHECK DATE	TOTAL	\$161,500.00
				04/02/13		

PETROHAWK ENERGY CORPORATION

1360 POST OAK BLVD., SUITE 1900CT • HOUSTON, TX 77056 inquiry@bhpbilliton.com

13709295

157051

CHECK NO.

REFERENCE	INVOICE DATE	INVOICE NO.	INVOICE AMT.	PRIOR PAYMENT	DISCOUNT	AMOUNT PAID
LAND	3/25/13 NORTH REEVES PROSPECT	1493 mF111133	161,500.00			161,500.00
437294 COMMISSIONER OF THE TEXAS GENERAL LAND OFFICE				CHECK DATE 04/02/13	TOTAL	\$161,500.00

121

BOLO-200

WARNING: DO NOT ACCEPT THIS DOCUMENT UNLESS YOU CAN SEE A WATERMARK.

PETROHAWK ENERGY CORPORATION

ACCOUNTS PAYABLE DISBURSEMENT ACCOUNT

1360 POST OAK BLVD., SUITE 1900CT

HOUSTON, TX 77056

inquiry@bhpbilliton.com

Bank of America

64 - 1278 / 611 GA

DATE

04/02/13

157051

13709295

PAY One Hundred Sixty-One Thousand Five Hundred Dollars And Zero Cents*****

AMOUNT \$*****161,500.00

TO THE
ORDER
OFCOMMISSIONER OF THE TEXAS GENERAL LAND OFFICE
ATTENTION MINERAL LEASING
1700 N CONGRESS AVE
AUSTIN, TX 78701 USA

VOID AFTER 180 DAYS



157051

Check Receipt

Check No.: 157051

Check Date: 4/2/2013

Period Covered:
5/25/2013-5/25/2014

Payment Type: DELAY RENTAL

Payment Amount: \$161,500.00

Lease Number: TX1703-048-001

Original Lessor: STATE OF TEXAS ET AL

Lease Effective Date: 5/25/2010

Recording Information: DOC65562 B101 P424

State: TX

County: CULBERSON

Check Remarks:

MF111133. PAYMENT REPRESENTS DELAY RENTAL DUE PURSUANT TO THE TERMS OF THE LEASE. BLK 113, SEC 8, 9, 19, 20, 24.



resourcing the future

BHP BILLITON PETROLEUM (FAYETTEVILLE)
ATTN LAND ADMINISTRATION
1360 POST OAK BLVD STE 150
HOUSTON, TX 77056

Owner Relations:

1-877-311-1443

For the Credit of:

(BA#): 437294-1

Payment Amount: \$161,500.00

Owner:
Address:

COMMISSIONER OF THE TEXAS GENERAL LAND
OFFICE
1700 N CONGRESS AVE STEPHEN F AUSTIN STATE
AUSTIN, TX 78701

IMPORTANT

PLEASE SIGN AND RETURN

Date Received 04/12/2013

Sign Here

A handwritten signature in dark ink, appearing to read "Land Prod for GLO", written over a horizontal line.

By _____

Title

File No. MF111133

(11)

Rental Payment

Date Filed: 04/12/2013

Jerry E. Patterson, Commissioner

By JEP

Check No.: 202490
Payment Type: DELAY RENTAL

Period Covered: 05/25/2014-05/25/2015
Payment Amount: \$380.00

14712274

Lease Number: 1044412/001 LSE

Original Lessor: MARY JANE BARRON



Lease Effective Date: 05/25/2010

Recording Information: Book # 101 Page # 424, 65562

State: TX

County: CULBERSON

Check Remarks:
DELAY RENTAL FOR THE 5TH YEAR

BLK 113, SEC 8, 9, 19, 20, 24

MF111133

RENTAL PAYMENT

5th yr.

①

121

For the Credit of:

Owner: COMMISSIONER OF THE TEXAS GENERAL
LAND OFFICE ATN MINERAL LEASING
Address: 1700 N CONGRESS AVE
AUSTIN, TX 78701

(BA#):80104210

Payment Amount: ~~\$380.00~~

Check No.: 202490
Payment Type: DELAY RENTAL

Period Covered: 05/25/2014-05/25/2015
Payment Amount: \$380.00

14712274

Lease Number: 1044412/001 LSE

Original Lessor: MARY JANE BARRON



Lease Effective Date: 05/25/2010

Recording Information: Book # 101 Page # 424, 65562

State: TX

County: CULBERSON

Check Remarks:

DELAY RENTAL FOR THE 5TH YEAR

BLK 113, SEC 8, 9, 19, 20, 24

MF111133

121

For the Credit of:

Owner: COMMISSIONER OF THE TEXAS GENERAL
LAND OFFICE ATN MINERAL LEASING
Address: 1700 N CONGRESS AVE
AUSTIN, TX 78701

(BA#):80104210

Payment Amount: \$380.00

VERIFY THE AUTHENTICITY OF THIS MULTI-TONE SECURITY DOCUMENT.

CHECK BACKGROUND AREA CHANGES COLOR GRADUALLY FROM TOP TO BOTTOM.



PETROHAWK ENERGY CORPORATION
ATTN LAND ADMINISTRATION
P.O. BOX 22719
HOUSTON, TX 77027-9998

Bank of America 1455 Market St. 4th Fl
San Francisco CA 94103

32-1
1110 GL

14712274
DATE 04/15/2014 CHECK NO. 202490

PAY *****380*DOLLARS AND* 00*CENTS

AMOUNT *****\$380.00

VOID IF NOT CASHED WITHIN
SIX MONTHS OF ISSUE

NON TRANSFERABLE

Owner Call Center: 1-877-311-1443

PAY
TO
THE
ORDER
OF

COMMISSIONER OF THE TEXAS GENERAL
LAND OFFICE ATN MINERAL LEASING
1700 N CONGRESS AVE
AUSTIN, TX 78701

Daniel Powell
FACSIMILE SIGNATURE

Jeffrey J. Sehlberg
FACSIMILE SIGNATURE

000 20 24 90

File No. MF111133

(12)

Rentals - 5th yr.

Date Filed: 05/15/2014

Jerry E. Patterson, Commissioner

By JEP

2012-7r

Linda Price - State Leases MF111132A, MF111133A and MF111134A

From: Linda Price
To: cnathanson@lng2.com
Date: 8/20/2014 10:15 AM
Subject: State Leases MF111132A, MF111133A and MF111134A

Coby:

I found a cover letter from you attached to delay rental payments made by Legend Natural Gas IV, LP for State Leases MF111132A, MF111133A and MF111134A, which were received into the GLO on May 17, 2011 and May 24, 2011 (see attached). It appears that the second checks resulted in the second year rentals being paid twice.

Therefore, if you would like to request a refund of the payments made on May 24, 2011, please do so as follows:

Send me a written request (a separate email from this one is fine)

State the reason for the request

Include the Federal Tax Identification number for Legend Natural Gas IV, LP

State the name, title, phone number, email and mailing address of the person at Legend that the State of Texas Comptroller's Office may contact to discuss the refund request, if necessary.

If you no longer handle delay rental matters at Legend, please forward this email to the appropriate person at Legend who does handle delay rental matters and copy me for our records.

Thank you.
Linda

Linda Price, RL
Texas General Land Office
Energy Resources, Mineral Leasing
Phone: (512) 463-5118
Fax: (512) 475-1543
Linda.Price@glo.texas.gov

Mailing Address:
P. O. Box 12873 Austin, Texas 78711-2873

Physical Address:
1700 N. Congress Avenue
Austin, Texas 78701-1495



LEGEND

NATURAL GAS IV, LP

410 W. Grand Parkway South
Suite 400
Katy, TX 77494

May 16, 2011

Texas General Land Office
Minerals Leasing
Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701-1495

Via Federal Express Overnight

Rental Payments for MF111132A, MF111133A, and MF111134A

Ladies and Gentlemen:

Enclosed, please find the following checks totaling \$926.99 to cover the rental payments for the following leases and lands:

MF111132A	800 net acres in Sec 12, 13, 22, 23, 24, Block 114, PSL Survey, Culberson County, Texas; Mary Jane Barron as Agent for the State of Texas as Lessor; Relinquishment Act Lease dated May 25, 2010
MF111133A	760 net acres in Sec 8, 9, 19, 20, 24, Block 113, PSL Survey, Culberson County, Texas; Mary Jane Barron as Agent for the State of Texas as Lessor; Relinquishment Act Lease dated May 25, 2010
MF111134A	293.975 net acres in Sec 1, 4, 5, Block 111, PSL Survey, Culberson County, Texas; Mary Jane Barron as Agent for the State of Texas as Lessor; Relinquishment Act Lease dated May 25, 2010

If you have any questions, please do not hesitate to contact me directly at (281) 644-5953 or email me at cnathanson@lng2.com.

We request that you please sign and return the additional copy of this letter in the self-addressed stamped envelope, evidencing your receipt of these payments.

Sincerely,

Coby Nathanson
Staff Attorney

RECEIVED THIS 17th DAY OF May, 2011.

BY: Minerals Leasing

LEASE NO.	LEASE DATE	COUNTY	ST	BOOK	PAGE	RECORDED	RENTAL PERIOD
						MOS. BEGINNING	
4004-01	05/25/10	CULBERSON	TX	101	414	12	05/25/11
MARY JANE BARRON, INDIVIDUALLY AND AS TRUSTEE						Serial #	MF-111132A
PROPERTY DESCRIPTION:							
Prospect: BONE SPRING SHALE PROSPECT							

BLOCK 114, PSL SURVEY

SECTION 12: ALL

SECTION 13: ALL

SECTION 22: ALL

SECTION 23: ALL

SECTION 24: ALL

RENTAL PAYMENT

2nd yr.

(P)

11710592

DEPOSIT TO THE CREDIT OF:

TOTAL AMOUNT:

400.00

RENTAL AMOUNT:

400.00

BANK CHARGE:

PAYABLE TO:

Texas General Land Office
Stephen F Austin Bldg
1700 North Congress Ave
Austin, TX 78701-1495

ACCOUNT NO.

BOLO-100

If you have any questions, please do not hesitate to contact me directly at (281) 644-5953 or email me at cnathanson@lng2.com.

We request that you please sign and return the additional copy of this letter in the self-addressed stamped envelope, evidencing your receipt of these payments.

Sincerely,



Coby Nathanson
Staff Attorney

RECEIVED THIS 17th DAY OF May, 2011.

BY: Mineral Leasing

LEASE NO.	LEASE DATE	COUNTY	ST	RECORDED BOOK	PAGE	RENTAL PERIOD MOS.	BEGINNING
4005-01	05/25/10	CULBERSON	TX	101	424	12	05/25/11

MARY JANE BARRON, INDIVIDUALLY AND AS TRUSTEE
PROPERTY DESCRIPTION:
Prospect: BONE SPRING SHALE PROSPECT

Serial # **MF-111133A**

11710591

BLOCK 113, PSL SURVEY
SECTION 8: ALL, SAVE AND EXCEPT THAT PORTION OF
THE BEXAR PREEMPTION SURVEY 199 LYING WITHIN
THE BOUNDARIES OF SECTION 8;
SECTION 9: ALL, SAVE AND EXCEPT THAT BORTION OF
THE BEXAR PREEMPTION SURVEY 199 LYING WITHIN
THE BOUNDARIES OF SECTION 9;
SECTION 19: ALL;
SECTION 20: ALL;
SECTION 24: ALL

RENTAL PAYMENT

2nd yr. (P)

DEPOSIT TO THE CREDIT OF:

TOTAL AMOUNT: X 380.00
RENTAL AMOUNT: 380.00
BANK CHARGE:

PAYABLE TO: (P)
Texas General Land Office
Stephen F Austin Bldg
1700 North Congress Ave
Austin, TX 78701-1495

ACCOUNT NO.

BOLO-100

If you have any questions, please do not hesitate to contact me directly at (281) 644-5953 or email me at cnathanson@lng2.com.

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Sincerely,



Coby Nathanson
Staff Attorney

RECEIVED THIS 17th DAY OF May, 2011.

BY: Mineral Leasing

LEASE NO.	LEASE DATE	COUNTY	ST	RECORDED BOOK	PAGE	RENTAL PERIOD MOS. BEGINNING
4003-01	05/25/10	CULBERSON	TX	101	404	12 05/25/11

MARY JANE BARRON, INDIVIDUALLY AND AS TRUSTEE
Serial # MF-111134A
PROPERTY DESCRIPTION:
Prospect: BONE SPRING SHALE PROSPECT

11710593

BLOCK 111, PSL SURVEY
SECTION 1: ALL;
SECTION 4: NORTH 392.20 ACRES, DESCRIBED BY
METES AND BOUNDS IN THAT CERTAIN OIL AND GAS
LEASE DATED JULY 5, 1957, RECORDED IN VOL. 6,
PAGE 565, OIL AND GAS RECORDS, CULBERSON
COUNTY, TEXAS;
SECTION 5: NORTH 143.40 ACRES, DESCRIBED BY
METES AND BOUNDS IN THAT CERTAIN OIL AND GAS
LEASE DATED JULY 5, 1957, RECORDED IN VOL. 6,
PAGE 565, OIL AND GAS RECORDS, CULBERSON
COUNTY, TEXAS

RENTAL PAYMENT

2nd yr.

(P)

DEPOSIT TO THE CREDIT OF:

TOTAL AMOUNT:

146.99

RENTAL AMOUNT:

146.99

BANK CHARGE:

PAYABLE TO:

Texas General Land Office
Stephen F Austin Bldg
1700 North Congress Ave
Austin, TX 78701-1495

(P)
17/

ACCOUNT NO.

BOLO-100

If you have any questions, please do not hesitate to contact me directly at (281) 644-5953 or email me at cnathanson@lng2.com.

We request that you please sign and return the additional copy of this letter in the self-addressed stamped envelope, evidencing your receipt of these payments.

Sincerely,



Coby Nathanson
Staff Attorney

RECEIVED THIS 17th DAY OF May, 2011.

BY: Mineral Leasing



410 W. Grand Parkway South
Suite 400
Katy, TX 77494

(281) 644-5900
Fax: (281) 644-5901

May 23, 2011

Texas General Land Office
Minerals Leasing
Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701-1495

Via Federal Express Overnight

Rental Payments for MF111132A, MF111133A, and MF111134A

Ladies and Gentlemen:

Enclosed, please find the following checks totaling \$926.99 to cover the rental payments for the following leases and lands:

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MF111133A	760 net acres in Sec 8, 9, 19, 20, 24, Block 113, PSL Survey, Culberson County, Texas; Mary Jane Barron as Agent for the State of Texas as Lessor; Relinquishment Act Lease dated May 25, 2010
MF111134A	293.975 net acres in Sec 1, 4, 5, Block 111, PSL Survey, Culberson County, Texas; Mary Jane Barron as Agent for the State of Texas as Lessor; Relinquishment Act Lease dated May 25, 2010

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We request that you please sign and return the additional copy of this letter in the self-addressed stamped envelope, evidencing your receipt of these payments.

Sincerely,

Coby Nathanson
Staff Attorney

RECEIVED THIS 24th DAY OF May, 2011.

BY:

TX General Land Office

LEASE NO.	LEASE DATE	COUNTY	ST	RECORDED BOOK	PAGE	RENTAL PERIOD MOS.	BEGINNING
4004-01	05/25/10	CULBERSON	TX	101	414	12	05/25/11

MARY JANE BARRON, INDIVIDUALLY AND AS TRUSTEE
Serial # MF-111132A

PROPERTY DESCRIPTION:

Prospect: BONE SPRING SHALE PROSPECT

BLOCK 114, PSL SURVEY
SECTION 12: ALL
SECTION 13: ALL
SECTION 22: ALL
SECTION 23: ALL
SECTION 24: ALL

11710904

RENTAL PAYMENT

2nd yr.

DEPOSIT TO THE CREDIT OF:

TOTAL AMOUNT:	400.00
RENTAL AMOUNT:	400.00
BANK CHARGE:	

PAYABLE TO:
Texas General Land Office
Stephen F Austin Bldg
1700 North Congress Ave
Austin, TX 78701-1495

ACCOUNT NO.

BOLO-100

If you have any questions, please do not hesitate to contact me directly at (281) 644-5953 or email me at cnathanson@lng2.com.

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Sincerely,


Coby Nathanson
Staff Attorney

RECEIVED THIS 24th DAY OF May, 2011.

BY:

TX General Land Office
[Signature]

LEASE NO.	LEASE DATE	COUNTY	ST	RECORDED BOOK	PAGE	RENTAL PERIOD MOS.	BEGINNING
4005-01	05/25/10	CULBERSON	TX	101	424	12	05/25/11

MARY JANE BARRON, INDIVIDUALLY AND AS TRUSTEE
Serial # MF-111133A

PROPERTY DESCRIPTION:
Prospect: BONE SPRING SHALE PROSPECT

BLOCK 113, PSL SURVEY
SECTION 8: ALL, SAVE AND EXCEPT THAT PORTION OF
THE BEXAR PREEMPTION SURVEY 199 LYING WITHIN
THE BOUNDARIES OF SECTION 8;
SECTION 9: ALL, SAVE AND EXCEPT THAT BORTION OF
THE BEXAR PREEMPTION SURVEY 199 LYING WITHIN
THE BOUNDARIES OF SECTION 9;
SECTION 19: ALL;
SECTION 20: ALL;
SECTION 24: ALL

11710905

RENTAL PAYMENT

2nd yr.

DEPOSIT TO THE CREDIT OF:

TOTAL AMOUNT:	380.00
RENTAL AMOUNT:	380.00
BANK CHARGE:	

PAYABLE TO:
Texas General Land Office
Stephen F Austin Bldg
1700 North Congress Ave
Austin, TX 78701-1495

ACCOUNT NO.

BOLO-100

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Sincerely,



Coby Nathanson
Staff Attorney

RECEIVED THIS 24th DAY OF May, 2011.

BY:

TX General Land Office
[Signature]

LEASE NO.	LEASE DATE	COUNTY	ST	RECORDED BOOK	PAGE	RENTAL PERIOD MOS.	BEGINNING
4003-01	05/25/10	CULBERSON	TX	101	404	12	05/25/11

MARY JANE BARRON, INDIVIDUALLY AND AS TRUSTEE
Serial # MF-111134A

PROPERTY DESCRIPTION:

Prospect: BONE SPRING SHALE PROSPECT

BLOCK 111, PSL SURVEY

SECTION 1: ALL;

SECTION 4: NORTH 392.20 ACRES, DESCRIBED BY
METES AND BOUNDS IN THAT CERTAIN OIL AND GAS

LEASE DATED JULY 5, 1957, RECORDED IN VOL. 6,

PAGE 565, OIL AND GAS RECORDS, CULBERSON

COUNTY, TEXAS;

SECTION 5: NORTH 143.40 ACRES, DESCRIBED BY

METES AND BOUNDS IN THAT CERTAIN OIL AND GAS

LEASE DATED JULY 5, 1957, RECORDED IN VOL. 6,

PAGE 565, OIL AND GAS RECORDS, CULBERSON

COUNTY, TEXAS

11710903

RENTAL PAYMENT

2nd yr.

DEPOSIT TO THE CREDIT OF:

TOTAL AMOUNT:

146.99

RENTAL AMOUNT:

146.99

BANK CHARGE:

PAYABLE TO:

Texas General Land Office

Stephen F Austin Bldg

1700 North Congress Ave

Austin, TX 78701-1495

ACCOUNT NO.

BOLO-100

If you have any questions, please do not hesitate to contact me directly at (281) 644-5953 or email me at cnathanson@lng2.com.

We request that you please sign and return the additional copy of this letter in the self-addressed stamped envelope, evidencing your receipt of these payments.

Sincerely,



Coby Nathanson
Staff Attorney

RECEIVED THIS 24th DAY OF May, 2011.

BY: TX General Land Office
[Signature]

File No. MF111133 (13)

Email re a 2nd yr. rentals

Date Filed: 08/20/2014

Jerry E. Patterson, Commissioner

By JEP

DO NOT DESTROY



Texas General Land Office
UNIT AGREEMENT MEMO

UPA148542

Unit Number 7219
Operator Name Bhp Billiton Petroleum Properties (N.A.), LP Effective Date 12/09/2014
Customer ID C000079756 Unitized For Oil And Gas
Unit Name Horseshoe Springs State 113-24X1 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 0.12500000
State Part in Unit 1.00000000
Unit Depth Specified Depths Well
From Depth 0 Surface Formation Base of Wolfcamp
To Depth 10637 TVD Participation Basis Surface Acreage
If Exclusions Apply: See Remarks

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	Lease Royalty	Tract Royalty Participation	Royalty Rate Reduction Clause
MF111133	1	81.900000	970.400000	0.08439819	0.12500000	0.01054977	No
MF111134	2	160.700000	970.400000	0.16560181	0.12500000	0.02070023	No
MF113602	3	727.800000	970.400000	0.75000000	0.12500000	0.09375000	No

API Number *n/a*

Remarks:

Prepared By:

REW

Prepared Date:

12-9-14

GLO Base Updated By:

REW

GLO Base Date:

12-9-14

RAM Approval By:

VDD

RAM Approval Date:

12-17-14

GIS By:

mc

GIS Date:

2-3-15

Well Inventory By:

mb

WI Date:

12/10/14

Pooling Committee Report

To: School Land Board

UPA148542

Date of Board Meeting: 12/09/2014

Unit Number: 7219

Effective Date: 12/09/2014

Unit Expiration Date:

Applicant: BHP Billiton Petroleum Properties (N.A.), LP

Attorney Rep:

Operator: Bhp Billiton Petroleum Properties (N.a.), Lp

Unit Name: Horseshoe Springs State 113-24X1 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	MF111133	0.12500000	05/25/2015	5 years	760.000000	81.900000	0.01054977
RAL	MF111134	0.12500000	05/25/2015	5 years	293.975000	160.700000	0.02070023
RAL	MF113602	0.12500000	07/29/2014	3 years	960.000000	727.800000	0.09375000

Private Acres:	0.000000
State Acres:	970.400000
Total Unit Acres:	970.400000

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

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

<u>RRC Rules:</u>	<u>Spacing Acres:</u>
Yes	1445 acres for a 7500 foot lateral

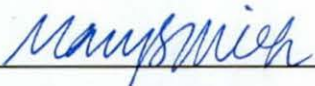
Working File Number: UPA148542

REMARKS:

- BHP Billiton Petroleum Properties (N.A.), LP is requesting permanent oil and gas pooling from the surface to 10,637 feet TVD as seen on the Devon Energy Production Company, LP Sebring 60-1-47 well No. 1 well log (42-109-32367) in order to test the Wolfcamp Formation.
- The applicant plans to spud the unit well on January 12, 2015, with a proposed TD of 9,020 feet TVD. A 7,500 foot lateral is expected to be drilled.
- With approval of the unit the State's unit royalty participation will be 12.50%.
- The State will participate on a unitized basis from the date of first production.
- The applicant agrees to commence drilling operations on 4 unit wells, with each well being spud within 1 year of the completion of the previous well.

POOLING COMMITTEE RECOMMENDATION:

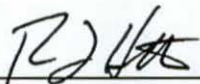
The Pooling Committee recommends Board approval of a permanent oil and gas unit under the above-stated provisions.



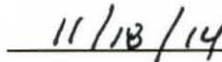
Mary Smith - Office of the Attorney General



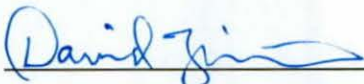
Date



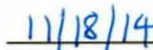
Robert Hatter - General Land Office



Date



David Zimmerman - Office of the Governor



Date



Unit #7219
BHP Billiton Petroleum
Horseshoe Springs State 113-24x1 #1H Unit
Ford, West (Wolfcamp) Field
Culberson County, Texas

1,500 750 0 1,500 Feet



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
IS/BAS/GIS
December 2014

POOLING AGREEMENT
BHP BILLITON PETROLEUM PROPERTIES (N.A.), LP
HORSESHOE SPRINGS STATE 113-24X1 UNIT
GLO UNIT NO. 7219
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 BHP Billiton Petroleum Properties (N.A.), LP, 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 leases, which are included within the pooled unit, are listed on the attached Exhibit "A", to which leases and the records thereof reference is here made for all pertinent purposes. The pooled unit shall consist of all of the lands described in Exhibit "B" attached hereto and made a part hereof. A plat of the pooled unit is attached hereto as Exhibit "C". The unit description is subject to the provisions of Addendum "A".

MINERAL POOLED:

3.

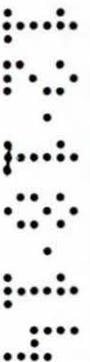
The mineral pooled and unitized ("pooled mineral") hereby shall be oil and gas including all hydrocarbons that may be produced from an oil well or a gas well as such wells are recognized and designated by the Railroad Commission of Texas or other state regulatory agency having jurisdiction of the drilling and production of oil and gas wells. The pooled mineral shall extend to those depths underlying the surface boundaries of the pooled unit from the surface to the stratigraphic equivalent of the base of the Wolfcamp Formation, which is seen at a depth of 10,637 feet on the log of the Devon Energy Production Company, LP, Sebring 60-1-47 Well No. 1, API #42-109-32367 ("unitized interval").

POOLING AND EFFECT:

4.

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

- (a) The unit, to the extent as above described, shall be operated as an entirety for the exploration, development and production of the pooled mineral, rather than as separate tracts.
- (b) All drilling operations, reworking or other operations with respect to the pooled mineral on land within the unit shall be considered as though the same were on each separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Agreement. In the event the unitized area covered by this Agreement is maintained in force by drilling or reworking operations conducted on a directional 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 well surfaced on adjacent or adjoining land or drilling or reworking of any such directional 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 without regard to unit operations or unit production. Neither production of the pooled mineral, nor unit operations with respect thereto, nor the payment of shut-in royalties from a unit well, shall serve to hold any State lease in force as to any area outside the unitized area described in Exhibit "B" regardless of whether the production or operations on the unit are actually located on the State lease or not. "Area" as used in this paragraph shall be based upon surface acres to the end that, except as may otherwise be provided in each State Lease, the area inside the surface boundaries of the pooled unit, if held, will be held as to all depths and horizons.
- (g) If the Railroad Commission of Texas (or any other Texas regulatory body having jurisdiction) shall adopt special field rules providing for oil and/or gas proration units of less than 970 acres, then Lessee agrees to either (1) drill to the density permitted by the Railroad Commission, (2) make application to the School Land Board of the State of Texas to reform the unit to comply with Railroad Commission unit rules, or (3) make application to the School Land Board of the State of Texas for such remedy as may be agreeable to the Board.
- (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.

FULL MARKET VALUE:

7.

In the event the State does not elect to take its royalty in kind, the State shall receive full market value for its royalty hereunder, such value to be determined as follows:

- (a) As to royalty on oil 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 for the field where produced and when run, or (2) the highest market price thereof offered or paid for the field where produced and when run, or (3) gross proceeds of the sale thereof, whichever is the greater;
- (b) As to royalty on gas, such value to be based on (1) the highest market price paid or offered for gas of comparable quality for the field where produced and when run, or (2) the gross price paid or offered to the producer, whichever is the greater.

(For the purposes of this Agreement "field" means the general area in which the lands covered hereby are located.)

EFFECTIVE DATE:

8.

Upon execution by the Commissioner of the General Land Office of the State of Texas this Agreement shall become effective as of December 9, 2014.

TERM:

9.

This Agreement shall remain in effect so long as the pooled mineral is being produced from said unit, or so long as all leases included in the pooled unit are maintained in force by payment of delay rentals or shut-in oil or gas well royalties, by drilling or rework, or by other means, in accordance with the terms of said leases. Nothing herein shall amend or modify Section 52.031 of the Natural Resources Code, or any of the provisions thereof, which are contained in any State lease covered by this Agreement.

SPECIAL TERMS AND CONDITIONS:

10.

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

STATE LAND:

11.

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:

12.

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:

13.

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.

SUBJECT TO EXPLORATION AGREEMENT:

14.

This Pooling Agreement is subject to that certain Unit Agreement for the Development and Operation of the Horseshoe Springs State Unit effective July 18, 2014, said Unit Agreement being on file in the Archives and Records of the Texas General Land office in Mineral file M-112402.

COUNTERPARTS:

15.

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

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

Date Executed 12/22/14

STATE OF TEXAS

Legal
Content
Geology
Executive

mm
mm
2

By:

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

Date Executed _____

BHP Billiton Petroleum Properties (N.A.), LP,
formerly known as Petrohawk Properties, LP,
By: BHP Billiton Petroleum Properties (GP), LLC,
its General Partner

By: *Stephen L. Mahanay*
Stephen L. Mahanay, Attorney-in-Fact

STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on Dec. 16, 2014, by Stephen L. Mahanay, Attorney-in-Fact of BHP Billiton Petroleum Properties (N.A.), LP formerly known as Petrohawk Properties, LP, by BHP Billiton Petroleum Properties (GP), LLC, its General Partner a Texas limited liability company on behalf of said limited partnership.



Lynn Latiolais
Notary Public in and for the State of Texas

CERTIFICATE

I, Stephanie Crenshaw, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 9th day of December, 2014, 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 22nd day of December, 2014.

Stephanie Crenshaw
Secretary of the School Land Board

Addendum "A"

To that certain Pooling Agreement for the HORSESHOE SPRINGS STATE 113-24X1 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", provided however that, on or before the expiration of the Extended Period, as defined in the Unit Agreement for the Development and Operation of the Horseshoe Springs State Unit, (the "**Trigger Date**"), if Lessee has commenced actual drilling operations on one (1) Unit Well, then a "**Continuous Drilling Program**" shall commence, whereby, Lessee has the option to commence actual drilling operations on additional Unit Wells in accordance with the deadlines below:

- Two Years from the expiration of the Extended Period – 2nd Unit Well
- Three Years from the expiration of the Extended Period – 3rd Unit Well
- Four Years from the expiration of the Extended Period – 4th Unit Well

At such time as Lessee has drilled and completed four (4) Unit Wells, in accordance with the deadlines above, the Continuous Drilling Program shall cease and the parties hereby agree that the pooled unit shall remain in the original, unaltered size and shape described in Exhibit "B" and depicted in Exhibit "C", in accordance with paragraph 9 of the Agreement.

Lessee's failure to timely comply with the deadlines above shall result in the formation of a "**Contracted Pooled Unit**" in accordance with the following:

# of Unit Wells	Corresponding size & shape of the resulting Contracted Pooled Unit
1 Unit Well	240 Acres, more or less, comprised of the stand-up 240 acre, more or less, quarter of the original pooled unit containing the first Unit Well.
2 Unit Wells	480 Acres, more or less, comprised of a) the stand-up 480 acre, more or less, half of the original pooled unit containing the first Unit Well, or b) the two 240 acre, more or less, stand-up quarters of the original pooled unit containing each of the 2 Unit Wells, if said wells are not in the same half of the original pooled unit.
3 Unit Wells	720 Acres, more or less, comprised of a) the stand-up 480 acre, more or less, half of the original pooled unit containing the first Unit Well and the adjacent stand-up 240 acre, more or less, quarter of the original pooled unit, or b) the stand-up 480 acre, more or less, half of the original pooled unit containing the first unit well and the non-adjacent stand-up 240 acre, more or less, quarter of the original pooled unit, if said non-adjacent quarter contains a wellbore, or c) the three 240 acre, more or less, stand-up quarters of the original pooled unit containing each of the 3 Unit Wells.

It is the intent of the parties that each wellbore drilled within the original pooled unit shall earn 240 acres, more or less, or one quarter of the original pooled unit acreage as described on Exhibit "B" and depicted on Exhibit "C".

End of Addendum "A"

Exhibit "A"
Leases In Unit

State Lease #: MF-111133A

Lessor: State of Texas, by and through its agent, Mary Jane Barron, Individually and as Trustee of the Mary Jane Barron Revocable Living Trust

Lessee: Legend Natural Gas IV, LP

Date: 05/25/2010

Recording Info: Recorded at File No. 65562, Book 101, Page 424, Official Public Records, Culberson County, Texas

Royalty: 25%

State Lease #: MF-113602

Lessor: State of Texas, acting by and through its agent Roddy L. Harrison, Trustee of the Harrison Trust under Trust Indenture Dated 04/25/96, as Amended

Lessee: Legend Natural Gas IV, LP

Date: 07/29/2011

Recording Info: Recorded at File No. 67197, Book 106, Page 570, Official Public Records, Culberson County, Texas

Royalty: 25%

State Lease #: MF-111134A

Lessor: State of Texas, Acting by and through its agent, Mary Jane Barron, Individually and as Trustee of the Mary Jane Barron Revocable Living Trust u/t/a dated 07/27/92

Lessee: Legend Natural Gas IV, LP

Date: 05/25/2010

Recording Info: Recorded at File No. 65560, Book 101, Page 404, Official Public Records, Culberson County, Texas

Royalty: 25%



Exhibit "B"

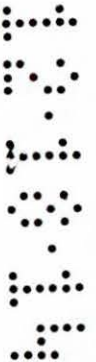
Description of Lands included in the Pooling Agreement

Tract 1:

The South Half of Section 24, BLK 113, Public School Land Survey, Culberson County, Texas.

Tract 2:

All of Section 1, BLK 111, Public School Land Survey, Culberson County Texas.





NAD 83 (1986) GRID
TEXAS CENTRAL ZONE

0 1000 2000
1" = 2000 FEET

W.H. HICKS
A-1273
SECTION 13, BLOCK
113,
T.&P. R.R. CO.

L.M. MCGILVREY
A-1853
SECTION 24, BLOCK 113,
T.&P. R.R. CO.

LEASE LINE

Mineral Owner:
TRACT 1
State of Texas Minerals
327.60 ACRES

SURVEY/SECTION/BLOCK LINE

970.40
ACRE LEASE

Mineral Owner:
TRACT 2
State of Texas Minerals
642.80 ACRES

L.E. MCGILVREY
A-1850
SECTION 1, BLOCK 111,
T.&P. R.R. CO.

GENERAL NOTES

1. COORDINATES SHOWN ARE BASED ON TEXAS COORDINATE SYSTEM OF NAD 27 "TEXAS CENTRAL ZONE", AND BASED ON "CHAPMAN ET" NGS MONUMENT (Y = 783,172.93, X = 903,204.24)
2. VERTICAL DATUM IS NAVD 88
3. COMBINED SCALE FACTOR - 0.999957851
4. LATITUDE AND LONGITUDE ARE NAD 27 AS SHOWN
5. AREA, DISTANCES, AND COORDINATES ARE "GRID"
6. UNITS ARE UNITED STATES SURVEY FOOT.
7. ALL LEASE AND TRACT INFORMATION SHOWN HERE ON IS DONE SO BY LIMITED DEED RECORD INFORMATION ONLY. ALL ACREAGES SHOWN ARE BY DEED AND LEASE CALL, EXCEPT WHERE NOTED. THIS IS NOT IN ANY WAY A "BOUNDARY SURVEY".

I HEREBY STATE THAT THIS PLAT
SHOWS THE SUBJECT LOCATION BASED
ON INFORMATION PROVIDED BY
THE CLIENT.

**PRELIMINARY. THIS DOCUMENT SHALL NOT
BE RECORDED FOR ANY PURPOSE AND
SHALL NOT BE USED OR VIEWED OR RELIED
UPON AS A FINAL SURVEY DOCUMENT**

ROBERT GLEN MALOY
REGISTERED PROFESSIONAL LAND SURVEYOR
LICENSE NO. 6028

REVISION	DATE	BY	DETAILS
A	11/10/14	GG	MAKE PRELIMINARY PLAT

EXHIBIT OF:
A POOLED UNIT FOR:

**BHP BILLITON PET (TXLA OP) CO.
HORSESHOE SPRING STATE 113-24X1 1H
WID# 833806**

SITUATED IN L.M. MCGILVREY SURVEY, ABSTRACT NO.
1853, SECTION 24, BLOCK 113, AND THE L.E.
MCGILVREY SURVEY, ABSTRACT NO. 1850, SECTION 1
BLOCK 111, T.&P. R.R. CO. LANDS, LOCATED
APPROX. 14.37 MILES SOUTHWEST OF ORLA, IN
CULBERSON COUNTY, TEXAS



BHP Billiton
1360 Post Oak Blvd. #150
Houston, Texas 77056



550 Bailey Ave., 205 - Fort Worth, TX 76107
Ph: 817.349.9800 - Fax: 979.732.5271
TBPLS Firm No. 10193887
www.franksurveying.com
LAND SURVEYING/ENERGY/GIS SERVICES
© COPYRIGHT 2014 - ALL RIGHTS RESERVED

DATE: 11/10/14 PROJECT NO: 2014091001
DRAWN BY: GG SCALE: 1" = 2000'
CHECKED BY: RM SHEET: 1 OF 1
FIELD CREW: REMR REVISION: NO

#18131

14

File No. M-111133
Pooling Agent Packet # 72/9
Horseshoe Springs State Unit
Date Filed: 12/22/14
Jerry E. Patterson, Commissioner
By dm



North America Shale Production Division

March 4, 2015

Via Overnight Mail (FedEx Trkg #7730 4394 6883)

Texas General Land Office
Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701-1495

Attention: J. Daryl Morgan, CPL, Energy Resources Division

Dear Mr. Morgan:

Enclosed you will find two (2) copies of recorded Pooling Agreements, BHP Petroleum Properties (N.A.) LP, Horseshoe Springs State 113-24X1 #1H Unit, GLO Unit No. 7219, and Horseshoe Springs State 113-10 #1 Unit, GLO Unit No. 7222, Reeves County, Texas for your further handling.

Should you need any additional information, please feel free to contact Tiffany Wright at 713-297-6566, or email Tiffany.Wright@bhpbilliton.com.

Sincerely,

Paige Plunkett
Land Tech

/pp
Enclosures

(15)

File No. M-111133

Ltr. From BHP County

Date Filed: 3/6/15

George P. Bush, Commissioner

By gh

POOLING AGREEMENT
BHP BILLITON PETROLEUM PROPERTIES (N.A.), LP
HORSESHOE SPRINGS STATE 113-24X1 UNIT
GLO UNIT NO. 7219
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 BHP Billiton Petroleum Properties (N.A.), LP, 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 leases, which are included within the pooled unit, are listed on the attached Exhibit "A", to which leases and the records thereof reference is here made for all pertinent purposes. The pooled unit shall consist of all of the lands described in Exhibit "B" attached hereto and made a part hereof. A plat of the pooled unit is attached hereto as Exhibit "C". The unit description is subject to the provisions of Addendum "A".

MINERAL POOLED:

3.

The mineral pooled and unitized ("pooled mineral") hereby shall be oil and gas including all hydrocarbons that may be produced from an oil well or a gas well as such wells are recognized and designated by the Railroad Commission of Texas or other state regulatory agency having jurisdiction of the drilling and production of oil and gas wells. The pooled mineral shall extend to those depths underlying the surface boundaries of the pooled unit from the surface to the stratigraphic equivalent of the base of the Wolfcamp Formation, which is seen at a depth of 10,637 feet on the log of the Devon Energy Production Company, LP, Sebring 60-1-47 Well No. 1, API #42-109-32367 ("unitized interval").

POOLING AND EFFECT:

4.

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

- (a) The unit, to the extent as above described, shall be operated as an entirety for the exploration, development and production of the pooled mineral, rather than as separate tracts.
- (b) All drilling operations, reworking or other operations with respect to the pooled mineral on land within the unit shall be considered as though the same were on each separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Agreement. In the event the unitized area covered by this Agreement is maintained in force by drilling or reworking operations conducted on a directional 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 well surfaced on adjacent or adjoining land or drilling or reworking of any such directional 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 without regard to unit operations or unit production. Neither production of the pooled mineral, nor unit operations with respect thereto, nor the payment of shut-in royalties from a unit well, shall serve to hold any State lease in force as to any area outside the unitized area described in Exhibit "B" regardless of whether the production or operations on the unit are actually located on the State lease or not. "Area" as used in this paragraph shall be based upon surface acres to the end that, except as may otherwise be provided in each State Lease, the area inside the surface boundaries of the pooled unit, if held, will be held as to all depths and horizons.
- (g) If the Railroad Commission of Texas (or any other Texas regulatory body having jurisdiction) shall adopt special field rules providing for oil and/or gas proration units of less than 970 acres, then Lessee agrees to either (1) drill to the density permitted by the Railroad Commission, (2) make application to the School Land Board of the State of Texas to reform the unit to comply with Railroad Commission unit rules, or (3) make application to the School Land Board of the State of Texas for such remedy as may be agreeable to the Board.
- (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.

FULL MARKET VALUE:

7.

In the event the State does not elect to take its royalty in kind, the State shall receive full market value for its royalty hereunder, such value to be determined as follows:

- (a) As to royalty on oil 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 for the field where produced and when run, or (2) the highest market price thereof offered or paid for the field where produced and when run, or (3) gross proceeds of the sale thereof, whichever is the greater;
- (b) As to royalty on gas, such value to be based on (1) the highest market price paid or offered for gas of comparable quality for the field where produced and when run, or (2) the gross price paid or offered to the producer, whichever is the greater.

(For the purposes of this Agreement "field" means the general area in which the lands covered hereby are located.)

EFFECTIVE DATE:

8.

Upon execution by the Commissioner of the General Land Office of the State of Texas this Agreement shall become effective as of December 9, 2014.

TERM:

9.

This Agreement shall remain in effect so long as the pooled mineral is being produced from said unit, or so long as all leases included in the pooled unit are maintained in force by payment of delay rentals or shut-in oil or gas well royalties, by drilling or rework, or by other means, in accordance with the terms of said leases. Nothing herein shall amend or modify Section 52.031 of the Natural Resources Code, or any of the provisions thereof, which are contained in any State lease covered by this Agreement.

SPECIAL TERMS AND CONDITIONS:

10.

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

STATE LAND:

11.

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:

12.

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:

13.

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.

SUBJECT TO EXPLORATION AGREEMENT:

14.

This Pooling Agreement is subject to that certain Unit Agreement for the Development and Operation of the Horseshoe Springs State Unit effective July 18, 2014, said Unit Agreement being on file in the Archives and Records of the Texas General Land office in Mineral file M-112402.

COUNTERPARTS:

15.

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

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

Date Executed

12/22/14

Legal
Content
Geology
Executive

[Signature]

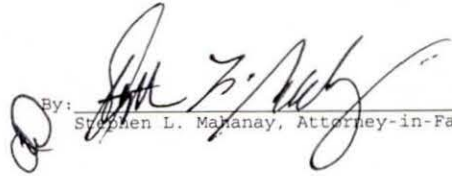
STATE OF TEXAS

By: *[Signature]*
Jerry E. Patterson, Commissioner
General Land Office



Date Executed _____

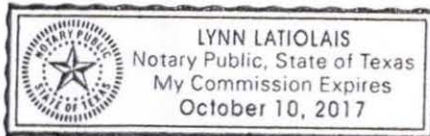
BHP Billiton Petroleum Properties (N.A.), LP,
formerly known as Petrohawk Properties, LP,
By: BHP Billiton Petroleum Properties (GP), LLC,
its General Partner

By: 
Stephen L. Mahanay, Attorney-in-Fact

STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on Dec. 16, 2014, by Stephen L. Mahanay, Attorney-in-Fact of BHP Billiton Petroleum Properties (N.A.), LP formerly known as Petrohawk Properties, LP, by BHP Billiton Petroleum Properties (GP), LLC, its General Partner a Texas limited liability company on behalf of said limited partnership.




Notary Public in and for the State of Texas

CERTIFICATE

I, Stephanie Crenshaw, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 9th day of December, 2014, 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 22nd day of December, 2014.


Secretary of the School Land Board

Addendum "A"

To that certain Pooling Agreement for the HORSESHOE SPRINGS STATE 113-24X1 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", provided however that, on or before the expiration of the Extended Period, as defined in the Unit Agreement for the Development and Operation of the Horseshoe Springs State Unit, (the "**Trigger Date**"), if Lessee has commenced actual drilling operations on one (1) Unit Well, then a "**Continuous Drilling Program**" shall commence, whereby, Lessee has the option to commence actual drilling operations on additional Unit Wells in accordance with the deadlines below:

- Two Years from the expiration of the Extended Period – 2nd Unit Well
- Three Years from the expiration of the Extended Period – 3rd Unit Well
- Four Years from the expiration of the Extended Period – 4th Unit Well

At such time as Lessee has drilled and completed four (4) Unit Wells, in accordance with the deadlines above, the Continuous Drilling Program shall cease and the parties hereby agree that the pooled unit shall remain in the original, unaltered size and shape described in Exhibit "B" and depicted in Exhibit "C", in accordance with paragraph 9 of the Agreement.

Lessee's failure to timely comply with the deadlines above shall result in the formation of a "**Contracted Pooled Unit**" in accordance with the following:

# of Unit Wells	Corresponding size & shape of the resulting Contracted Pooled Unit
1 Unit Well	240 Acres, more or less, comprised of the stand-up 240 acre, more or less, quarter of the original pooled unit containing the first Unit Well.
2 Unit Wells	480 Acres, more or less, comprised of a) the stand-up 480 acre, more or less, half of the original pooled unit containing the first Unit Well, or b) the two 240 acre, more or less, stand-up quarters of the original pooled unit containing each of the 2 Unit Wells, if said wells are not in the same half of the original pooled unit.
3 Unit Wells	720 Acres, more or less, comprised of a) the stand-up 480 acre, more or less, half of the original pooled unit containing the first Unit Well and the adjacent stand-up 240 acre, more or less, quarter of the original pooled unit, or b) the stand-up 480 acre, more or less, half of the original pooled unit containing the first unit well and the non-adjacent stand-up 240 acre, more or less, quarter of the original pooled unit, if said non-adjacent quarter contains a wellbore, or c) the three 240 acre, more or less, stand-up quarters of the original pooled unit containing each of the 3 Unit Wells.

It is the intent of the parties that each wellbore drilled within the original pooled unit shall earn 240 acres, more or less, or one quarter of the original pooled unit acreage as described on Exhibit "B" and depicted on Exhibit "C".

End of Addendum "A"

Exhibit "A"
Leases In Unit

State Lease #: MF-111133A

Lessor: State of Texas, by and through its agent, Mary Jane Barron, Individually and as Trustee of the Mary Jane Barron Revocable Living Trust

Lessee: Legend Natural Gas IV, LP

Date: 05/25/2010

Recording Info: Recorded at File No. 65562, Book 101, Page 424, Official Public Records, Culberson County, Texas

Royalty: 25%

State Lease #: MF-113602

Lessor: State of Texas, acting by and through its agent Roddy L. Harrison, Trustee of the Harrison Trust under Trust Indenture Dated 04/25/96, as Amended

Lessee: Legend Natural Gas IV, LP

Date: 07/29/2011

Recording Info: Recorded at File No. 67197, Book 106, Page 570, Official Public Records, Culberson County, Texas

Royalty: 25%

State Lease #: MF-111134A

Lessor: State of Texas, Acting by and through its agent, Mary Jane Barron, Individually and as Trustee of the Mary Jane Barron Revocable Living Trust u/t/a dated 07/27/92

Lessee: Legend Natural Gas IV, LP

Date: 05/25/2010

Recording Info: Recorded at File No. 65560, Book 101, Page 404, Official Public Records, Culberson County, Texas

Royalty: 25%

Exhibit "B"

Description of Lands included in the Pooling Agreement

Tract 1:

The South Half of Section 24, BLK 113, Public School Land Survey, Culberson County, Texas.

Tract 2:

All of Section 1, BLK 111, Public School Land Survey, Culberson County Texas.



Page 1

Page 2

Page 3

Page 4

Page 5

Page 6

Page 7



NAD 83 (1986) GRID
TEXAS CENTRAL ZONE

0 1000 2000
1" = 2000 FEET

W.H. HICKS
A-1273
SECTION 13, BLOCK 113,
T.&P. R.R. CO.

L.M. MCGILVREY
A-1853
SECTION 24, BLOCK 113,
T.&P. R.R. CO.

LEASE LINE

Mineral Owner:
TRACT 1
State of Texas Minerals
327.60 ACRES

23 24 SURVEY/SECTION/BLOCK LINE 24

970.40
ACRE LEASE

Mineral Owner:
TRACT 2
State of Texas Minerals
642.80 ACRES

L.E. MCGILVREY
A-1850
SECTION 1, BLOCK 111,
T.&P. R.R. CO.

GENERAL NOTES

1. COORDINATES SHOWN ARE BASED ON TEXAS COORDINATE SYSTEM OF NAD 27 "TEXAS CENTRAL ZONE", AND BASED ON "CHAPMAN ET" NGS MONUMENT (Y = 783,172.93, X = 903,204.24)
2. VERTICAL DATUM IS NAVD 88
3. COMBINED SCALE FACTOR = 0.999957851
4. LATITUDE AND LONGITUDE ARE NAD 27 AS SHOWN
5. AREA, DISTANCES, AND COORDINATES ARE "GRID"
6. UNITS ARE UNITED STATES SURVEY FOOT.
7. ALL LEASE AND TRACT INFORMATION SHOWN HERE ON IS DONE SO BY LIMITED DEED RECORD INFORMATION ONLY. ALL ACRES SHOWN ARE BY DEED AND LEASE CALL, EXCEPT WHERE NOTED. THIS IS NOT IN ANY WAY A "BOUNDARY SURVEY".

REVISION	DATE	BY	DETAILS
A	11/10/14	GG	MAKE PRELIMINARY PLAT

I HEREBY STATE THAT THIS PLAT
SHOWS THE SUBJECT LOCATION BASED
ON INFORMATION PROVIDED BY
THE CLIENT.

PRELIMINARY, THIS DOCUMENT SHALL NOT
BE RECORDED FOR ANY PURPOSE AND
SHALL NOT BE USED OR VIEWED OR RELIED
UPON AS A FINAL SURVEY DOCUMENT

ROBERT GLEN MALOY
REGISTERED PROFESSIONAL LAND SURVEYOR
LICENSE NO. 6028

EXHIBIT OF:
A POOLED UNIT FOR:

BHP BILLITON PET (TXLA OP) CO.
HORSESHOE SPRING STATE 113-24X1 1H
WID# 833806

SITUATED IN L.M. MCGILVREY SURVEY, ABSTRACT NO.
1853, SECTION 24, BLOCK 113, AND THE L.E.
MCGILVREY SURVEY, ABSTRACT NO. 1850, SECTION 1
BLOCK 111, T.&P. R.R. CO. LANDS, LOCATED
APPROX. 14.37 MILES SOUTHWEST OF ORLA, IN
CULBERSON COUNTY, TEXAS



BHP Billiton
1360 Post Oak Blvd. #150
Houston, Texas 77056



550 Bailey Ave., 205 - Fort Worth, TX 76107
Ph: 817.349.9800 - Fax: 979.732.5271
TBPLS Firm No. 10193887
www.franksurveying.com
LAND SURVEYING/ENERGY/GIS SERVICES
© COPYRIGHT 2014 - ALL RIGHTS RESERVED

DATE: 11/10/14 PROJECT NO: 2014091001
DRAWN BY: GG SCALE: 1" = 2000'
CHECKED BY: RM SHEET: 1 OF 1
FIELD CREW: REMR REVISION: NO

File No.

313 3

M-111133

16

County

Recorded Pooling Agreement #7219

Date Filed:

3/6/15

George P. Bush, Commissioner

By

[Signature]

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

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

PERMIT NUMBER 802289	DATE PERMIT ISSUED OR AMENDED (AMENDED) Sep 17, 2015	DISTRICT * 08
API NUMBER 42-109-32810	FORM W-1 RECEIVED Sep 08, 2015	COUNTY CULBERSON
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Horizontal	ACRES 971.34
OPERATOR BHP BILLITON PET(TXLA OP) CO 1360 POST OAK BLVD STE 150 HOUSTON, TX 77056-0000		NOTICE This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. District Office Telephone No: (432) 684-5581
LEASE NAME HORSESHOESPRINGSSTATE113-24X1		WELL NUMBER 1H
LOCATION 14.4 miles SW direction from ORLA		TOTAL DEPTH 14000
Section, Block and/or Survey SECTION ◀ 24 BLOCK ◀ 113 ABSTRACT ◀ 1853 SURVEY ◀ PSL/ MC GILVREY, L E		
DISTANCE TO SURVEY LINES 2273 ft. N 986 ft. W		DISTANCE TO NEAREST LEASE LINE 518 ft.
DISTANCE TO LEASE LINES 2273 ft. N OFFLEASE 986 ft. W OFFLEASE		DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below
FIELD(s) and LIMITATIONS: * SEE FIELD DISTRICT FOR REPORTING PURPOSES *		
FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH NEAREST LEASE
PHANTOM (WOLFCAMP) HORSESHOESPRINGSSTATE113-24X1	971.34 518	12,500 0
WELLBORE PROFILE(S) FOR FIELD: Horizontal		
RESTRICTIONS: Lateral: TH1 Penetration Point Location Lease Lines: 2636.0 F N OFF LEASE L 977.0 F W OFF LEASE L Terminus Location BH County: CULBERSON Section: 1 Block: 111 Abstract: 1850 Survey: PSL/ MC GILVREY, L E Lease Lines: 332.0 F S L 1028.0 F W L Survey Lines: 332.0 F S L 1028.0 F W L		
THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS This well shall be completed and produced in compliance with applicable special field or statewide spacing and density rules. If this well is to be used for brine mining, underground storage of liquid hydrocarbons in salt formations, or underground storage of gas in salt formations, a permit for that specific purpose must be obtained from Environmental Services prior to construction, including drilling, of the well in accordance with Statewide Rules 81, 95, and 97.		

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

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

PERMIT NUMBER 802289	DATE PERMIT ISSUED OR AMENDED (AMENDED) Sep 17, 2015	DISTRICT * 08
API NUMBER 42-109-32810	FORM W-1 RECEIVED Sep 08, 2015	COUNTY CULBERSON
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Horizontal	ACRES 971.34
OPERATOR BHP BILLITON PET(TXLA OP) CO 1360 POST OAK BLVD STE 150 HOUSTON, TX 77056-0000		NOTICE This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. District Office Telephone No: (432) 684-5581
LEASE NAME HORSESHOESPRINGSSTATE113-24X1		WELL NUMBER 1H
LOCATION 14.4 miles SW direction from ORLA		TOTAL DEPTH 14000
Section, Block and/or Survey SECTION ◀ 24 BLOCK ◀ 113 ABSTRACT ◀ 1853 SURVEY ◀ PSL/ MC GILVREY, L E		
DISTANCE TO SURVEY LINES 2273 ft. N 986 ft. W		DISTANCE TO NEAREST LEASE LINE 518 ft.
DISTANCE TO LEASE LINES 2273 ft. N OFFLEASE 986 ft. W OFFLEASE		DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below
FIELD(s) and LIMITATIONS: * SEE FIELD DISTRICT FOR REPORTING PURPOSES *		
FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH NEAREST WE
WELL # NEAREST WE		
DIST		
Currently there are no identified formations listed for this county. It is still the operators responsibility to isolate and report any potential flow zones that are encountered in the completion of this well.		

31076

Railroad Commission of Texas

PERMIT TO DRILL, RE-COMPLETE, OR RE-ENTER ON REGULAR OR ADMINISTRATIVE EXCEPTION LOCATION

CONDITIONS AND INSTRUCTIONS

Permit Invalidation. It is the operator's responsibility to make sure that the permitted location complies with Commission density and spacing rules in effect on the spud date. The permit becomes invalid automatically if, because of a field rule change or the drilling of another well, the stated location is not in compliance with Commission field rules on the spud date. If this occurs, application for an exception to Statewide Rules 37 and 38 must be made and a special permit granted prior to spudding. Failure to do so may result in an allowable not being assigned and/or enforcement procedures being initiated.

Notice Requirements. Per H.B 630, signed May 8, 2007, the operator is required to provide notice to the surface owner no later than the 15th business day after the Commission issues a permit to drill. Please refer to subchapter Q Sec. 91.751-91.755 of the Texas Natural Resources Code for applicability.

Permit expiration. This permit expires two (2) years from the date of issuance shown on the original permit. The permit period will not be extended.

Drilling Permit Number. The drilling permit number shown on the permit **MUST** be given as a reference with any notification to the district (see below), correspondence, or application concerning this permit.

Rule 37 Exception Permits. This Statewide Rule 37 exception permit is granted under either provision Rule 37 (h)(2)(A) or 37(h)(2)(B). Be advised that a permit granted under Rule 37(h)(2)(A), notice of application, is subject to the General Rules of Practice and Procedures and if a protest is received under Section 1.3, "Filing of Documents," and/or Section 1.4, "Computation of Time," the permit may be deemed invalid.

Before Drilling

Fresh Water Sand Protection. The operator must set and cement sufficient surface casing to protect all usable-quality water, as defined by the Railroad Commission of Texas (RRC) Groundwater Advisory Unit (GWAU). Before drilling a well, the operator must obtain a letter from the Railroad Commission of Texas stating the depth to which water needs protection. Write: Railroad Commission of Texas, Groundwater Advisory Unit (GWAU), P.O. Box 12967, Austin, TX 78711-3087. File a copy of the letter with the appropriate district office.

Accessing the Well Site. If an OPERATOR, well equipment TRANSPORTER or WELL service provider must access the well site from a roadway on the state highway system (Interstate, U.S. Highway, State Highway, Farm-to-Market Road, Ranch-to-Market Road, etc.), an access permit is required from TxDOT. Permit applications are submitted to the respective TxDOT Area Office serving the county where the well is located.

Water Transport to Well Site. If an operator intends to transport water to the well site through a temporary pipeline laid above ground on the state's right-of-way, an additional TxDOT permit is required. Permit applications are submitted to the respective TxDOT Area Office serving the county where the well is located.

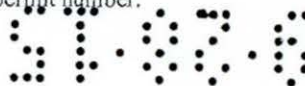
*NOTIFICATION

The operator is **REQUIRED** to notify the district office when setting surface casing, intermediate casing, and production casing, or when plugging a dry hole. The district office **MUST** also be notified if the operator intends to re-enter a plugged well or re-complete a well into a different regulatory field. Time requirements are given below. The drilling permit number **MUST** be given with such notifications.

During Drilling

Permit at Drilling Site. A copy of the Form W-1 Drilling Permit Application, the location plat, a copy of Statewide Rule 13 alternate surface casing setting depth approval from the district office, if applicable, and this drilling permit must be kept at the permitted well site throughout drilling operations.

***Notification of Setting Casing.** The operator **MUST** call in notification to the appropriate district office (phone number shown the on permit) a minimum of eight (8) hours prior to the setting of surface casing, intermediate casing, AND production casing. The individual giving notification **MUST** be able to advise the district office of the drilling permit number.



***Notification of Re-completion/Re-entry.** The operator MUST call in notification to the appropriate district office (phone number shown on permit) a minimum of eight (8) hours prior to the initiation of drilling or re-completion operations. The individual giving notification MUST be able to advise the district office of the drilling permit number.

Completion and Plugging Reports

Hydraulic Fracture Stimulation using Diesel Fuel: Most operators in Texas do not use diesel fuel in hydraulic fracturing fluids. Section 322 of the Energy Policy Act of 2005 amended the Underground Injection Control (UIC) portion of the federal Safe Drinking Water Act (42 USC 300h(d)) to define "underground injection" to *EXCLUDE* "the underground injection of fluids or propping agents (*other than diesel fuels*) pursuant to hydraulic fracturing operations related to oil, gas, or geothermal production activities." (italic and underlining added.) Therefore, hydraulic fracturing may be subject to regulation under the federal UIC regulations if diesel fuel is injected or used as a propping agent. EPA defined "diesel fuel" using the following five (5) Chemical Abstract Service numbers: 68334-30-5 Primary Name: Fuels, diesel; 68476-34-6 Primary Name: Fuels, diesel, No. 2; 68476-30-2 Primary Name: Fuel oil No. 2; 68476-31-3 Primary Name: Fuel oil, No. 4; and 8008-20-6 Primary Name: Kerosene. As a result, an injection well permit would be required before performing hydraulic fracture stimulation using diesel fuel as defined by EPA on any well in Texas. Hydraulic fracture stimulation using diesel fuel as defined by EPA on a well in Texas without an injection well permit could result in enforcement action.

Producing Well. Statewide Rule 16 states that the operator of a well shall file with the Commission the appropriate completion report within thirty (30) days after completion of the well or within ninety (90) days after the date on which the drilling operation is completed, whichever is earlier. Completion of the well in a field authorized by this permit voids the permit for all other fields included in the permit unless the operator indicates on the initial completion report that the well is to be a dual or multiple completion and promptly submits an application for multiple completion. All zones are required to be completed before the expiration date on the existing permit. Statewide Rule 40(d) requires that upon successful completion of a well in the same reservoir as any other well previously assigned the same acreage, proration plats and P-15s (if required) must be submitted with no double assignment of acreage.

Dry or Noncommercial Hole. Statewide Rule 14(b)(2) prohibits suspension of operations on each dry or non-commercial well without plugging unless the hole is cased and the casing is cemented in compliance with Commission rules. If properly cased, Statewide Rule 14(b)(2) requires that plugging operations must begin within a period of one (1) year after drilling or operations have ceased. Plugging operations must proceed with due diligence until completed. An extension to the one-year plugging requirement may be granted under the provisions stated in Statewide Rule 14(b)(2).

Intention to Plug. The operator must file a Form W-3A (Notice of Intention to Plug and Abandon) with the district office at least five (5) days prior to beginning plugging operations. If, however, a drilling rig is already at work on location and ready to begin plugging operations, the district director or the director's delegate may waive this requirement upon request, and verbally approve the proposed plugging procedures.

***Notification of Plugging a Dry Hole.** The operator MUST call in notification to the appropriate district office (phone number shown on permit) a minimum of four (4) hours prior to beginning plugging operations. The individual giving the notification MUST be able to advise the district office of the drilling permit number and all water protection depths for that location as stated in the Texas Commission on Environmental Quality letter.

DIRECT INQUIRIES TO: DRILLING PERMIT SECTION, OIL AND GAS DIVISION

PHONE
(512) 463-6751

MAIL:
PO Box 12967
Austin, Texas, 78711-2967

512.463.6751

API No. <u>42-109-32810</u> Application Status # <u>802289</u> SWR Exception Case/Docket No. _____		RAILROAD COMMISSION OF TEXAS OIL & GAS DIVISION APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER <i>This facsimile W-1 was generated electronically from data submitted to the RRC.</i> <i>A certification of the automated data is available in the RRC's Austin office.</i>			FORM W-1 07/2004 Permit Status: Pending Approval <i>The RRC has not approved this application.</i> <i>Duplication or distribution of information is at the user's own risk.</i>	
1. RRC Operator No. <u>068596</u>		2. Operator's Name (as shown on form P-5, Organization Report) <u>BHP BILLITON PET(TXLA OP) CO</u>		3. Operator Address (include street, city, state, zip): <u>1360 POST OAK BLVD STE 150</u> <u>HOUSTON, TX 77056-0000</u>		
4. Lease Name <u>HORSESHOESPRINGSSTATE113-24X1</u>		5. Well No. <u>1H</u>				
GENERAL INFORMATION						
6. Purpose of filing (mark ALL appropriate boxes): ☒ New Drill ☐ Recompletion ☐ Reclass ☐ Field Transfer ☐ Re-Enter ☒ Amended ☐ Amended as Drilled (BHL) (Also File Form W-1D)						
7. Wellbore Profile (mark ALL appropriate boxes): ☐ Vertical ☒ Horizontal (Also File Form W-1H) ☐ Directional (Also File Form W-1D) ☐ Sidetrack						
8. Total Depth <u>14000</u>		9. Do you have the right to develop the minerals under any right-of-way? ☒ Yes ☐ No		10. Is this well subject to Statewide Rule 36 (hydrogen sulfide area)? ☐ Yes ☒ No		
SURFACE LOCATION AND ACREAGE INFORMATION						
11. RRC District No. <u>08</u>		12. County <u>CULBERSON</u>		13. Surface Location ☒ Land ☐ Bay/Estuary ☐ Inland Waterway ☐ Offshore		
14. This well is to be located <u>14.4</u> miles in a <u>SW</u> direction from <u>ORLA</u> which is the nearest town in the county of the well site.						
15. Section <u>24</u>		16. Block <u>113</u>		17. Survey <u>PSL/ MC GILVREY, L E</u>		
		18. Abstract No. <u>A-1853</u>		19. Distance to nearest lease line: <u>518</u> ft.		
				20. Number of contiguous acres in lease, pooled unit, or unitized tract: <u>971.34</u>		
21. Lease Perpendiculars: <u>2273</u> ft from the <u>N OFFLEASE</u> line and <u>986</u> ft from the <u>W OFFLEASE</u> line.						
22. Survey Perpendiculars: <u>2273</u> ft from the <u>N</u> line and <u>986</u> ft from the <u>W</u> line.						
23. Is this a pooled unit? ☒ Yes ☐ No		24. Unitization Docket No. _____		25. Are you applying for Substandard Acreage Field? ☐ Yes (attach Form W-1A) ☒ No		
FIELD INFORMATION List all fields of anticipated completion including Wildcat. List one zone per line.						
26. RRC District No.	27. Field No.	28. Field Name (exactly as shown in RRC records)	29. Well Type	30. Completion Depth	31. Distance to Nearest Well in this Reservoir	
08	71052900	PHANTOM (WOLFCAMP)	Oil or Gas Well	12500	0.00	
BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment)						
Remarks [FILER Sep 8, 2015 8:54 AM]: Per Tracking #141064 message - well not permitted for off lease POP. Amending W-1 to show off lease POP and actual 'as drilled' SL, FTP, LTP and Terminus calls. Note - BHP is its own offset. Also amended acreage.			Certificate: I certify that information stated in this application is true and complete, to the best of my knowledge. Diann Flowers, Sr. Regulatory Specialist Name of filer _____ Date submitted <u>Sep 08, 2015</u> <u>(713)9832508</u> <u>diann.flowers@bhpbilliton.com</u> Phone E-mail Address (OPTIONAL)			
RRC Use Only Data Validation Time Stamp <u>Sep 8, 2015 9:05 AM(Current Version)</u>						

Permit Status: Pending Approval

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

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

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

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

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

Status # 802289

Approved Date:

1. RRC Operator No. 068596	2. Operator's Name (exactly as shown on form P-5, Organization Report) BHP BILLITON PET(TXLA OP) CO	3. Lease Name HORSESHOESPRINGSSTATE113-24X1	4. Well No. 1H
Lateral Drainhole Location Information			
5. Field as shown on Form W-1 PHANTOM (WOLFCAMP) (Field # 71052900, RRC District 08)			
6. Section 1	7. Block 111	8. Survey PSL/ MC GILVREY, L E	9. Abstract 1850
10. County of BHL CULBERSON			
11. Terminus Lease Line Perpendiculars 332 ft. from the S line, and 1028 ft. from the W line			
12. Terminus Survey Line Perpendiculars 332 ft. from the S line, and 1028 ft. from the W line			
13. Penetration Point Lease Line Perpendiculars 2636 ft. from the N OFF LEASE line, and 977 ft. from the W OFF LEASE line			

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division
PO Box 12967
Austin, Texas 78711-2967
www.rrc.state.tx.us

CERTIFICATE OF POOLING AUTHORITY

Revised 05/2001

P-12

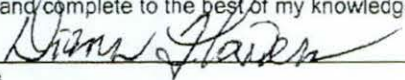
1. Field Name(s) PHANTOM (WOLFCAMP)	2. Lease/ID Number (if assigned)	3. RRC District Number 08
4. Operator Name BHP BILLITON PET (TXLA OP) CO	5. Operator P-5 Number 068596	6. Well Number 1H
7. Pooled Unit Name HORSESHOESPRINGSSTATE 113-24X1	8. API Number 42-109-32810	9. Purpose of Filing ☒ Drilling Permit (W-1) ☐ Completion Report
10. County CULBERSON	11. Total acres in pooled unit 971.34	

DESCRIPTION OF INDIVIDUAL TRACTS CONTAINED WITHIN THE POOLED UNIT

TRACT/PLAT IDENTIFIER	TRACT NAME	ACRES IN TRACT (See inst. #7 below)	INDICATE UNDIVIDED INTERESTS	
			UNLEASED	NON-POOLED
1	STATE OF TEXAS	643.42	☐	☐
2	STATE OF TEXAS	327.92	☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐

CERTIFICATION:

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


Signature

Diann Flowers

Sr. Regulatory Specialist diann.flowers@bhpbilliton.com

Print Name

Title

E-mail (if available)

08/18/2015

Date

(713) 983-2508

Phone

INSTRUCTIONS — Reference: Statewide Rules 31, 38 and 40

- When two or more tracts are pooled to form a unit to obtain a drilling permit, file completion paperwork, or reform a pooled unit pursuant to Rule 38(d)(3) the operator must file an original Certificate of Pooling Authority and certified plat.
- The certified plat shall designate each tract with an outline and a tract identifier. The tract identifier on the plat shall correspond to the tract identifier and associated information listed on the Certificate.
- If within an individual tract, a non-pooled and/or unleased interest exists, indicate by checking the appropriate box.
- If the Purpose of Filing is to obtain a drilling permit, in box #1 list all applicable fields separately or enter "All Fields" if the Certificate pertains to all fields requested on Form W-1.
- If the Purpose of Filing is to file completion paperwork, enter the applicable field name in box #1 for the completion.
- Identify the drill site tract with an * to the left of the tract identifier.
- The total number of acres in the pooled unit in #11 should equal the total of all acres in the individual tracts listed.



NAD 83 GRID
TEXAS CENTRAL ZONE

0 1000 2000
1" = 2000 FEET

W.H. HICKS
A-1273
SECTION 13, BLOCK 113,
T.&P. R.R. CO.

BHP BILLITON PET (TXLA OP) CO.
SURFACE HOLE LOCATION
HORSESHOESPRINGSSTATE113-24X1 1H
WID #833800
NAD 83
Y = 10,805,355.62
X = 1,120,815.66
LAT. = 31.70915144°N
LONG. = 104.11493537°W
NAD 27
Y = 762,779.45
X = 824,354.63
LAT. = 31.70902584°N
LONG. = 104.11445688°W
ELEV. 3,165.15'

L.M. MCGILVREY
A-1853
SECTION 24, BLOCK 113,
T.&P. R.R. CO.

OFFSET OPERATOR
POP BHP BILLITON PET (TXLA OP) CO.
NAD 27
Y = 762,417.40
X = 824,334.45
MD = 8,873'

FTP
NAD 27
Y = 761,825.95
X = 824,342.40
MD = 9,541'

971.34
ACRE UNIT

L.E. MCGILVREY
A-1850
SECTION 1, BLOCK 111,
T.&P. R.R. CO.

MINERAL OWNERS:
STATE OF TEXAS
643.42 CALLED ACRES

LTP
NAD 27
Y = 754,915.54
X = 824,111.91
MD = 16,463'

TERMINUS
NAD 83
Y = 10,597,305.54
X = 1,120,591.41
LAT. = 31.68701354°N
LONG. = 104.11477627°W
NAD 27
Y = 754,729.49
X = 824,130.33
LAT. = 31.68688756°N
LONG. = 104.11429809°W
MD = 18,148'

GENERAL NOTES

1. COORDINATES SHOWN ARE BASED ON TEXAS COORDINATE SYSTEM OF NAD 27 STATE PLANE "TEXAS CENTRAL ZONE" (EPSG 32039), AND BASED ON "CHAPMAN ET" NGS MONUMENT (Y = 783,172.93, X = 903,204.24)
2. VERTICAL DATUM IS NAVD 88 (EPSG 5103)
3. COMBINED SCALE FACTOR - 0.999957851
4. GRID NORTH CONVERGENCE ANGLE -1°56'57.89178"
5. LATITUDE AND LONGITUDE ARE NAD 27 (EPSG 4267) AS SHOWN
6. AREA, DISTANCES, AND COORDINATES ARE "GRID"
7. UNITS ARE UNITED STATES SURVEY FOOT.
8. ALL LEASE AND TRACT INFORMATION SHOWN HERE ON IS DONE SO BY LIMITED DEED RECORD INFORMATION ONLY. ALL ACREAGES SHOWN ARE BY DEED AND LEASE CALL, EXCEPT WHERE NOTED. THIS IS NOT IN ANY WAY A "BOUNDARY SURVEY".

REVISION	DATE	BY	DETAILS
A	04/17/15	GG	MAKE PRELIMINARY PLAT
B	08/26/15	RCM	REVISE POP

I HEREBY STATE THAT THIS PLAT
SHOWS THE SUBJECT LOCATION BASED
ON INFORMATION PROVIDED BY
THE CLIENT.

ROBERT GLEN MALOY
REGISTERED PROFESSIONAL LAND SURVEYOR
LICENSE NO. 6028



PLAT OF:
AN AS-DRILLED WELL LOCATION FOR:
BHP BILLITON PET (TXLA OP) CO.
HORSESHOESPRINGSSTATE113-24X1 1H
WID# 833800

SITUATED IN L.M. MCGILVREY SURVEY, ABSTRACT NO. 1853,
SECTION 24, BLOCK 113, AND THE L.E. MCGILVREY
SURVEY, ABSTRACT NO. 1850, SECTION 1 BLOCK 111,
T.&P. R.R. CO. LANDS, LOCATED APPROX. 14.4 MILES
SOUTHWEST OF ORLA, IN CULBERSON COUNTY, TEXAS



BHP Billiton
1360 Post Oak Blvd. #150
Houston, Texas 77056



550 Bailey Ave., 205 - Fort Worth, TX 76107
Ph: 817.349.9800 - Fax: 979.732.5271
TBPLS Firm No. 10193887
www.franksurveying.com
LAND SURVEYING/ENERGY/GIS SERVICES
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DATE: 12/29/14 PROJECT NO: 2014091001
DRAWN BY: RP SCALE: 1" = 2000'
CHECKED BY: JK SHEET: 1 OF 1
FIELD CREW: REMPT REVISION: NO

2015

File No. ME111133 17.
Culberson County
Unit 7219 - Amended Drilling Permit
Date Filed: 12/3/15
By gm George P. Bush, Commissioner

MF 111134
MF 113602
MF 111133✓

DIVISION ORDER



To: **BHP Billiton Petroleum**
Land Administration
P O Box 22719
Houston, TX 77227-9927
(877) 311- 1443

Issue Date: 4/27/2015
Property Name: HORSESHOE SPRINGS STATE 113-24X1 1H
Property #: P1M605/00501 *API 109-32810*
Production: ALL PRODUCTS
Operator: BHP BILLITON PETROLEUM (TXLA OPERATING)
Legal Description: PSL ABST/ID# 1853 Grantee MCGILVREY Blk 113 Sec 24 CULBERSON COUNTY, TEXAS (327.60 ACRES); PSL ABST/ID# 1850 Grantee MCGILVREY Blk 111 Sec 1 CULBERSON COUNTY, TEXAS (642.80 ACRES)

CREDIT TO

Owner # 80113945
STATE OF TEXAS GLO
1700 N CONGRESS AVE NO 640
AUSTIN TX 78701-1495

Decimal	Type	Status	Reason	Start Date
0.12500000	RI	PAY		4/1/2015

PLEASE KEEP THIS COPY FOR YOUR RECORDS



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

September 12, 2016

Broderick Brown
Division Order Analyst
BHP Billiton Petroleum
P O BOX 22719
Houston, TX 77227-9927

Re: State Lease Nos. MF111133, MF111134 and MF113602 HorseshoeSpringState113-24 1H

Dear Mr. Brown:

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 files.

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 11133

Division Order County

Date Filed: 9-13-2016

George P. Bush, Commissioner

By V.H.



Texas General Land Office

Reconciliation Billing

George P. Bush, Commissioner

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

BHP Billiton Petroleum (TXLA Operating) Company
Attn: Cristen Steele
1360 Post Oak Blvd Ste 150
Houston, TX 77056-3030

Billing Date: 5/3/2016
Billing Due Date: 6/2/2016
Customer Number: C000046383

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
16I00395	MF065125	\$16,927.65	\$0.00	\$1,892.25	\$469.02	\$19,288.92
16I00397	MF111133	\$961.17	\$0.00	\$155.66	\$41.87	\$1,158.70
16I00399	MF111133	\$0.00	\$435.27	\$75.00	\$12.31	\$522.58
16I00400	MF111134	\$1,885.97	\$0.00	\$305.43	\$82.15	\$2,273.55
16I00401	MF111134	\$0.00	\$858.32	\$97.72	\$24.30	\$980.34
16I00402	MF113602	\$8,541.37	\$0.00	\$1,383.27	\$273.81	\$10,198.45
16I00403	MF113602	\$0.00	\$3,893.00	\$389.30	\$110.27	\$4,392.57
Total Due		\$28,316.16	\$5,186.59	\$4,298.63	\$1,013.73	\$38,815.11

Penalty and interest have been calculated thru 5/31/2016. Payment remitted after 5/31/2016 will result in additional penalty and interest charges.

Contact Info: Andrea Charlton (512) 463-5190 or Andrea.Charlton@GLO.TEXAS.GOV

NOTICE

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

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

Detach and return with payment

Reconciliation Billing

BHP Billiton Petroleum (TXLA Operating) Company

Billing Date: 5/3/2016

Billing Due Date: 6/2/2016

Customer Number: C000046383

Remit Payment To:

Texas General Land Office

PO Box 12873

Austin, TX 78711-2873

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
16I00395	MF065125	\$16,927.65	\$0.00	\$1,892.25	\$469.02	\$19,288.92
16I00397	MF111133	\$961.17	\$0.00	\$155.66	\$41.87	\$1,158.70
16I00399	MF111133	\$0.00	\$435.27	\$75.00	\$12.31	\$522.58
16I00400	MF111134	\$1,885.97	\$0.00	\$305.43	\$82.15	\$2,273.55



Texas General Land Office

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

George P. Bush, Commissioner

16I00401	MF111134	\$0.00	\$858.32	\$97.72	\$24.30	\$980.34
16I00402	MF113602	\$8,541.37	\$0.00	\$1,383.27	\$273.81	\$10,198.45
16I00403	MF113602	\$0.00	\$3,893.00	\$389.30	\$110.27	\$4,392.57
Total Due		\$28,316.16	\$5,186.59	\$4,298.63	\$1,013.73	\$38,815.11
Amt. Paid						

Energy Financial Management
SMAR Activity / Invoicing Approval

Auditor/Account Examiner: Andrea Charlton
Company Name: BHP Billiton Petroleum Company
Customer Number: C000046383
Mineral File #: MF111133
Transaction Type: Volume Reconciliation
Other / Invoice #:

Previous Amount	Current Amount	Date	AE / Reviewer's Notes	Reviewer's Signature	AR Notes
	\$1,158.70	04/29/16	Under reported/paid sales volumes.	MM 4/29/2016	

All original invoices must be approved.

All reductions in billing of more than \$1000 must be approved.

Customer ID: C000046383

Invoice Number:

GLO Lease: MF111133

GLO Review: BHP Billiton Petroleum Company

Review Period: JANUARY Through AUGUST 2015

Auditor/AE: Acharito

Billing Date: 5/2/2016

P&I Calculation Date: 5/31/2016

Royalty Rate: 12.50%

Month / Year	RRC Number	(1) Gas Volume	(2) Tract Participation	(3) Price	(4) BTU	(5) Gross Value (1)X(2)x(3)x(4)	(6) Royalty Due (5) * Royalty Rate	(7) Royalty Paid	(8) Additional Royalty Due	(9) Number of Days Late	(10) Interest Rate For Additional Royalty	(11) Penalty From Additional Royalty	(12) Interest From Additional Royalty	Revenue Due (8)+(11)+(12)
Apr-15	08-278243		1.000000			\$1,232.72	\$154.09	\$249.92	(\$95.83)	351	4.250000%	\$0.00	\$0.00	(\$95.83)
May-15	08-278243		1.000000			\$12,452.80	\$1,556.60	\$2,056.20	(\$499.60)	321	4.250000%	\$0.00	\$0.00	(\$499.60)
Jun-15	08-278243		1.000000			\$30,082.88	\$3,760.36	\$2,203.76	\$1,556.60	290	4.250000%	\$155.66	\$41.87	\$1,754.13
TOTALS		0				\$43,768.40	\$5,471.05	\$4,509.88	\$961.17			\$155.66	\$41.87	\$1,156.70

ATTN: CRISTEN STEELE

CERTIFIED MAIL: 7007 0710 0000 5380 6514

COMMENTS: Under payment of Due vs. Paid on royalties due to GLO

COLUMN (10)(11)(12) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENT:

<http://www.glo.texas.gov/energy-business/oil-gas/rrac/forms/penalty-interest-assessment-rules.pdf>

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

Energy Financial Management
SMAR Activity / Invoicing Approval

Auditor/Account Examiner: Andrea Charlton
Company Name: BHP Billiton Petroleum Company
Customer Number: C000046383
Mineral File #: MF111133
Transaction Type: Volume Reconciliation
Other / Invoice #:

Previous Amount	Current Amount	Date	AE / Reviewer's Notes	Reviewer's Signature	AR Notes
	\$522.58	04/29/16	Under reported/paid sales volumes.	MM 4/29/2016	

All original invoices must be approved.

All reductions in billing of more than \$1000 must be approved.

Customer ID: C000046383
 Invoice Number:
 GLO Lease: MF111133
 GLO Review: BPH Billiton Petroleum Company
 Review Period: JANUARY THROUGH DECEMBER 2014

Auditor/AE: Acharito
 Billing Date: 5/2/2016
 P&I Calculation Date: 5/31/2016
 Royalty Rate: 12.50%

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
Month / Year	RRC Number	Oil Volume	Tract Participation Rate	Price	Gross Value	Royalty Due	Royalty Paid	Additional Royalty Due	Number of Days Late	Interest Rate For Additional Royalty	Penalty From Additional Royalty	Interest From Additional Royalty	Revenue Due
					(1)X(2)x(3)	(4) * Royalty Rate							(7)+(10)+(11)
Apr-15	08-278243	13.00	1	\$45.66	\$593.60	\$74.20	\$0.00	\$74.20	361	4.250000%	\$25.00	\$2.61	\$101.81
Jun-15	08-278243	37.00	1	\$52.30	\$1,935.10	\$241.89	\$0.00	\$241.89	300	4.250000%	\$25.00	\$6.79	\$273.68
Jul-15	08-278243	21.00	1	\$45.40	\$953.40	\$119.18	\$0.00	\$119.18	269	4.250000%	\$25.00	\$2.91	\$147.09
TOTALS		71.00			\$3,482.10	\$435.27	\$0.00	\$435.27			\$75.00	\$12.31	\$522.58

ATTENTION: CRISTEN STEELE
 CERTIFIED MAIL : 7007 0710 0000 5380 6514

COMMENTS: SALES VOLUMES REPORTED TO THE GLO WAS COMPARED TO VOLUMES REPORTED TO THE RRC.
 IT HAS BEEN DETERMINED THAT THE SALES VOLUMES HAS BEEN UNDER PAID.

COLUMN (1) RRC VOLUME - REPRESENTS UNDER REPORTED SALES VOLUMES TO THE GLO FROM RRC WELL ID# 08-278243

COLUMN (3) PRICE - TAKEN FROM PRODUCTION ROYALTY REPORTS SUBMITTED TO THE TEXAS GENERAL LAND OFFICE

COLUMN (10)(11)(12) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENT:

<http://www.glo.texas.gov/energy-business/oil-gas/rrac/forms/penalty-interest-assessment-rules.pdf>

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

File No. MF 111134

County

Recon Billing

Date Filed: 12-6-16

George P. Bush, Commissioner

By AT

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

PERMIT NUMBER 819978	DATE PERMIT ISSUED OR AMENDED Nov 22, 2016	DISTRICT * 08
API NUMBER 42-109-33020	FORM W-1 RECEIVED Nov 02, 2016	COUNTY CULBERSON
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Horizontal	ACRES 976.37
OPERATOR BHP BILLITON PET(TXLA OP) CO 1360 POST OAK BLVD STE 150 HOUSTON, TX 77056-0000		NOTICE This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. District Office Telephone No: (432) 684-5581
LEASE NAME HS STATE 113-24X13		WELL NUMBER 1H
LOCATION 14.51 miles NE direction from ORLA		TOTAL DEPTH 14000
Section, Block and/or Survey SECTION ◀ 24 BLOCK ◀ 113 ABSTRACT ◀ 1853 SURVEY ◀ PSL/MC GILVREY, L E		
DISTANCE TO SURVEY LINES 2270 ft. N 1106 ft. W		DISTANCE TO NEAREST LEASE LINE 200 ft.
DISTANCE TO LEASE LINES 1106 ft. W 416 ft. S		DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below
FIELD(s) and LIMITATIONS: * SEE FIELD DISTRICT FOR REPORTING PURPOSES *		
FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH NEAREST WE
-----	-----	-----
PHANTOM (WOLFCAMP)	976.37	12,500
HS STATE 113-24X13	200	0

WELLBORE PROFILE(s) FOR FIELD: Horizontal		

RESTRICTIONS: This is a hydrogen sulfide field. Hydrogen Sulfide Fields with perforations must be isolated and tested per State Wide Rule 36 and a Form H-9 filed with the district office. Fields with SWR 10 authority to downhole commingle must be isolated and tested individually prior to commingling production.		
Lateral: TH1 Penetration Point Location Lease Lines: 2487.0 F S L 330.0 F W L Terminus Location BH County: CULBERSON Section: 13 Block: 113 Abstract: 1273 Survey: PSL/HICKS, W H Lease Lines: 50.0 F N L 330.0 F W L Survey Lines: 50.0 F N L 330.0 F W L		
THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS		

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

PERMIT NUMBER 819978	DATE PERMIT ISSUED OR AMENDED Nov 22, 2016	DISTRICT * 08
API NUMBER 42-109-33020	FORM W-1 RECEIVED Nov 02, 2016	COUNTY CULBERSON
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Horizontal	ACRES 976.37
OPERATOR BHP BILLITON PET(TXLA OP) CO 1360 POST OAK BLVD STE 150 HOUSTON, TX 77056-0000		NOTICE This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. District Office Telephone No: (432) 684-5581
LEASE NAME HS STATE 113-24X13		WELL NUMBER 1H
LOCATION 14.51 miles NE direction from ORLA		TOTAL DEPTH 14000
Section, Block and/or Survey SECTION ◀ 24 BLOCK ◀ 113 ABSTRACT ◀ 1853 SURVEY ◀ PSL/MC GILVREY, L E		
DISTANCE TO SURVEY LINES 2270 ft. N 1106 ft. W		DISTANCE TO NEAREST LEASE LINE 200 ft.
DISTANCE TO LEASE LINES 1106 ft. W 416 ft. S		DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below
FIELD(s) and LIMITATIONS: * SEE FIELD DISTRICT FOR REPORTING PURPOSES *		
FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH NEAREST LEASE
	WELL # NEAREST WE	DIST
This well shall be completed and produced in compliance with applicable special field or statewide spacing and density rules. If this well is to be used for brine mining, underground storage of liquid hydrocarbons in salt formations, or underground storage of gas in salt formations, a permit for that specific purpose must be obtained from Environmental Services prior to construction, including drilling, of the well in accordance with Statewide Rules 81, 95, and 97. This well must comply to the new SWR 3.13 requirements concerning the isolation of any potential flow zones and zones with corrosive formation fluids. See approved permit for those formations that have been identified for the county in which you are drilling the well in. The designated interval for one or more of the fields approved in this permit appears to overlap with the designated interval of another field or fields in this district. In the case of conflicting designated intervals you will be required to be consistent in field designation on this lease. Further, if the designated interval overlap of wells on this lease results in an actual or potential double assignment of reservoir and the applicant cannot conclusively demonstrate that there is no double assignment, the permitted well may not be assigned an allowable until the conflict is resolved. Because of the overlapping designated intervals in this area, issuance of this permit does not guarantee that the completion of the well will be approved or that the well will receive an allowable in any given field, even if that field is listed on the approved permit application.		

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

CULBERSON (109) County

Formation	Shallow Top	Deep Top	Remarks	Geological Order	Effective Date
RUSTLER	450	450		1	12/17/2013
FORD-DELAWARE	2,500	2,500		2	12/17/2013
DELAWARE	2,600	3,400		3	12/17/2013
CHERRY CANYON	3,600	5,400		4	12/17/2013
BONE SPRINGS	6,150	6,150		5	12/17/2013
MISSISSIPPIAN	8,900	8,900		6	12/17/2013
WOLFCAMP	7,900	9,100		7	12/17/2013
ATOKA	11,600	11,600		8	12/17/2013
MORROW	11,800	11,800		9	12/17/2013
STRAWN	5,750	12,800		10	12/17/2013
SILURIAN	15,400	15,400		11	12/17/2013

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

API No <u>42-109-33020</u> Drilling Permit # <u>819978</u> SWR Exception Case/Docket No. _____		RAILROAD COMMISSION OF TEXAS OIL & GAS DIVISION APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER <i>This facsimile W-1 was generated electronically from data submitted to the RRC.</i> <i>A certification of the automated data is available in the RRC's Austin office.</i>				FORM W-1 07/2004 Permit Status: Approved	
1. RRC Operator No. <u>068596</u>		2. Operator's Name (as shown on form P-5, Organization Report) <u>BHP BILLITON PET(TXLA OP) CO</u>		3. Operator Address (include street, city, state, zip): <u>1360 POST OAK BLVD STE 150</u> <u>HOUSTON, TX 77056-0000</u>			
4. Lease Name <u>HS STATE 113-24X13</u>		5. Well No. <u>1H</u>					
GENERAL INFORMATION							
6. Purpose of filing (mark ALL appropriate boxes): ☒ New Drill ☐ Recompletion ☐ Reclass ☐ Field Transfer ☐ Re-Enter ☐ Amended ☐ Amended as Drilled (BHL) (Also File Form W-1D)							
7. Wellbore Profile (mark ALL appropriate boxes): ☐ Vertical ☒ Horizontal (Also File Form W-1H) ☐ Directional (Also File Form W-1D) ☐ Sidetrack							
8. Total Depth <u>14000</u>		9. Do you have the right to develop the minerals under any right-of-way? ☐ Yes ☒ No		10. Is this well subject to Statewide Rule 36 (hydrogen sulfide area)? ☒ Yes ☐ No			
SURFACE LOCATION AND ACREAGE INFORMATION							
11. RRC District No. <u>08</u>		12. County <u>CULBERSON</u>		13. Surface Location ☒ Land ☐ Bay/Estuary ☐ Inland Waterway ☐ Offshore			
14. This well is to be located <u>14.51</u> miles in a <u>NE</u> direction from <u>ORLA</u> which is the nearest town in the county of the well site.							
15. Section <u>24</u>	16. Block <u>113</u>	17. Survey <u>PSL/MC GILVREY, L E</u>		18. Abstract No. <u>A-1853</u>	19. Distance to nearest lease line <u>200</u> ft	20. Number of contiguous acres in lease, pooled unit, or unitized tract: <u>976.37</u>	
21. Lease Perpendiculars: <u>1106</u> ft from the <u>W</u> line and <u>416</u> ft from the <u>S</u> line. 22. Survey Perpendiculars: <u>2270</u> ft from the <u>N</u> line and <u>1106</u> ft from the <u>W</u> line.							
23. Is this a pooled unit? ☒ Yes ☐ No		24. Unitization Docket No. _____		25. Are you applying for Substandard Acreage Field? ☐ Yes (attach Form W-1A) ☒ No			
FIELD INFORMATION List all fields of anticipated completion including Wildcat. List one zone per line.							
26. RRC District No.	27. Field No.	28. Field Name (exactly as shown in RRC records)		29. Well Type	30. Completion Depth	31. Distance to Nearest Well in this Reservoir	
08	71052900	PHANTOM (WOLFCAMP)		Oil or Gas Well	12500	0.00	
BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment)							
Remarks See W1 Comments attached				Certificate: I certify that information stated in this application is true and complete, to the best of my knowledge <u>Nicole Vail, Regulatory Specialist</u> Name of filer <u>Nov 02, 2016</u> Date submitted <u>(713) 499-5391</u> Phone <u>nicole.vail@bhpbilliton.com</u> E-mail Address (OPTIONAL)			
RRC Use Only Data Validation Time Stamp: Nov 28, 2016 2:31 PM(Current Version)							

Permit Status:	Approved
<i>The RRC has not approved this application. Duplication or distribution of information is at the user's own risk.</i>	

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

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

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

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

Permit #	819978
Approved Date:	Nov 22, 2016

1. RRC Operator No. 068596	2. Operator's Name (exactly as shown on form P-5, Organization Report) BHP BILLITON PET(TXLA OP) CO	3. Lease Name HS STATE 113-24X13	4. Well No. 1H
Lateral Drainhole Location Information			
5. Field as shown on Form W-1 PHANTOM (WOLFCAMP) (Field # 71052900, RRC District 08)			
6. Section 13	7. Block 113	8. Survey PSL/HICKS, W H	9. Abstract 1273
		10. County of BHL CULBERSON	
11. Terminus Lease Line Perpendiculars 50 ft. from the N line. and 330 ft. from the W line			
12. Terminus Survey Line Perpendiculars 50 ft. from the N line. and 330 ft. from the W line			
13. Penetration Point Lease Line Perpendiculars 2487 ft. from the S line. and 330 ft. from the W line			

97.05.11

Permit Status: **Approved**

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

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

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

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

W-1 Comments

Permit # **819978**

Approved Date: **Nov 22, 2016**

[RRC STAFF Nov 2, 2016 10:19 AM]: As per Nicole Vail: I need to make a correction to a drilling permit application I just submitted for HS State 113-24x13 1H. It is a pooled unit. Please see attached P12.; [RRC STAFF Nov 21, 2016 10:56 AM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Nov 22, 2016 11:33 AM]: Problems identified with this permit are resolved.; [RRC STAFF Nov 22, 2016 11:34 AM]: SHL and BHL abstract information corrected per RRC records.; [RRC STAFF Nov 22, 2016 12:12 PM]: Problem report has been created for the North survey line (from the SHL, also applies to the BHL).; [RRC STAFF Nov 22, 2016 1:16 PM]: Changed FTP lease line call to match plat. Changed SHL and BHL abstract information to match plat and RRC GIS.

97-02-11



GROUNDWATER PROTECTION DETERMINATION

Form GW-2

Groundwater Advisory Unit

Date Issued: 14 November 2016

GAU Number: 162959

Attention: BHP BILLITON PET(TXLA OP)
1360 POST OAK BLVD STE 150
HOUSTON, TX 77056

Operator No.: 068596

API Number:
County: CULBERSON
Lease Name: HS STATE 113-24X13
Lease Number:
Well Number: 1H
Total Vertical Depth: 14000
Latitude: 31.709030
Longitude: -104.114069
Datum: NAD27

Purpose: New Drill

Location: Survey-MCGILVREY, L E; Abstract-1853

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

The interval from the land surface to the base of the Rustler, which is estimated to occur at a depth of 375 feet, must be protected.

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

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

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

This determination is based on information provided when the application was submitted on 11/08/2016. If the location information has changed, you must contact the Groundwater Advisory Unit, and submit a new application if necessary. If you have questions, please contact us at 512-463-2741 or gau@rrc.texas.gov.

Groundwater Advisory Unit, Oil and Gas Division



RAILROAD COMMISSION OF TEXAS OIL AND GAS DIVISION

MINOR PERMIT TO TREAT DOMESTIC WASTEWATER

Permit No. MPGW-A16-0042-D08
Permit Effective 11-15-2016

BHP BILLITON PET (TXLA OP) CO
1360 POST OAK BLVD., STE 150
HOUSTON, TX 77056

Based on information contained in the original application received November 12, 2016, and additional information received to date, you are hereby authorized to treat, recycle, and reuse domestic wastewater as described herein:

Phantom (Wolfcamp) HS State 113-24X13
Well 1H Drill Permit Number 819978
Latitude, Longitude: 31.890072°, -103.96364°
Reeves County, Texas
RRC District 08, Midland

This minor permit grants authority to store, handle, treat, recycle, and reuse certain non-hazardous domestic wastewater in accordance with 16 Texas Administrative Code (TAC) §3.8 (Statewide Rule 8) and the following conditions:

1. The effective date of this permit is 9/15/2016, and the authority granted by this permit expires on 1/14/2017.
2. This permit authorizes the on-site treatment and management of domestic wastewater generated at oil and gas drill sites and waste streams generated from mobile drinking water treatment systems located at and resulting from use exclusively at well sites for use down-hole and/or for dust suppression and controlled irrigation purposes as specified in the "SAMPLING CRITERIA FOR WASTE STREAMS" document which is attached to and incorporated into this permit as **Permit Appendix A**. Treatment and reuse of the waste streams is granted for use at the above referenced location(s).
3. This permit does not authorize the discharge of any domestic wastewater or waste streams generated from mobile drinking water treatment systems into any watercourses or drainage ways, including any drainage ditch, dry creek, flowing creek, river, or any other body of surface water.
4. Residual solids accumulated during the treatment process must be removed and transported by a Texas Commission on Environmental Quality (TCEQ) registered sludge transporter to a

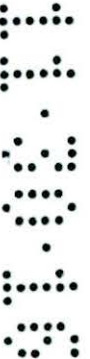
TCEQ permitted disposal facility approved to receive and manage domestic sewage prior to treatment system relocation.

5. Unless otherwise required by conditions of this permit, operation of the treatment system(s) and reuse of the treated waste streams must be in accordance with the information represented in the permit application and information contained in the "APPLICATION FOR BENEFICIAL RECYCLING OF TREATED DOMESTIC WASTEWATER AND MOBILE DRINKING WATER TREATMENT SYSTEM WASTEWATER AT DRILL SITES" (Domestic Wastewater Application Worksheet), which is attached to and incorporated into this permit as **Permit Appendix B**.
6. A waiver from the surface owner or proof that notice has been provided to the surface owner at least ten (10) days prior to reuse is required for any recycling of domestic wastewater other than for down-hole purposes.
7. If treated domestic wastewater and mobile drinking water treatment system wastewater are commingled, the more stringent requirements will apply, unless otherwise indicated.
8. If treated domestic wastewater or wastewater from mobile drinking water treatment systems is stored for greater than seven days, a chlorine residual between 2 and 3 part per million (ppm) must be maintained.
9. For treated domestic wastewater, no more than 5,000 gallons per day of pre-treated domestic wastewater may be received and processed.
10. The treated domestic wastewater and drinking water treatment system wastewater must be analyzed as indicated for the Parameters listed in the "SAMPLING CRITERIA FOR WASTE STREAMS" document which is attached as **Permit Appendix A**. All samples shall be representative of the respective waste streams. All sample acquisition, preservation, and analysis must be performed according to procedures specified in Title 40 of the Code of Federal Regulations (40 CFR) Part 136. The procedures used to preserve the samples and analytical methods used shall be reported.
11. All chemical laboratory analyses required to be performed in accordance with this permit must be performed using appropriate Environmental Protection Agency (EPA) methods or Standard Methods by an independent National Environmental Laboratory Accreditation Program (NELAP) certified laboratory neither owned nor operated by the permittee. Any sample collected for laboratory analysis must be collected and preserved in a manner appropriate for that analytical method as specified by 40 CFR, Part 136. All geotechnical testing is to be performed utilizing tests standardized by the American Society for Testing and Materials (ASTM) and certified by a Texas registered Professional Engineer.
12. Safety Data Sheets (SDS) must be submitted to Technical Permitting in Austin for any chemical or accelerator proposed to be used in the treatment of waste at the facility that was not identified in the initial application. Storage of the chemicals must be in accordance with the manufacturers' specifications and must be maintained in a leak free condition.
13. Prior to recycling and reuse, the treated domestic wastewater must be stored in the 20-mil high density polyethylene (HDPE) on-site reserve pit with a permeability less than or equal to 1×10^{-7} cm/s. Earthen berms must be constructed around the pit and must be compacted

or constructed of material that meets 95% standard Proctor (ASTM D-698) or 90-92% modified Proctor (ASTM D-1557) density. The berm shall be constructed to a height of at least two feet and shall maintain a slope no steeper than a one to three (vertical to horizontal) ratio, unless constructed of concrete or equivalent material (firewalls). These structures must be used to divert non-contact storm water around the waste management areas and contain and isolate storm water within the waste management units.

14. Upon completion of the project, a report detailing all relevant activities for the duration of the permit must be submitted including:
 - a. The total number of days domestic wastewater and/or mobile drinking water treatment system wastewater is reused or applied after treatment.
 - b. The total volume of each type of waste received for treatment.
 - c. The total volume of treated effluent for each type of reuse method (down-hole, controlled irrigation, dust suppression).
 - d. A table of the water treatment analytical results, sampling dates, corresponding analytical reports, and chain of custody for the Parameters required to be analyzed in the "SAMPLE CRITERIA FOR WASTE STREAMS" document which is attached as **Permit Appendix A**.
15. All reports must be certified as follows: "I declare under penalties prescribed in Section 91.143, Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my direct supervision and direction, and that data and facts stated therein are true and complete to the best of my knowledge."
16. Water treatment vessels and equipment must be maintained in good operating condition for the duration of the permit.
17. Any changes affecting this permit must be reported to Technical Permitting in Austin or the appropriate District Office in order for the Railroad Commission of Texas (RRC) to determine whether a permit amendment is necessary.
18. This permit may be considered for administrative renewal upon review by the RRC. Submit any request for renewal at least 30 days prior to this permit's expiration date.
19. Failure to comply with any condition of this minor permit shall be cause for modification, suspension, termination, or cancellation of this minor permit if Technical Permitting determines that the permittee is in violation RRC rules.

This authorization is granted subject to review and cancellation should investigation show that such authorization is being abused.



APPROVED AND ISSUED ON 11/15/2016.

A handwritten signature in black ink, reading "Craig Pearson", written over a horizontal line.

Craig Pearson, PhD.
District Director
Midland District

Attachments: Permit Appendices A and B

CC: RRC – District 08/ Midland
RRC – Environmental Permits & Support, Austin



PERMIT APPENDIX A

Sampling Criteria for Waste Streams

Permit No. MPGW-A16-0042-D08



SAMPLING CRITERIA FOR WASTE STREAMS

The RRC has jurisdiction over the on-site treatment and management of domestic wastewater generated at oil and gas drill sites and waste streams generated from mobile drinking water treatment systems located at and resulting from use exclusively at well sites. The term domestic wastewater means wastewater that originates primarily from kitchen, bathroom, and laundry sources, including wastes from food preparation, dishwashing, garbage grinding, toilets, baths, showers, and sinks of a residential dwelling. The term "mobile drinking water treatment system wastewater" means wastewater generated from the treatment of groundwater for drinking water purposes, including reverse osmosis reject water. The following analyses are required for each specific end use of the treated wastewater:

TOTAL ESTIMATED VOLUME

The estimated daily volume of the treated and recycled waste stream from all sources is presented below. The total volume of the influent source of domestic wastewater must be less than 5,000 gallons per day.

Waste Stream	Reuse Method	Estimated Volume (GPD)
Treated Domestic Wastewater (< 5,000 GPD)	Down-hole	2,000
	Dust Suppression	0
	Controlled Irrigation	0
Mobile Drinking Water Treatment System Wastewater	Down-hole	200
	Dust Suppression	600
	Controlled Irrigation	

MOBILE DRINKING WATER TREATMENT SYSTEM WASTEWATER

Mobile drinking water treatment system wastewater can be recycled and reused for either down-hole purposes or dust suppression and/or controlled irrigation purposes. No permit or testing criteria is required for reuse of mobile drinking water treatment system wastewater for down-hole recycling purposes.

- **Dust suppression and/or controlled irrigation purposes:** Quality assurance sampling and analysis of the treated effluent utilized for dust suppression and/or controlled irrigation purposes must be conducted once per site location for the Parameters below:

<u>PARAMETER</u>	<u>LIMITATION</u>
Total Dissolved Solids (TDS) <i>Standard Method 2540 or equivalent</i>	Report mg/l
pH <i>EPA Method 9045 or equivalent</i>	Report SU
Electrical Conductivity (EC)	Report mmhos/cm

TREATED DOMESTIC WASTEWATER

Treated domestic wastewater can be recycled and reused for either down-hole purposes or dust suppression and/or controlled irrigation purposes; however, a waiver from the surface owner or proof that notice has been provided to the surface owner at least ten (10) days prior to reuse is required for any recycling of domestic wastewater other than for down-hole purposes. Each specific end use requires different testing requirements as described below.

- **Down-hole purposes:** Quality assurance sampling and analysis of the treated effluent utilized for down-hole purposes must be conducted every fourteen (14) days for the Parameters below.

<u>PARAMETER</u>	<u>LIMITATION</u>
Biological Oxygen Demand (BOD ₅) / (CBOD ₅) *	≤ 80 milligrams per liter (mg/l)
Escherichia coli (E-Coli)	≤ 800 CFU/100 milliliters (ml)
Chlorine Residual (> 7 day storage) <i>EPA Method 334.0 or equivalent</i>	2 - 3 mg/l
pH <i>EPA Method 9045C or equivalent field method</i>	6.0 - 9.0 Standard Units (SU)

- **Dust suppression and/or controlled irrigation purposes:** Quality assurance sampling and analysis of the treated effluent utilized for dust suppression and/or controlled irrigation purposes must be conducted every seven (7) days for the Parameters below.

<u>PARAMETER</u>	<u>LIMITATION</u>
Biological Oxygen Demand (BOD ₅) / (CBOD ₅) *	≤ 65 mg/l
E-Coli for "Dust Suppression"	≤ 200 CFU/100 ml
E-Coli for "Controlled Irrigation"	≤ 75 CFU/100 ml
Oil and Grease <i>EPA Method 1664</i>	≤ 30 mg/l
Total Chlorides <i>or site-specific background for surficial aquifer</i>	≤ 1,500 mg/l
Chlorine Residual (> 7 day storage) <i>EPA Method 334.0 or equivalent</i>	2 - 3 mg/l
pH <i>EPA Method 9045C or equivalent field method</i>	6.0 - 9.0 SU

* Carbonaceous Biological/Biochemical Oxygen Demand (CBOD₅) may be substituted for BOD₅

PERMIT APPENDIX B

Domestic Wastewater Application Worksheet



APPLICATION FOR BENEFICIAL RECYCLING OF TREATED DOMESTIC WASTEWATER AND MOBILE DRINKING WATER TREATMENT SYSTEM WASTEWATER AT DRILL SITES

Worksheet

OPERATOR NAME (as shown on P-5, Organization Report) BHP BILLITON PET (TXLA OP) CO			OPERATOR P-5 NUMBER 068596	
OPERATOR ADDRESS (including city, state, and zip code) 1360 POST OAK BLVD STE 150 HOUSTON, TX 77056			TYPE OF FACILITY DRILL PAD	
RRC DISTRICT NO. 08	COUNTY REEVES	FIELD NAME PHANTOM (WOLFCAMP)	LEASE NAME AND NUMBER HS State 113-24x13	
WELL NUMBER AND DRILLING PERMIT NUMBER 1H DP# 819978 819978 <i>OK</i>		LATITUDE/LONGITUDE (Decimal Degrees) 31.890072 / -103.96364		
NAME OF CONTRACTOR PROVIDING THE TREATMENT SERVICES Water Fleet LLC				
DESCRIPTION OF THE WASTE STREAM AND ESTIMATED VOLUME OF WASTE RECEIVED (gallons per day, GPD)				
☒ Domestic Wastewater (DW)		Volume of DW (GPD): 4800		
☒ Mobile Drinking Water Treatment System Wastewater (MDW)		Volume of MDW (GPD): 800		
STORAGE METHOD OF WASTEWATER BEFORE RECYCLING ☒ Lined Pit ☐ Above-Ground Tank				
Provide details for pits (liner material, liner thickness, manufacturers' specifications, pit capacity, berms, etc.) and/or tanks (tank material, tank volume, tank pad, berms, etc.) DW and MDW are both going to the lined reserve pit on site. Liner thickness 20ML Pit Capacity: 10,000 bbls total (5k liquid/5k solid) Berm: 5'				
RE-USE METHOD OF WASTEWATER AFTER TREATMENT ☒ Down-hole Application ☐ Controlled Irrigation ☐ Dust Suppressant			ESTIMATED TREATED EFFLUENT VOLUME (GPD) Down-hole: 4800 Surface Application: n/a	
PRECAUTIONS TAKEN TO MINIMIZE EXPOSURE TO THE WASTE Waste stream is piped to the reserve pit and discharged in a manner to prevent contact with personnel.				
ADDITIONAL OR COMPLIMENTARY TECHNICAL INFORMATION				
PROOF OF LANDOWNER NOTICE (required for wastewater re-use as controlled irrigation or dust suppressant) ☐ Attached ☐ Not Attached				
"I certify that I am authorized to make this application, that this application was prepared by me or under my supervision and direction, and that the data and facts stated herein are true, correct, and complete to the best of my knowledge."				
Signature: <i>Nicole Vail</i>			Date: 11/6/16	
Name (print or type): Nicole Vail			Email: Nicole.Vail@bhpbilliton.com	

* Attachments may be used to explain or clarify any additional information



1000 Ledgeview Dr.
Conway, Arkansas 72034

501.328.3314 F 501.328.3325 F
www.craftontull.com

LEGEND

- UL UNIT LINE
- PROPOSED WELL PATH
- NEAREST WELL PATH
- SL SURFACE LINE
- S.H.L. SURFACE HOLE LOCATION
- P.O.P. POINT OF PENETRATION
- F.T.P. FIRST TAKE POINT
- T.P. TURNING POINT
- L.T.P. LAST TAKE POINT
- B.H.L. BOTTOM HOLE LOCATION

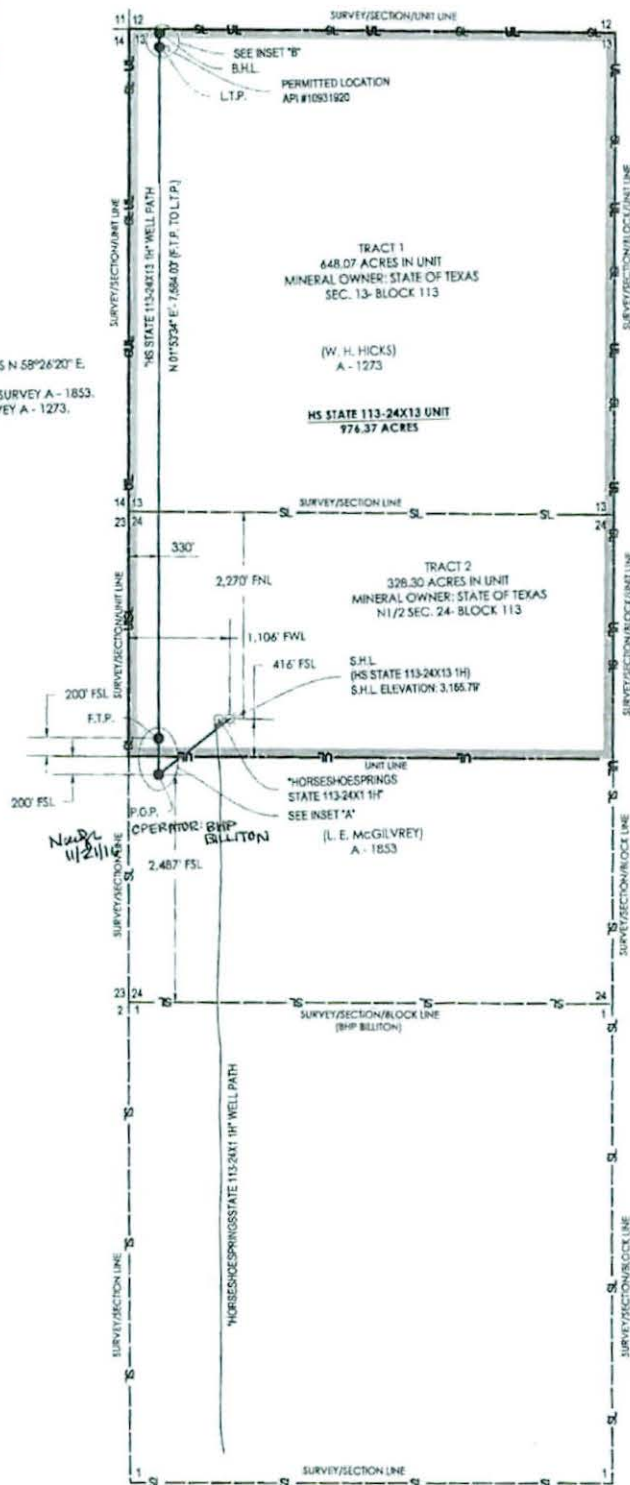
NOTE: S.H.L. APPROXIMATE LOCATION IS N 58°26'20" E,
14.51 MILES FROM ORLA, TEXAS.
S.H.L. LOCATED IN THE L. E. MCGILVREY SURVEY A - 1853.
B.H.L. LOCATED IN THE W. H. HICKS SURVEY A - 1273.



CONTACT INFORMATION:

Shannon D. Ozment
Crafton Tull (819) 371153
1000 Ledgeview Dr.
Conway, AR 72034

CULBERSON COUNTY, TEXAS



GENERAL NOTES

1. THE LOCATIONS OF UNDERGROUND UTILITIES AS SHOWN HEREON ARE BASED ON REASONABLE VISUAL OBSERVATION. LOCATIONS OF UNDERGROUND UTILITIES STRUCTURES MAY VARY FROM LOCATIONS SHOWN HEREIN. ADDITIONAL BURIED UTILITIES STRUCTURES MAY BE ENCOUNTERED. NO EXCAVATIONS WERE MADE DURING THE PROGRESS OF THIS SURVEY TO LOCATE BURIED UTILITIES STRUCTURES. BEFORE EXCAVATIONS ARE BEGUN, THE OFFICES OF THE VARIOUS UTILITIES SERVING THIS AREA SHOULD BE CONTACTED FOR THEIR UTILITY LOCATION.

2. PROJECT COORDINATE SYSTEM: TEXAS STATE PLANE, CENTRAL ZONE, NAD83. U.S. FEET AS DETERMINED BY GPS OBSERVATION. GSA = 8.99807023.

G:\852-7 (WELL PADS)\852750561_HSS_STATE_113-24X14_PAD_A_EXPANSION\HSS STATE 113-24X13 1H_WPP_PLATS.DWG 10/17/2016 3:09:21 PM MN1377

REVISION
1 PRELIMINARY PLAT 06/15/16
2 REVISED 08/30/16
3 REVISED 09/07/16
4 REVISED 09/21/16
5 CERTIFIED 10/14/16
6 ADDED DATE 10/17/16

BHP BILLITON PET (TXLA OP) CO	
HS STATE 113-24X13 1H (MWN #836229)	
S.H.L. IN L. E. MCGILVREY A - 1853, B.H.L. IN W. H. HICKS, A - 1273	
CULBERSON COUNTY, TEXAS	
FINAL PERMIT PLAT	
SCALE: 1" = 1200'	CHECKED BY: JWB
PLOT DATE: 10/17/2016	CDT
DRAWN BY:	APPROVED BY: MN
	SHEET NO.: 1 OF 2

LEGEND

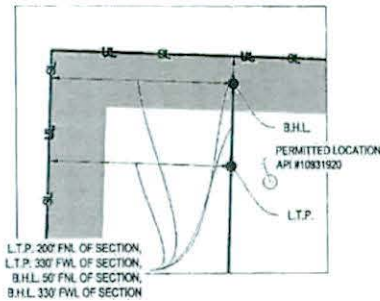
— UNIT LINE
— PROPOSED WELL PATH
— NEAREST WELL PATH
— SECTION LINE
— S.H.L. SURFACE HOLE LOCATION
— P.O.P. POINT OF PENETRATION
— F.T.P. FIRST TAKE POINT
— T.P. TURNING POINT
— L.T.P. LAST TAKE POINT
— B.H.L. BOTTOM HOLE LOCATION

GRID NORTH (NAD 83)
TEXAS CENTRAL ZONE
GRID CONVERGENCE = -1.5607491317

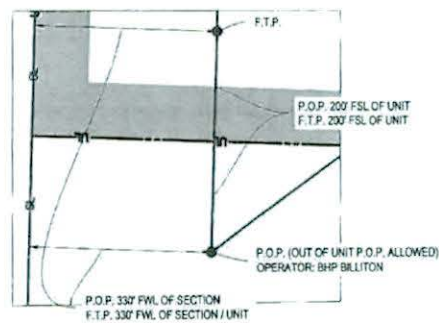
S.H.L. ELEVATION

WELL NAME	ELEVATION
HS STATE 113-24X13 1H	3,185.79'

INSET "B" (NOT TO SCALE)



INSET "A" (NOT TO SCALE)



WELL BORE POSITIONS

REFERENCE	LAT. (NAD 83)	LONG. (NAD 83)	NORTHING (NAD 83)	EASTING (NAD 83)	LAT. (NAD 27)	LONG. (NAD 27)	NORTHING (NAD 27)	EASTING (NAD 27)
S.H.L.	31.70915589° N	-104.11454717° W	10605353.498	1120536.379	31.70903131° N	-104.11406929° W	10605353.498	1120536.379
P.O.P.	31.70748223° N	-104.11704135° W	10604763.759	1120140.226	31.70733564° N	-104.11656342° W	10604763.759	1120140.226
F.T.P.	31.70656183° N	-104.11704261° W	10605163.541	1120153.438	31.70643628° N	-104.11658468° W	10605163.541	1120153.438
L.T.P.	31.72041022° N	-104.11700645° W	10612743.435	1120403.942	31.72028502° N	-104.11658821° W	10612743.435	1120403.942
B.H.L.	31.72082256° N	-104.11700692° W	10612893.354	1120408.896	31.72069737° N	-104.11658868° W	10612893.354	1120408.896

WELL PATH DATA

REF.	BEARING	DISTANCE
S.H.L. TO P.O.P.	S 53° 28' 17" W	990.78'
P.O.P. TO F.T.P.	N 01° 53' 34" E	400.00'
F.T.P. TO L.T.P.	N 01° 53' 34" E	7,584.03'
L.T.P. TO B.H.L.	N 01° 53' 34" E	150.00'

WELL PATH DATA

REF.	SECTION LINE CALLS (±)	UNIT LINE CALLS (±)
S.H.L.	2,270' FNL, 1,106' FNL	1,106' FNL, 418' FSL
P.O.P.	2,487' FSL, 330' FNL	200' FSL
F.T.P.	2,487' FNL, 330' FNL	330' FNL, 200' FSL
L.T.P.	200' FNL, 330' FNL	
B.H.L.	50' FNL, 330' FNL	

GENERAL NOTES

1. THE LOCATIONS OF UNDERGROUND UTILITIES AS SHOWN HEREON ARE BASED ON REASONABLE VISUAL OBSERVATION. LOCATIONS OF UNDERGROUND UTILITIES/STRUCTURES MAY VARY FROM LOCATIONS SHOWN HEREON. ADDITIONAL BURIED UTILITIES/STRUCTURES MAY BE ENCOUNTERED. NO EXCAVATIONS WERE MADE DURING THE PROGRESS OF THIS SURVEY TO LOCATE BURIED UTILITIES/STRUCTURES. BEFORE EXCAVATIONS WERE BEGUN, THE OFFICES OF THE VARIOUS UTILITIES SERVICING THIS AREA SHOULD BE CONTACTED FOR THEIR UTILITY LOCATION.

2. PROJECT COORDINATE SYSTEM: TEXAS STATE PLANE, CENTRAL ZONE, NAD83, U.S. FEET AS DETERMINED BY GPS OBSERVATION, GRS = 0.999999703.

REVISION	DATE	BY	DESCRIPTION
1	PRELIMINARY PLAT 06/15/18		
2	REVISED 09/07/18		
3	REVISED 09/07/18		
4	REVISED 09/21/18		
5	CERTIFIED 10/16/18		
6	ADDED DIMS 10/17/18		



BHP BILLITON PET (TXLA OP) CO

HS STATE 113-24X13 1H (MW #836229)
S.H.L. IN L. E. MCGILVREY, A - 1853, B.H.L. IN W. H. HICKS, A - 1273
CULBERSON COUNTY, TEXAS
FINAL PERMIT PLAT

SCALE: 1" = 100' N/A
PLOT DATE: 10/17/2016
CHECKED BY: JWB
DRAWN BY: CDT
APPROVED BY: MN
SHEET NO.: 2 OF 2



File No. MF 111133 20.

Culberson County

Drilling Permit API 109-33020 Unit 8292

Date Filed: 01/20/2017

By George P. Bush, Commissioner




BHP Billiton Petroleum
Permian Land
1360 Post Oak, Suite 150, Houston, TX 77056-3030
P.O. Box 22719, Houston, TX 77227-9927
Ph: (713) 297-6557
Email: lynn.latiolais@bhpbilliton.com

February 23, 2017

Via FedEx (Trkg #7784 9971 1960)

Texas General Land Office
Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701-1495

Attention: J. Daryl Morgan

RE: **Pooling Agreement, BHP Billiton Petroleum Properties (N.A.), LP
HS State 113-24X13 West Unit, GLO Unit No. 8292
Culberson County, Texas**

Dear Mr. Morgan,

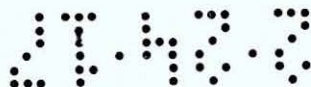
Enclosed you will find two (2) originals of Pooling Agreement, BHP Billiton Petroleum Properties (N.A.), LP, HS State 113-24X13 West Unit, GLO Unit No. 8292, Culberson County, Texas for your further handling. Please return a fully executed agreement to BHP Billiton at your earliest. A FedEx return envelope is included for your convenience.

Should you need any additional information, please feel free to contact Broderick Browne, Landman at 713-871-2233 or email broderick.browne@bhpbilliton.com.

Sincerely,

Lynn Latiolais, CPLTA
Land Technical Analyst

/ll
Enclosures



12

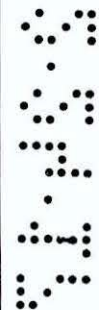
File No. M-111133

Ltr. From BHP

Date Filed: 2/24/17

George P. Bush, Commissioner

By _____





TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

March 6, 2017

Ms. Lynn Latiolais, CPLTA
BHP Billiton Petroleum Properties (N.A.), LP
1360 Post Oak Blvd., Suite 2107A
Houston, Texas 77056-3020

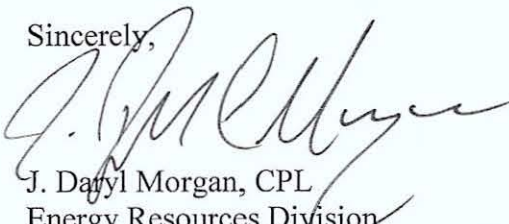
Re: Pooling Agreement
HS State 113-24X13 West Unit
GLO Unit No. 8292
Culberson County, Texas

Dear Ms. Latiolais:

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. 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

(22)

File No. M-111133

_____. County

Ltr. to BHP

Date Filed: 3/6/17

George P. Bush, Commissioner

By [Signature]

DO NOT DESTROY



Texas General Land Office
UNIT AGREEMENT MEMO

UPA169374

Unit Number 8292
Operator Name BHP Billiton Petroleum (TXLA Operating) Company Effective Date 01/17/2016
Customer ID C000046383 Unitized For Oil And Gas
Unit Name HS State 113-24X13 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 0.12500000
State Part in Unit 1.00000000
Unit Depth Specified Depths Well
From Depth Surface Formation
To Depth 10737 TVD 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
MF115984	1	81.000000	488.200000	0.16591561	O/G	0.12500000	0.02073945	No
MF111133	2	41.050000	488.200000	0.08408439	O/G	0.12500000	0.01051055	No
MF113603	3	243.000000	488.200000	0.49774683	O/G	0.12500000	0.06221835	No
MF113602	4	123.150000	488.200000	0.25225317	O/G	0.12500000	0.03153165	No

API Number

Remarks:

Prepared By:

jm

Prepared Date:

01/17/2017

GLO Base Updated By:

jm

GLO Base Date:

01/17/2017

RAM Approval By:

SW

RAM Approval Date:

1-19-17

GIS By:

mc

GIS Date:

3-10-17

Well Inventory By:

jm

WI Date:

01/17/2017

Pooling Committee Report

To: School Land Board

UPA169374

Date of Board Meeting: 01/17/2016

Unit Number: 8292

Effective Date: 01/17/2016

Unit Expiration Date:

Applicant: BHP Billiton Petroleum Properties (N.A.), LP

Attorney Rep:

Operator: BHP Billiton Petroleum (TXLA Operating) Company,

Unit Name: HS State 113-24X13 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	MF111133	0.12500000	05/25/2015	5 years	760.000000	41.050000	0.01051055
RAL	MF113602	0.12500000	07/29/2014	3 years	960.000000	123.150000	0.03153165
RAL	MF113603	0.12500000	07/29/2014	3 years	960.000000	243.000000	0.06221835
RAL	MF115984	0.12500000	09/24/2018	5 years	320.000000	81.000000	0.02073945

Private Acres:	0.000000
State Acres:	488.200000
Total Unit Acres:	488.200000

Participation Basis:	Surface Acreage
Surface Acreage	
State Acreage:	100.00%
State Net Revenue Interest:	12.50%

Unit Type:	Unitized for:
Permanent	Oil And Gas
Term:	

RRC Rules:	Spacing Acres:
Yes	1,445 acres for a 7,500 foot lateral (FTP to LTP).

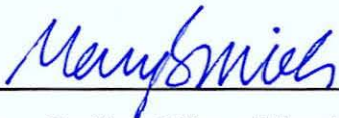
Working File Number: UPA169374

REMARKS:

- BHP Billiton Petroleum Properties (N.A.), LP is requesting permanent oil and gas pooling from the Surface to 10,737 feet TVD as seen on the Devon Energy Production Company, LP, Sebring 60-1-47 # 1 well log (API 42-109-32367) in order to test the Wolfcamp formation.
- The applicant plans to spud the first unit well on December 13, 2016. A 7,500 foot lateral is expected to be drilled.
- With Board approval of the unit the State's unit royalty participation will be 12.5%.
- The State will participate on a unitized basis from the date of first production.
- The applicant agrees to commence actual drilling operations on a second unit well by or before January 17, 2019 or the unit will decrease in size to 244.1 acres.

POOLING COMMITTEE RECOMMENDATION:

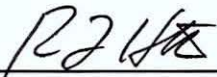
The Pooling Committee recommends Board approval of a permanent oil and gas unit under the above-stated provisions.



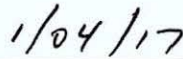
Mary Smith - Office of the Attorney General



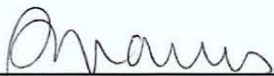
Date



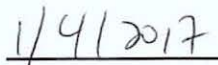
Robert Hatter - General Land Office



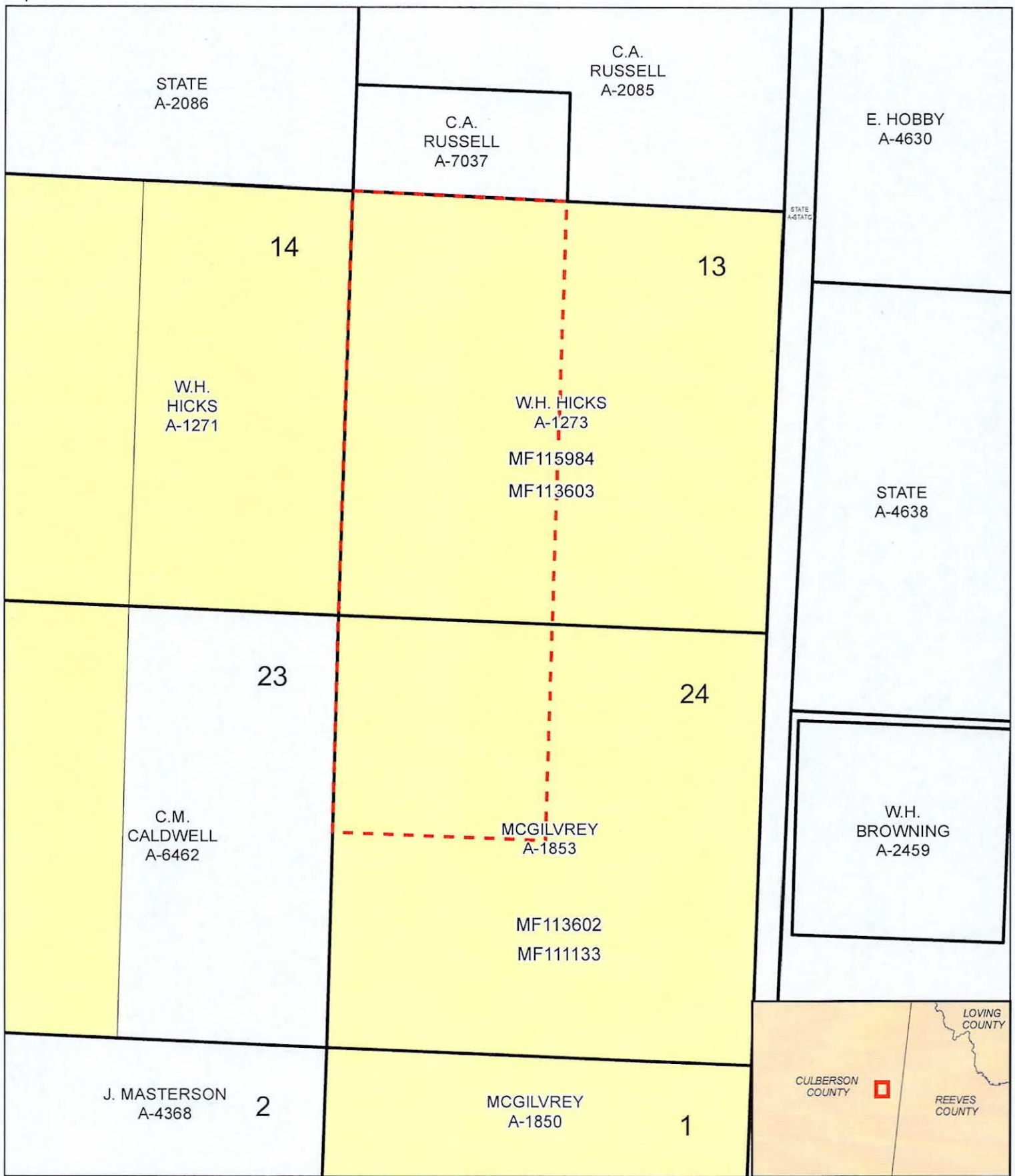
Date



Diane Morris - Office of the Governor



Date



Unit #8292
BHP Billiton Petroleum Properties (N.A) LP.
HS State 113-24x13
Ford, West (Wolfcamp) Field
Culberson County, Texas

1,500 750 0 1,500 Feet

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
January 2017

POOLING AGREEMENT
BHP BILLITON PETROLEUM PROPERTIES (N.A.), LP
HS STATE 113-24X13 WEST UNIT
GLO UNIT NO. 8292
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 BHP Billiton Petroleum Properties (N.A.), LP, 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 leases, which are included within the pooled unit, are listed on the attached Exhibit "A", to which leases and the records thereof reference is here made for all pertinent purposes. The pooled unit shall consist of all of the lands described in Exhibit "B" attached hereto and made a part hereof. A plat of the pooled unit is attached hereto as Exhibit "C". The unit description is subject to the provisions of Addendum "A".

MINERAL POOLED:

3.

The mineral pooled and unitized ("pooled mineral") hereby shall be oil and gas including all hydrocarbons that may be produced from an oil well or a gas well as such wells are recognized and designated by the Railroad Commission of Texas or other state regulatory agency having jurisdiction of the drilling and production of oil and gas wells. The pooled mineral shall extend to those depths underlying the surface boundaries of the pooled unit from the surface to the stratigraphic equivalent of 100 feet below the base of the Wolfcamp Formation, which is seen at a depth of 10,737 feet TVD on the log of the Devon Energy Production Company, LP, operated Sebring 60-1-47 Well No. 1, API #42-109-32367 ("unitized interval").

POOLING AND EFFECT:

4.

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

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



- (e) A shut-in oil or gas well located upon any land or lease included within said unit shall be considered as a shut-in oil or gas well located upon each land or lease included within said unit; provided, however, that shut-in oil or gas well royalty shall be paid to the State on each State lease wholly or partially within the unit, according to the terms of such lease as though such shut-in oil or gas well were located on said lease, it being agreed that shut-in royalties provided in each State lease shall not be shared with other royalty owners.
- (f) Notwithstanding any other provision hereof, it is expressly agreed that each State lease may be maintained in force as to areas lying outside the unitized area described in Exhibit "B" only as provided in each such lease without regard to unit operations or unit production. Neither production of the pooled mineral, nor unit operations with respect thereto, nor the payment of shut-in royalties from a unit well, shall serve to hold any State lease in force as to any area outside the unitized area described in Exhibit "B" regardless of whether the production or operations on the unit are actually located on the State lease or not. "Area" as used in this paragraph shall be based upon surface acres to the end that, except as may otherwise be provided in each State Lease, the area inside the surface boundaries of the pooled unit, if held, will be held as to all depths and horizons.
- (g) If the Railroad Commission of Texas (or any other Texas regulatory body having jurisdiction) shall adopt special field rules providing for oil and/or gas proration units of less than the number of acres included in the pooled unit, then Lessee agrees to either (1) drill to the density permitted by the Railroad Commission, (2) make application to the School Land Board of the State of Texas to reform the unit to comply with Railroad Commission unit rules, or (3) make application to the School Land Board of the State of Texas for such remedy as may be agreeable to the Board.
- (h) This Agreement shall not relieve Lessee from the duty of protecting the State leases described in Exhibit "A" and the State lands within the boundaries of the pooled unit described in Exhibit "B" from drainage from any well situated on privately owned land, lying outside the unitized area described in Exhibit "B", but, subject to such obligation, Lessee may produce the allowable for the entire unit as fixed by the Railroad Commission of Texas or other lawful authority, from any one or more wells completed thereon.
- (i) There shall be no obligation to drill internal offsets to any other well on separate tracts within the pooled unit, nor to develop the lands within the boundaries thereof separately, as to the pooled mineral.
- (j) Should this Agreement terminate for any cause, the leases and other contracts affecting the lands within the unit, if not then otherwise maintained in force and effect, shall remain and may be maintained in force and effect under their respective terms and conditions in the same manner as though there had been production or operations under said lease or contract and the same had ceased on the date of the termination of this Agreement.

ALLOCATION OF PRODUCTION:

5.

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

TAKING ROYALTY IN KIND:

6.

Notwithstanding anything contained herein to the contrary, the State may, at its option, upon not less than sixty (60) days notice to Lessee, require that payment of all or any royalties accruing to the State under this pooling or unitization agreement be made in kind, without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting and otherwise making the oil, gas and other products produced hereunder ready for sale or use.

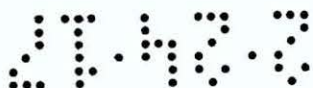
FULL MARKET VALUE:

7.

In the event the State does not elect to take its royalty in kind, the State shall receive full market value for its royalty hereunder, such value to be determined as follows:

- (a) As to royalty on oil 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 for the field where produced and when run, or (2) the highest market price thereof offered or paid for the field where produced and when run, or (3) gross proceeds of the sale thereof, whichever is the greater;
- (b) As to royalty on gas, such value to be based on (1) the highest market price paid or offered for gas of comparable quality for the field where produced and when run, or (2) the gross price paid or offered to the producer, whichever is the greater.

(For the purposes of this Agreement "field" means the general area in which the lands covered hereby are located.)



EFFECTIVE DATE:

8.

Upon execution by the Commissioner of the General Land Office of the State of Texas this Agreement shall become effective as of January 17, 2017.

TERM:

9.

This Agreement shall remain in effect so long as the pooled mineral is being produced from said unit, or so long as all leases included in the pooled unit are maintained in force by payment of delay rentals or shut-in oil or gas well royalties, by drilling or rework, or by other means, in accordance with the terms of said leases. Nothing herein shall amend or modify Section 52.031 of the Natural Resources Code, or any of the provisions thereof, which are contained in any State lease covered by this Agreement.

SPECIAL TERMS AND CONDITIONS:

10.

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

STATE LAND:

11.

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:

12.

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:

13.

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.

SUBJECT TO EXPLORATION AGREEMENT:

14.

This Pooling Agreement is subject to that certain Unit Agreement for the Development and Operation of the Horseshoe Springs State Unit effective July 18, 2014, said Unit Agreement being on file in the Archives and Records of the Texas General Land office in Mineral File M-112402.

COUNTERPARTS:

15.

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

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

Date Executed

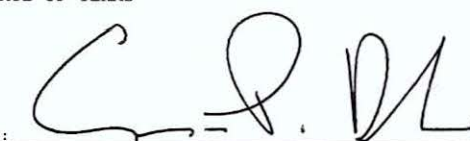
3/3/17

STATE OF TEXAS

Legal
Content
Geology
Executive



By:


George P. Bush, Commissioner
General Land Office

Date Executed _____

BHP Billiton Petroleum Properties (N.A.), LP,
formerly known as Petrohawk Properties, LP,
By: BHP Billiton Petroleum Properties (GP), LLC,
its General Partner

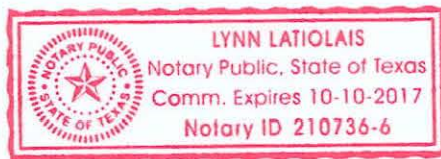
By: 

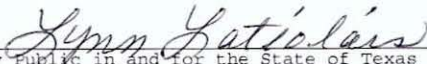
Jak Keenan, Vice President Land

STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on FEBRUARY 23, 2017, by Jak Keenan, Vice President Land of BHP Billiton Petroleum Properties (N.A.), LP formerly known as Petrohawk Properties, LP, by BHP Billiton Petroleum Properties (GP), LLC, its General Partner a Texas limited liability company on behalf of said limited partnership.





Notary Public in and for the State of Texas

CERTIFICATE

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

IN TESTIMONY WHEREOF, witness my hand this the 18 day of March, 2017.



Secretary of the School Land Board

ADDENDUM "A"

ATTACHED TO AND MADE A PART OF THAT CERTAIN POOLING AGREEMENT
STATE OF TEXAS / BHP BILLITON PETROLEUM PROPERTIES (N.A.), LP
HS STATE 113-24X13 WEST UNIT; GLO UNIT NO. 8292
CULBERSON COUNTY, TEXAS

The parties hereby agree that should any conflict exist between the terms and provisions of this Addendum "A", the terms and provisions of the body of this Pooling Agreement, or the terms and provisions of any of the State leases listed on the attached Exhibit "A", then the terms and provisions of this Addendum "A" shall supersede and control.

The pooled unit shall consist of all of the lands herein described in the attached Exhibit "B" and depicted in the attached Exhibit "C", provided however that if actual drilling operations have not commenced on a second unit well on or before January 17, 2019, which is thereafter completed as a well capable of producing oil or gas in paying quantities, the pooled unit shall contract and shall thereafter consist of the stand-up 244.1 acre, more or less, half (East or West) of the pooled unit described in Exhibit "B" and depicted in Exhibit "C", containing the first unit well.

In the event Lessee commences actual drilling operations on a second unit well on or before January 17, 2019 and said second unit well is thereafter completed as a well 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 described in Exhibit "B" and depicted in Exhibit "C", in accordance with paragraph 9 of the Agreement.

END OF ADDENDUM "A"

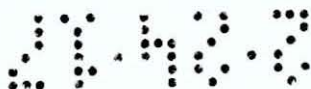


EXHIBIT "A"

ATTACHED TO AND MADE A PART OF THAT CERTAIN POOLING AGREEMENT
STATE OF TEXAS / BHP BILLITON PETROLEUM PROPERTIES (N.A.), LP
HS STATE 113-24X13 WEST UNIT; GLO UNIT NO. 8292
CULBERSON COUNTY, TEXAS

Leases in Unit

Tract	BHP Lease	Mineral File	Lease Date	Lessor	Lessee	County-State	Doc#	Description
1	1044407-001	MF113603	7/29/2011	Roddy L. Harrison, Trustee of the Harrison Trust Under Indenture Dated 03/25/96, as Amended	Legend Natural Gas IV, LP	Culberson- TX	67198	West Half (W/2) of Section 13, Block 113, Public School Land Survey, Culberson County, TX
1	1044945-001	MF115984	9/24/2013	Mary Jane Barron, Individually and as Trustee of the Mary Jane Barron Revocable Living Trust U/T/A dated 07/27/92	BHP Billiton Petroleum Properties (N.A.), LP	Culberson- TX	69553	West Half (W/2) of Section 13, Block 113, Public School Land Survey, Culberson County, TX
2	1044412-001	MF111133	5/25/2010	Mary Jane Barron, Individually and as Trustee of the Mary Jane Barron Revocable Living Trust	Legend Natural Gas IV, LP	Culberson- TX	65562	Northwest Quarter (NW/4) of Section 24, Block 113, Public School Land Survey, Culberson County, TX
2	1044412-002	MF113602	7/29/2011	Roddy L. Harrison, Trustee of the Harrison Trust Under Indenture Dated 03/25/96, as Amended	Legend Natural Gas IV, LP	Culberson- TX	67197	Northwest Quarter (NW/4) of Section 24, Block 113, Public School Land Survey, Culberson County, TX

Incorporated by reference herein for all purposes shall be any and all instruments that have further adopted, amended, confirmed, extended, ratified and/or revised the leases listed herein and recorded in the Official Public Records of Culberson County, Texas.

END OF EXHIBIT "A"

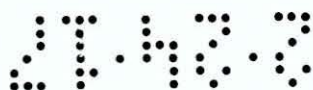


EXHIBIT "B"

ATTACHED TO AND MADE A PART OF THAT CERTAIN POOLING AGREEMENT
STATE OF TEXAS / BHP BILLITON PETROLEUM PROPERTIES (N.A.), LP
HS STATE 113-24X13 WEST UNIT; GLO UNIT NO. 8292
CULBERSON COUNTY, TEXAS

Description of Lands

Tract 1:

The West Half (W/2) of Section 13, Block 113, Public School Land Survey, Culberson County, Texas, containing 324.0 acres, more or less.

Tract 2:

The Northwest Quarter (NW/4) of Section 24, Block 113, Public School Land Survey, Culberson County, Texas, containing 164.2 acres, more or less.

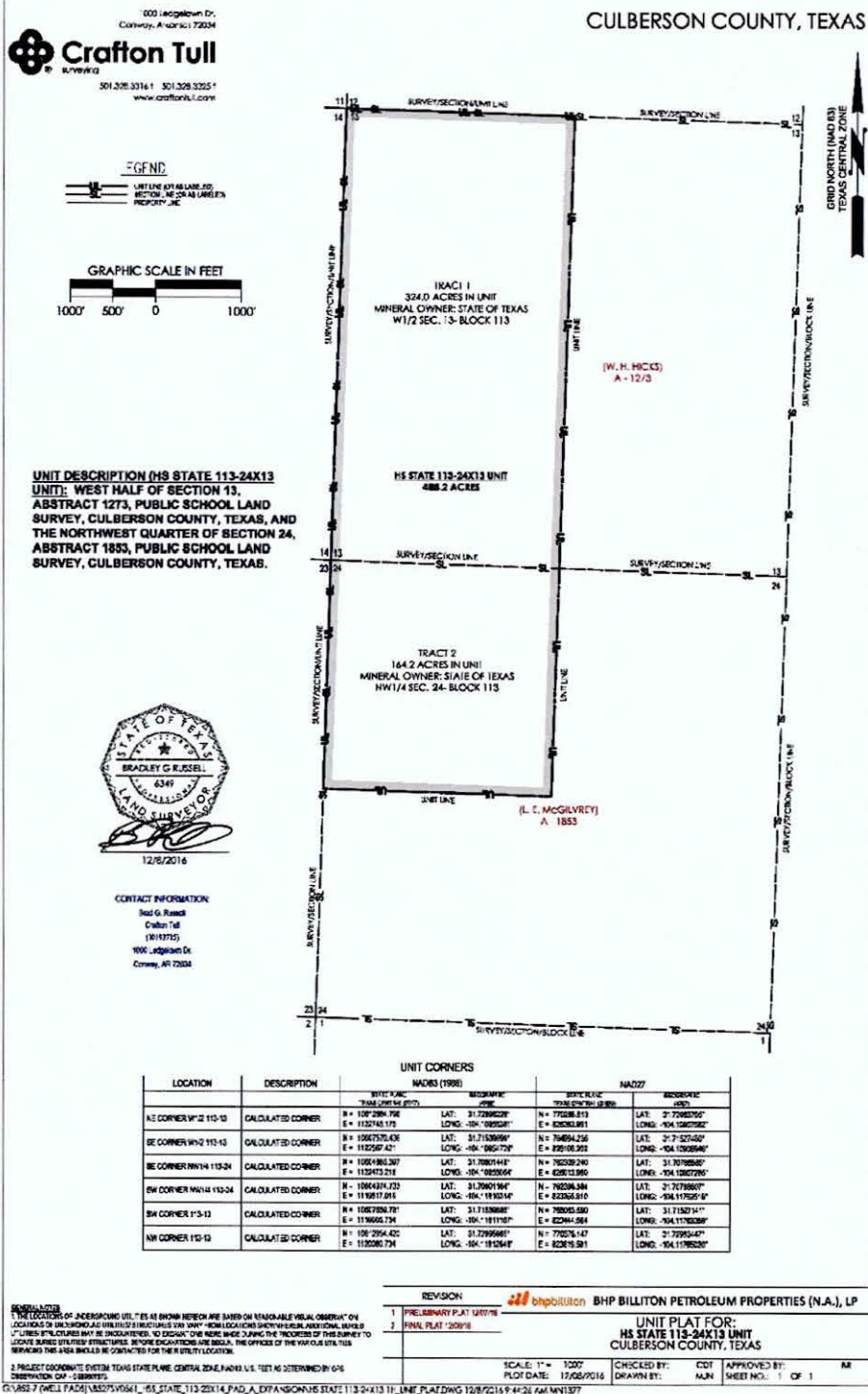
END OF EXHIBIT "B"

11433

EXHIBIT "C"

ATTACHED TO AND MADE A PART OF THAT CERTAIN POOLING AGREEMENT
STATE OF TEXAS / BHP BILLITON PETROLEUM PROPERTIES (N.A.), LP
HS STATE 113-24X13 WEST UNIT; GLO UNIT NO. 8292
CULBERSON COUNTY, TEXAS

Unit



(23)

File No. M-111133
Pooling Agmt. Packet # 0292
HS State 113-24113 West Unit
Date Filed: 3/6/17
George P. Bush, Commissioner
By ln

2017



BHP Billiton Petroleum
Permian Land
1360 Post Oak, Suite 150, Houston, TX 77056-3030
P.O. Box 22719, Houston, TX 77227-9927
Ph: (713) 297-6557
Email: lynn.latiolais@bhpbilliton.com

March 13, 2017

Via FedEx (Trkg #7786 3272 6409)

Texas General Land Office
Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701-1495

Attention: J. Daryl Morgan

RE: **Pooling Agreement, BHP Billiton Petroleum Properties (N.A.), LP**
HS State 113-24X13 West Unit, GLO Unit No. 8292
Culberson County, Texas M-111133

Dear Mr. Morgan,

Enclosed you will find a Certified Copy of Original Pooling Agreement, BHP Billiton Petroleum Properties (N.A.), LP, HS State 113-24X13 West Unit, GLO Unit No. 8292, Culberson County, Texas placed of record in Culberson County under Doc #3382 for your records.

Should you need any additional information, please feel free to contact Broderick Browne, Landman at 713-871-2233 or email broderick.browne@bhpbilliton.com.

Sincerely,

Lynn Latiolais, CPLTA
Land Technical Analyst

/ll
Enclosure



71-11133

24

File No. M-111133

County

Ltr. From BHP

Date Filed: 3/14/17

George P. Bush, Commissioner

By [Signature]

After recording, please return to:
BHP Billiton
ATTN: L. Latiolais - Permian Land
1360 Post Oak, Suite 150
Houston, TX 77056

POOLING AGREEMENT
BHP BILLITON PETROLEUM PROPERTIES (N.A.), LP
HS STATE 113-24X13 WEST UNIT
GLO UNIT NO. 8292
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 BHP Billiton Petroleum Properties (N.A.), LP, 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 leases, which are included within the pooled unit, are listed on the attached Exhibit "A", to which leases and the records thereof reference is here made for all pertinent purposes. The pooled unit shall consist of all of the lands described in Exhibit "B" attached hereto and made a part hereof. A plat of the pooled unit is attached hereto as Exhibit "C". The unit description is subject to the provisions of Addendum "A".

MINERAL POOLED:

3.

The mineral pooled and unitized ("pooled mineral") hereby shall be oil and gas including all hydrocarbons that may be produced from an oil well or a gas well as such wells are recognized and designated by the Railroad Commission of Texas or other state regulatory agency having jurisdiction of the drilling and production of oil and gas wells. The pooled mineral shall extend to those depths underlying the surface boundaries of the pooled unit from the surface to the stratigraphic equivalent of 100 feet below the base of the Wolfcamp Formation, which is seen at a depth of 10,737 feet TVD on the log of the Devon Energy Production Company, LP, operated Sebring 60-1-47 Well No. 1, API #42-109-32367 ("unitized interval").

POOLING AND EFFECT:

4.

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

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



True and correct
Original filed in
Culberson County
3/8/17

- (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 without regard to unit operations or unit production. Neither production of the pooled mineral, nor unit operations with respect thereto, nor the payment of shut-in royalties from a unit well, shall serve to hold any State lease in force as to any area outside the unitized area described in Exhibit "B" regardless of whether the production or operations on the unit are actually located on the State lease or not. "Area" as used in this paragraph shall be based upon surface acres to the end that, except as may otherwise be provided in each State Lease, the area inside the surface boundaries of the pooled unit, if held, will be held as to all depths and horizons.
- (g) If the Railroad Commission of Texas (or any other Texas regulatory body having jurisdiction) shall adopt special field rules providing for oil and/or gas proration units of less than the number of acres included in the pooled unit, then Lessee agrees to either (1) drill to the density permitted by the Railroad Commission, (2) make application to the School Land Board of the State of Texas to reform the unit to comply with Railroad Commission unit rules, or (3) make application to the School Land Board of the State of Texas for such remedy as may be agreeable to the Board.
- (h) This Agreement shall not relieve Lessee from the duty of protecting the State leases described in Exhibit "A" and the State lands within the boundaries of the pooled unit described in Exhibit "B" from drainage from any well situated on privately owned land, lying outside the unitized area described in Exhibit "B", but, subject to such obligation, Lessee may produce the allowable for the entire unit as fixed by the Railroad Commission of Texas or other lawful authority, from any one or more wells completed thereon.
- (i) There shall be no obligation to drill internal offsets to any other well on separate tracts within the pooled unit, nor to develop the lands within the boundaries thereof separately, as to the pooled mineral.
- (j) Should this Agreement terminate for any cause, the leases and other contracts affecting the lands within the unit, if not then otherwise maintained in force and effect, shall remain and may be maintained in force and effect under their respective terms and conditions in the same manner as though there had been production or operations under said lease or contract and the same had ceased on the date of the termination of this Agreement.

ALLOCATION OF PRODUCTION:

5.

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

TAKING ROYALTY IN KIND:

6.

Notwithstanding anything contained herein to the contrary, the State may, at its option, upon not less than sixty (60) days notice to Lessee, require that payment of all or any royalties accruing to the State under this pooling or unitization agreement be made in kind, without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting and otherwise making the oil, gas and other products produced hereunder ready for sale or use.

FULL MARKET VALUE:

7.

In the event the State does not elect to take its royalty in kind, the State shall receive full market value for its royalty hereunder, such value to be determined as follows:

- (a) As to royalty on oil 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 for the field where produced and when run, or (2) the highest market price thereof offered or paid for the field where produced and when run, or (3) gross proceeds of the sale thereof, whichever is the greater;
- (b) As to royalty on gas, such value to be based on (1) the highest market price paid or offered for gas of comparable quality for the field where produced and when run, or (2) the gross price paid or offered to the producer, whichever is the greater.

(For the purposes of this Agreement "field" means the general area in which the lands covered hereby are located.)



True and correct
Original
Culb
3-8-17

EFFECTIVE DATE:

8.

Upon execution by the Commissioner of the General Land Office of the State of Texas this Agreement shall become effective as of January 17, 2017.

TERM:

9.

This Agreement shall remain in effect so long as the pooled mineral is being produced from said unit, or so long as all leases included in the pooled unit are maintained in force by payment of delay rentals or shut-in oil or gas well royalties, by drilling or rework, or by other means, in accordance with the terms of said leases. Nothing herein shall amend or modify Section 52.031 of the Natural Resources Code, or any of the provisions thereof, which are contained in any State lease covered by this Agreement.

SPECIAL TERMS AND CONDITIONS:

10.

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

STATE LAND:

11.

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:

12.

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:

13.

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.

SUBJECT TO EXPLORATION AGREEMENT:

14.

This Pooling Agreement is subject to that certain Unit Agreement for the Development and Operation of the Horseshoe Springs State Unit effective July 18, 2014, said Unit Agreement being on file in the Archives and Records of the Texas General Land office in Mineral File M-112402.

COUNTERPARTS:

15.

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

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

Date Executed

3/3/17

STATE OF TEXAS

Legal
Content
Geology
Executive

[Signature]

By:

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



True and Correct
COPY
3-8-17

Date Executed 2/23/2017

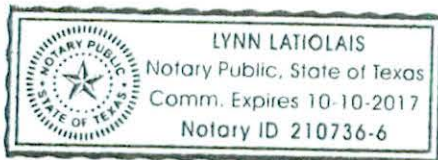
BHP Billiton Petroleum Properties (N.A.), LP,
formerly known as Petrohawk Properties, LP,
By: BHP Billiton Petroleum Properties (GP), LLC,
its General Partner

By: 
Jak Keenan, Vice President Land

STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on FEBRUARY 23, 2017, by Jak Keenan, Vice President Land of BHP Billiton Petroleum Properties (N.A.), LP formerly known as Petrohawk Properties, LP, by BHP Billiton Petroleum Properties (GP), LLC, its General Partner a Texas limited liability company on behalf of said limited partnership.




Notary Public in and for the State of Texas

CERTIFICATE

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

IN TESTIMONY WHEREOF, witness my hand this the 1st day of March, 2017.


Secretary of the School Land Board

ADDENDUM "A"

ATTACHED TO AND MADE A PART OF THAT CERTAIN POOLING AGREEMENT
STATE OF TEXAS / BHP BILLITON PETROLEUM PROPERTIES (N.A.), LP
HS STATE 113-24X13 WEST UNIT; GLO UNIT NO. 8292
CULBERSON COUNTY, TEXAS

The parties hereby agree that should any conflict exist between the terms and provisions of this Addendum "A", the terms and provisions of the body of this Pooling Agreement, or the terms and provisions of any of the State leases listed on the attached Exhibit "A", then the terms and provisions of this Addendum "A" shall supersede and control.

The pooled unit shall consist of all of the lands herein described in the attached Exhibit "B" and depicted in the attached Exhibit "C", provided however that if actual drilling operations have not commenced on a second unit well on or before January 17, 2019, which is thereafter completed as a well capable of producing oil or gas in paying quantities, the pooled unit shall contract and shall thereafter consist of the stand-up 244.1 acre, more or less, half (East or West) of the pooled unit described in Exhibit "B" and depicted in Exhibit "C", containing the first unit well.

In the event Lessee commences actual drilling operations on a second unit well on or before January 17, 2019 and said second unit well is thereafter completed as a well 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 described in Exhibit "B" and depicted in Exhibit "C", in accordance with paragraph 9 of the Agreement.

END OF ADDENDUM "A"



True and Correct
copy of
Original Set in
County
38 17

EXHIBIT "A"

ATTACHED TO AND MADE A PART OF THAT CERTAIN POOLING AGREEMENT
STATE OF TEXAS / BHP BILLITON PETROLEUM PROPERTIES (N.A.), LP
HS STATE 113-24X13 WEST UNIT; GLO UNIT NO. 8292
CULBERSON COUNTY, TEXAS

Leases in Unit

Tract	BHP Lease	Mineral File	Lease Date	Lessor	Lessee	County-State	Doc#	Description
1	1044407-001	MF113603	7/29/2011	Roddy L. Harrison, Trustee of the Harrison Trust Under Indenture Dated 03/25/96, as Amended	Legend Natural Gas IV, LP	Culberson-TX	67198	West Half (W/2) of Section 13, Block 113, Public School Land Survey, Culberson County, TX
1	1044945-001	MF115984	9/24/2013	Mary Jane Barron, Individually and as Trustee of the Mary Jane Barron Revocable Living Trust U/T/A dated 07/27/92	BHP Billiton Petroleum Properties (N.A.), LP	Culberson-TX	69553	West Half (W/2) of Section 13, Block 113, Public School Land Survey, Culberson County, TX
2	1044412-001	MF111133	5/25/2010	Mary Jane Barron, Individually and as Trustee of the Mary Jane Barron Revocable Living Trust	Legend Natural Gas IV, LP	Culberson-TX	65562	Northwest Quarter (NW/4) of Section 24, Block 113, Public School Land Survey, Culberson County, TX
2	1044412-002	MF113602	7/29/2011	Roddy L. Harrison, Trustee of the Harrison Trust Under Indenture Dated 03/25/96, as Amended	Legend Natural Gas IV, LP	Culberson-TX	67197	Northwest Quarter (NW/4) of Section 24, Block 113, Public School Land Survey, Culberson County, TX

Incorporated by reference herein for all purposes shall be any and all instruments that have further adopted, amended, confirmed, extended, ratified and/or revised the leases listed herein and recorded in the Official Public Records of Culberson County, Texas.

END OF EXHIBIT "A"

True and Correct
copy of
Only in
Culberson County
Office
3817

EXHIBIT "B"

ATTACHED TO AND MADE A PART OF THAT CERTAIN POOLING AGREEMENT
STATE OF TEXAS / BHP BILLITON PETROLEUM PROPERTIES (N.A.), LP
HS STATE 113-24X13 WEST UNIT; GLO UNIT NO. 8292
CULBERSON COUNTY, TEXAS

Description of Lands

Tract 1:

The West Half (W/2) of Section 13, Block 113, Public School Land Survey, Culberson County, Texas, containing 324.0 acres, more or less.

Tract 2:

The Northwest Quarter (NW/4) of Section 24, Block 113, Public School Land Survey, Culberson County, Texas, containing 164.2 acres, more or less.

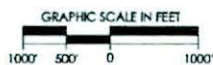


END OF EXHIBIT "B"

3-8-17

ATTACHED TO AND MADE A PART OF THAT CERTAIN POOLING AGREEMENT
STATE OF TEXAS / BHP BILLITON PETROLEUM PROPERTIES (N.A.), LP
HS STATE 113-24X13 WEST UNIT; GLO UNIT NO. 8292
CULBERSON COUNTY, TEXAS

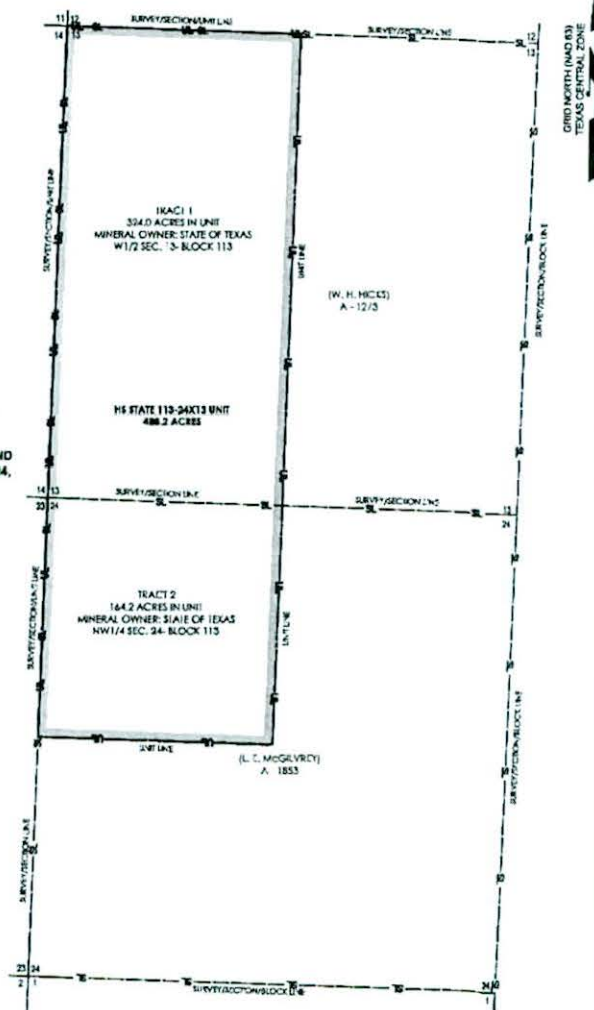
CULBERSON COUNTY, TEXAS



UNIT DESCRIPTION (HS STATE 113-24X13)
UNIT: WEST HALF OF SECTION 13,
 ABSTRACT 1273, PUBLIC SCHOOL LAND
 SURVEY, CULBERSON COUNTY, TEXAS, AND
 THE NORTHWEST QUARTER OF SECTION 24,
 ABSTRACT 1853, PUBLIC SCHOOL LAND
 SURVEY, CULBERSON COUNTY, TEXAS.



CONTACT INFORMATION
 Scott G. Russell
 Chilton Text
 (301) 837-1515
 1000 Ladysmith Dr.
 Gaithersburg, MD 20878



LOCATION	DESCRIPTION	UNIT CORNERS			
		W/1111-1112	W/1112-1113	W/1113-1114	W/1114-1115
AL CORNER W/112-113	CALCULATED CORNER	N 1112-1113 E 112741.75' L	EAT: 1112-1113 LONG: 112741.75'	N 1113-1114 E 112832.81' L	EAT: 1113-1114 LONG: 112832.81'
BE CORNER W/111-113	CALCULATED CORNER	N 1111-1112 E 112552.42' L	EAT: 1111-1112 LONG: 112552.42'	N 1113-1114 E 112832.81' L	EAT: 1113-1114 LONG: 112832.81'
BE CORNER W/114-112-113	CALCULATED CORNER	N 1114-1115 E 112415.21' L	EAT: 1114-1115 LONG: 112415.21'	N 1113-1114 E 112832.81' L	EAT: 1113-1114 LONG: 112832.81'
BE CORNER W/114-113-114	CALCULATED CORNER	N 1114-1115 E 112415.21' L	EAT: 1114-1115 LONG: 112415.21'	N 1113-1114 E 112832.81' L	EAT: 1113-1114 LONG: 112832.81'
BE CORNER W/114-113	CALCULATED CORNER	N 1114-1115 E 112415.21' L	EAT: 1114-1115 LONG: 112415.21'	N 1113-1114 E 112832.81' L	EAT: 1113-1114 LONG: 112832.81'
BE CORNER W/114-113	CALCULATED CORNER	N 1114-1115 E 112415.21' L	EAT: 1114-1115 LONG: 112415.21'	N 1113-1114 E 112832.81' L	EAT: 1113-1114 LONG: 112832.81'
BE CORNER W/114-113	CALCULATED CORNER	N 1114-1115 E 112415.21' L	EAT: 1114-1115 LONG: 112415.21'	N 1113-1114 E 112832.81' L	EAT: 1113-1114 LONG: 112832.81'

1. THE LOCATIONS OF MICROBOND UTILITIES AS SHOWN HEREON ARE BASED ON REASONABLE VISUAL OBSERVATION OF LOCATIONS OF UNEXPOSED UTILITIES STRUCTURES. VARY FROM LOCATIONS SHOWN BY OTHER ADDITIONAL BURIED UTILITIES INFORMATION MAY BE INCORPORATED. NO EXCAVATION OR REMOVAL DURING THE PROCESS OF THIS SURVEY TO LOCATE BURIED UTILITIES STRUCTURES. BEFORE EXCAVATIONS ARE BEGUN, THE OFFICES OF THE VIA CLUE UTILITIES DEPARTMENT THIS AREA SHOULD BE CONTACTED FOR THE UTILITIES LOCATION.

2. PROJECT COORDINATE SYSTEM TOWNSHIP STATE PLANE, CENTRAL TIME, NAD83 U.S. FEET AS DETERMINED BY GROUND OBSERVATION. CIP = 0.00000000

REVISION

1 PRELIMINARY P. AT 1200-NE

2	FINA PLAT 2007-8
---	------------------

 **BHP BILLITON PETROLEUM PROPERTIES (N.A.) LP**

UNIT PLAT FOR:
HS STATE 113-24X13 UNIT
CULBERSON COUNTY, TEXAS

SCALE: 1" = 100'	CHECKED BY: CDT	APPROVED BY: MR
PLOT DATE: 17/08/2016	DRAWN BY: AUN	SHEET NO.: 1 OF 1

3.8.1

00000003382

FILED FOR RECORD
AT 1:23 O'CLOCK P. M.

ON THE 8th DAY OF March

A.D., 2017.

Linda McDonald
COUNTY AND DISTRICT CLERK
CULBERSON COUNTY, TEXAS
BY Josiah Reyes DEPUTY

STATE OF TEXAS
COUNTY OF CULBERSON

I hereby certify that this instrument
was FILED on the date and at the time
stamped hereon by me and was duly
RECORDED in the
Volume 26 and Page 51-58
of the OPR
Records of Culberson County, Texas.



COUNTY AND DISTRICT
CLERK CULBERSON
COUNTY, TEXAS

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 OPR Records of my office, found
in VOL. 26, PAGE 51-58.

I hereby certified on

8th March, 2017
LINDA McDONALD, COUNTY & DISTRICT CLERK
CULBERSON COUNTY, TEXAS

BY Josiah Reyes DEPUTY

File No. M-111133

County Recorded HS Sub 113 24 x 13 1/4
Date Filed: 3/14/17
By: George P. Bush, Commissioner

2.21.17



Tel 713-983-2508
Fax 713-966-2925
www.bhpbilliton.com

February 13, 2017

Texas General Land Office
Attn: Matthew T. Scott, P.E.
P.O. Box 12873
Austin, TX 78711-2873

Re: BHP Billiton Pet (TXLA OP) Co (068596)
Request for Surface Commingling Authority - 31 TAC 9.35(a)(3)
Horseshoespringsstate113-242x1 1H / HS State 113-24x13 1H
Culberson County, Texas

Mr Scott:

BHP Billiton Pet (TXLA OP) Co, (BHP), is currently completing our second well within the Horseshoespringsstate113-224x1 pad lease. A lease outline plat is attached for reference.

Upon completion, BHP is requesting permission to surface commingle production from the individual wells referenced above. Please see Attachment No. 2 for detailed information on each well.

Also attached are three (3) copies of the Railroad Commission of Texas, Form P-17, Application for Exception to SWR 26 and/or 27. The P-17 application was sent to the RRC on 2/14/2017. Once approved, BHP will send the GLO a copy of the approved Form P-17, with the commingle permit number.

Number 4 of the GLO's Procedures: Surface Commingling of State of Texas Leases and/or Units is not addressed in this application, as we are not requesting commingling with other leases.

Should you have any questions or require additional information, please email me at Nicole.Vail@bhpbilliton.com or phone (713) 499-5391.

Respectfully,
BHP Billiton Pet (TXLA OP) Co.

A handwritten signature in black ink, appearing to read 'Nicole Vail', is written over the printed name.

Nicole Vail
Regulatory Specialist

7.1.19.3





RAILROAD COMMISSION OF TEXAS

1701 N. Congress

P.O. Box 12967

Austin, Texas 78711-2967

Form P-17

Rev. 04/2015

APPLICATION FOR EXCEPTION TO STATEWIDE RULES (SWR) 26 AND/OR 27

☒ New
☐ Amended Existing Permit No. _____
Effective Month/Year of Requested
Exception: 2 / 2017
District 08
County CULBERSON

SECTION 1. OPERATOR INFORMATION

Operator Name: BHP BILLITON PET (TXLA OP) CO Operator P-5 No.: 068596

Operator Address: 1360 POST OAK BLVD STE 150 HOUSTON, TX 77056

SECTION 2. GATHERER (of oil or condensate) INFORMATION (not required if 3b is checked)

Gatherer Name: PLAINS MARKETING, LP Gatherer P-5 No.: 667883

Gatherer Address: P.O. BOX 4648 HOUSTON, TX 77210-4648

Gatherer E-mail Address:

(Optional - If provided, e-mail address will become part of this public record.)

SECTION 3. APPLICATION APPLIES TO (CHECK ALL THAT APPLY): ☐ OIL ☐ CASINGHEAD GAS ☐ GAS WELL GAS ☒ CONDENSATE

- a) ☐ Gas well full well stream into common separation and storage facility with liquids reported on Form PR.
b) ☐ Gas well full well stream into a gasoline plant/common separation and storage facility with liquids reported on Form R-3 Serial # _____ (If full well stream is checked, the results of periodic tests to determine the number of stock tank barrels of liquid hydrocarbons recovered per 1,000 standard cubic feet of gas must be reported on Form G-10 in accordance with SWR 55. Attach an explanation of any exceptions to SWR 55.)
c) ☐ Condensate and low-pressure Gas Well Gas are commingled into low-pressure separation and storage facilities.
d) ☐ This request is for off lease: ☐ Storage ☐ Separation ☐ Metering
e) ☒ This exception is for common storage.
f) ☒ This exception is for common separation.
g) ☐ This exception is for casinghead gas metering by: ☐ Deduct Metering ☐ Allocation by well test ☐ Other _____
h) ☐ This exception is for gas well gas metering by: ☐ Deduct Metering ☐ Allocation by well test ☐ Other _____

SECTION 4. NOTICE REQUIREMENTS AND ALLOCATION METHOD. (CHECK ALL THAT APPLY)

The following questions determine if 21-day notice is required and applies to all wells proposed for commingling:

- a) ☒ The production is measured separately from all leases or individual wells before commingling. (Notice not required; Skip to Section 5)
b) ☐ The royalty interests and working interests are the same with respect to identity and percentage. (Notice not required)
c) ☐ The royalty interests and working interests are not the same with respect to identity and percentage. (Notice required)
If b. or c. checked, production will be allocated by: ☐ W-10 (oil) ☐ W-2 retest (oil) ☐ PD Meter (oil & condensate) ☐ G-10 (gas)
d) ☐ The wells produce from multiple reservoirs. (Notice required unless 4e. or 4f. apply; see instructions for additional requirements)
e) ☐ The wells produce from multiple reservoirs and have SWR10 exceptions. (Notice not required)
f) ☐ The wells produce from multiple reservoirs and are measured separately from each reservoir. (Notice not required)
g) ☐ Any one of the wells proposed for commingling produces from a Commission-designated reservoir for which special field rules have been adopted. (Notice required)

SECTION 5. ☐ Wells proposed for commingling have an operator's name other than the applicant listed in SECTION 1. (See instructions)

SECTION 6. ☐ For oil production, the production from all oil wells on each oil lease is to be commingled. (See instructions)

SECTION 7. IDENTIFY LEASES AS SHOWN ON COMMISSION RECORDS (attach additional pages as needed)

DISTRICT	RRC IDENTIFIER	ACTION			LEASE AND FIELD NAME	WELL NO.
08	278243	☐ Existing	☒ Add	☐ Delete	Horseshoespringsstate113-24x1	1H
08	DP 819978	☐ Existing	☒ Add	☐ Delete	HS STATE 113-24X13	1H
		☐ Existing	☐ Add	☐ Delete		
		☐ Existing	☐ Add	☐ Delete		

ATTACH ADDITIONAL PAGES AS NEEDED. ☒ No additional pages ☐ Additional pages _____ (# of additional pages)

FEE: \$150 Filing Fee + \$225 Surcharge = \$375 total remittance required (See Statewide Rule 78)

CERTIFICATE: I declare under penalties in Sec. 91.143, Texas Natural Resources Code, that I am authorized to file this application, that this application was prepared by me or under my supervision and direction, and that the data and facts stated therein are true, correct, and complete to be the best of my knowledge. I certify that all requests for related required approvals from other affected state agencies have been submitted and that I understand that any authorization granted by Commission approval of this application is contingent upon the approvals from other affected state agencies being obtained.

Signature Mail, Nicole Title Regulatory Specialist Date 02/13/2017

Operator E-mail Address: permreg@bhpbilliton.com

Operator Phone No. _____

(Optional - If provided, e-mail address will become part of this public record.)

RRC USE ONLY

Commingling Permit No. _____

Approval date: _____

Approved by: _____

ATTACHMENT FOR
APPLICATION FOR EXCEPTION TO
STATEWIDE RULES (SWR) 26 AND/OR 27

[illegible]



1000 Ledgelawn Dr.
Conway, Arkansas 72034

501.328.3316 f 501.328.3325 f
www.craftontull.com

LEGEND

UL	UNIT LINE
—	PROPOSED WELL PATH
—	NEAREST WELL PATH
SL	SECTION LINE
S.H.L.	SURFACE HOLE LOCATION
P.O.P.	POINT OF PENETRATION
F.T.P.	FIRST TAKE POINT
T.P.	TURNING POINT
L.T.P.	LAST TAKE POINT
B.H.L.	BOTTOM HOLE LOCATION

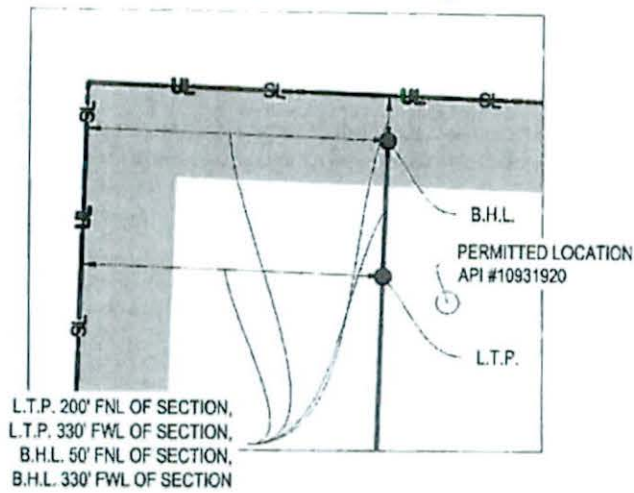
CULBERSON COUNTY, TEXAS

GRID NORTH (NAD 83)
TEXAS CENTRAL ZONE
GRID CONVERGENCE = -1.949374913717

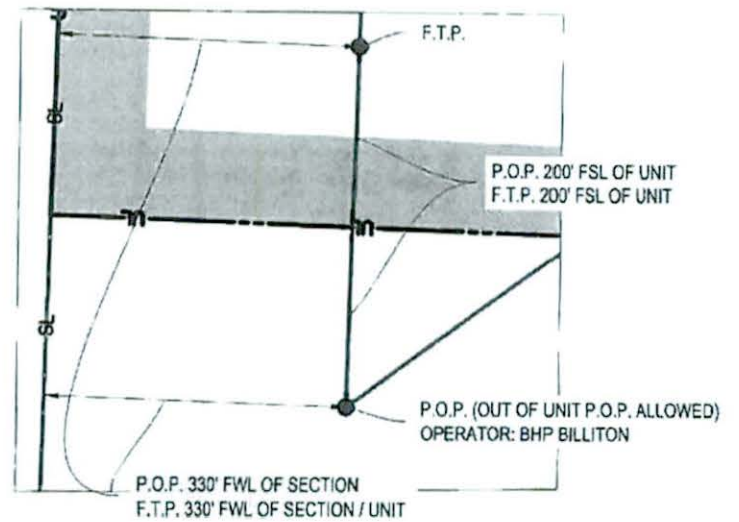
S.H.L. ELEVATION

WELL NAME	ELEVATION
HS STATE 113-24X13 1H	3,165.79'

INSET "B" (NOT TO SCALE)



INSET "A" (NOT TO SCALE)



WELL BORE POSITIONS

REFERENCE	LAT. (NAD 83)	LONG. (NAD 83)	NORTHING (NAD 83)	EASTING (NAD 83)	LAT. (NAD 27)	LONG. (NAD 27)	LAT. (NAD 27)	LONG. (NAD 27)	NORTHING (NAD 27)	EASTING (NAD 27)
S.H.L.	31.70915689° N	-104.11454717° W	10605353.498	1120936.379	31.70903131° N	-104.11406929° W	31° 42' 32.51" N	-104° 06' 50.65" W	762777.339	824475.161
P.O.P.	31.70746223° N	-104.11704135° W	10604763.759	1120140.226	31.70733664° N	-104.11656342° W	31° 42' 26.41" N	-104° 06' 59.63" W	762187.611	823679.013
F.T.P.	31.70856183° N	-104.11704261° W	10605163.541	1120153.438	31.70843626° N	-104.11658466° W	31° 42' 30.37" N	-104° 06' 59.63" W	762587.387	823692.228
L.T.P.	31.72941022° N	-104.11706645° W	10612743.435	1120403.942	31.72928502° N	-104.11658821° W	31° 43' 45.43" N	-104° 06' 59.72" W	770167.164	823942.783
B.H.L.	31.72982256° N	-104.11706692° W	10612893.354	1120408.896	31.72969737° N	-104.11658868° W	31° 43' 46.91" N	-104° 06' 59.72" W	770317.080	823947.739

WELL PATH DATA

REF.	BEARING	DISTANCE
S.H.L. TO P.O.P.	S 53°28'17" W	990.78'
P.O.P. TO F.T.P.	N 01°53'34" E	400.00'
F.T.P. TO L.T.P.	N 01°53'34" E	7,584.03'
L.T.P. TO B.H.L.	N 01°53'34" E	150.00'

WELL PATH DATA

REF.	SECTION LINE CALLS (±)	UNIT LINE CALLS (±)
S.H.L.	2,270' FNL, 1,106' FWL	1,106' FWL, 416' FSL
P.O.P.	2,487' FSL, 330' FWL	200' FSL
F.T.P.	2,487' FNL, 330' FWL	330' FWL, 200' FSL
L.T.P.	200' FNL, 330' FWL	
B.H.L.	50' FNL, 330' FWL	

GENERAL NOTES

1. THE LOCATIONS OF UNDERGROUND UTILITIES AS SHOWN HEREON ARE BASED ON REASONABLE VISUAL OBSERVATION. LOCATIONS OF UNDERGROUND UTILITIES/ STRUCTURES MAY VARY FROM LOCATIONS SHOWN HEREIN. ADDITIONAL BURIED UTILITIES/ STRUCTURES MAY BE ENCOUNTERED. NO EXCAVATIONS WERE MADE DURING THE PROGRESS OF THIS SURVEY TO LOCATE BURIED UTILITIES/ STRUCTURES. BEFORE EXCAVATIONS ARE BEGUN, THE OFFICES OF THE VARIOUS UTILITIES SERVICING THIS AREA SHOULD BE CONTACTED FOR THEIR UTILITY LOCATION.

2. PROJECT COORDINATE SYSTEM: TEXAS STATE PLANE, CENTRAL ZONE, NAD83, U.S. FEET AS DETERMINED BY GPS OBSERVATION, CAF = 0.999607073.

REVISION	BHP BILLITON PET (TXLA OP) CO
1 PRELIMINARY PLAT 08/15/16	HS STATE 113-24X13 1H (MWN #836229)
2 REVISED 08/30/16	S.H.L. IN L. E. MCGILVREY, A - 1853, B.H.L. IN W. H. HICKS, A - 1273
3 REVISED 09/07/16	CULBERSON COUNTY, TEXAS
4 REVISED 09/21/16	FINAL PERMIT PLAT
5 CERTIFIED 10/14/16	SCALE: 1" = N/A
6 ADDED DIMS 10/17/16	PLOT DATE: 10/17/2016
	CHECKED BY: JWB
	DRAWN BY: CDT
	APPROVED BY: MN
	SHEET NO.: 2 OF 2

LEGEND

- UNIT LINE
- PROPOSED WELL PATH
- NEAREST WELL PATH
- SECTION LINE
- S.H.L. SURFACE HOLE LOCATION
- P.O.P. POINT OF PENETRATION
- F.T.P. FIRST TAKE POINT
- T.P. TURNING POINT
- L.T.P. LAST TAKE POINT
- B.H.L. BOTTOM HOLE LOCATION

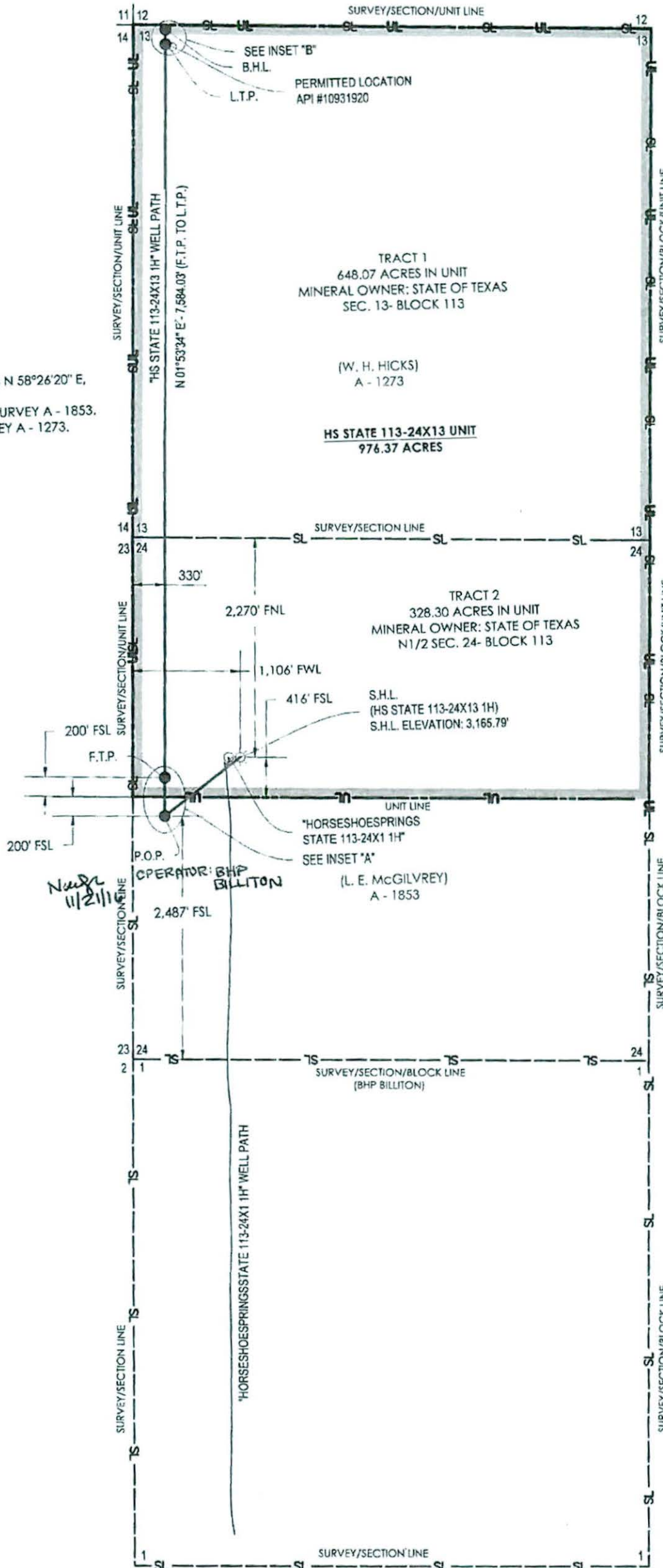
NOTE: S.H.L. APPROXIMATE LOCATION IS N 58°26'20" E,
14.51 MILES FROM ORLA, TEXAS.
S.H.L. LOCATED IN THE L. E. MCGILVREY SURVEY A - 1853.
B.H.L. LOCATED IN THE W. H. HICKS SURVEY A - 1273.



10/17/2016

CONTACT INFORMATION:

Shannon D. Ozment
Crafton Tull (10193715)
1000 LedgeLawn Dr.
Conway, AR 72034



GRID NORTH (NAD 83)
TEXAS CENTRAL ZONE

GRID CONVERGENCE = -1.949374913717



GRAPHIC SCALE IN FEET



GENERAL NOTES

1. THE LOCATIONS OF UNDERGROUND UTILITIES AS SHOWN HEREON ARE BASED ON REASONABLE VISUAL OBSERVATION. LOCATIONS OF UNDERGROUND UTILITIES/ STRUCTURES MAY VARY FROM LOCATIONS SHOWN HEREIN. ADDITIONAL BURIED UTILITIES/ STRUCTURES MAY BE ENCOUNTERED. NO EXCAVATIONS WERE MADE DURING THE PROGRESS OF THIS SURVEY TO LOCATE BURIED UTILITIES/ STRUCTURES. BEFORE EXCAVATIONS ARE BEGUN, THE OFFICES OF THE VARIOUS UTILITIES SERVICING THIS AREA SHOULD BE CONTACTED FOR THEIR UTILITY LOCATION.

2. PROJECT COORDINATE SYSTEM: TEXAS STATE PLANE, CENTRAL ZONE, NAD83, U.S. FEET AS DETERMINED BY GPS OBSERVATION, CAF = 0.999907073.

REVISION	
1	PRELIMINARY PLAT 08/15/16
2	REVISED 08/30/16
3	REVISED 09/07/16
4	REVISED 09/21/16
5	CERTIFIED 10/14/16
6	ADDED DIMS 10/17/16

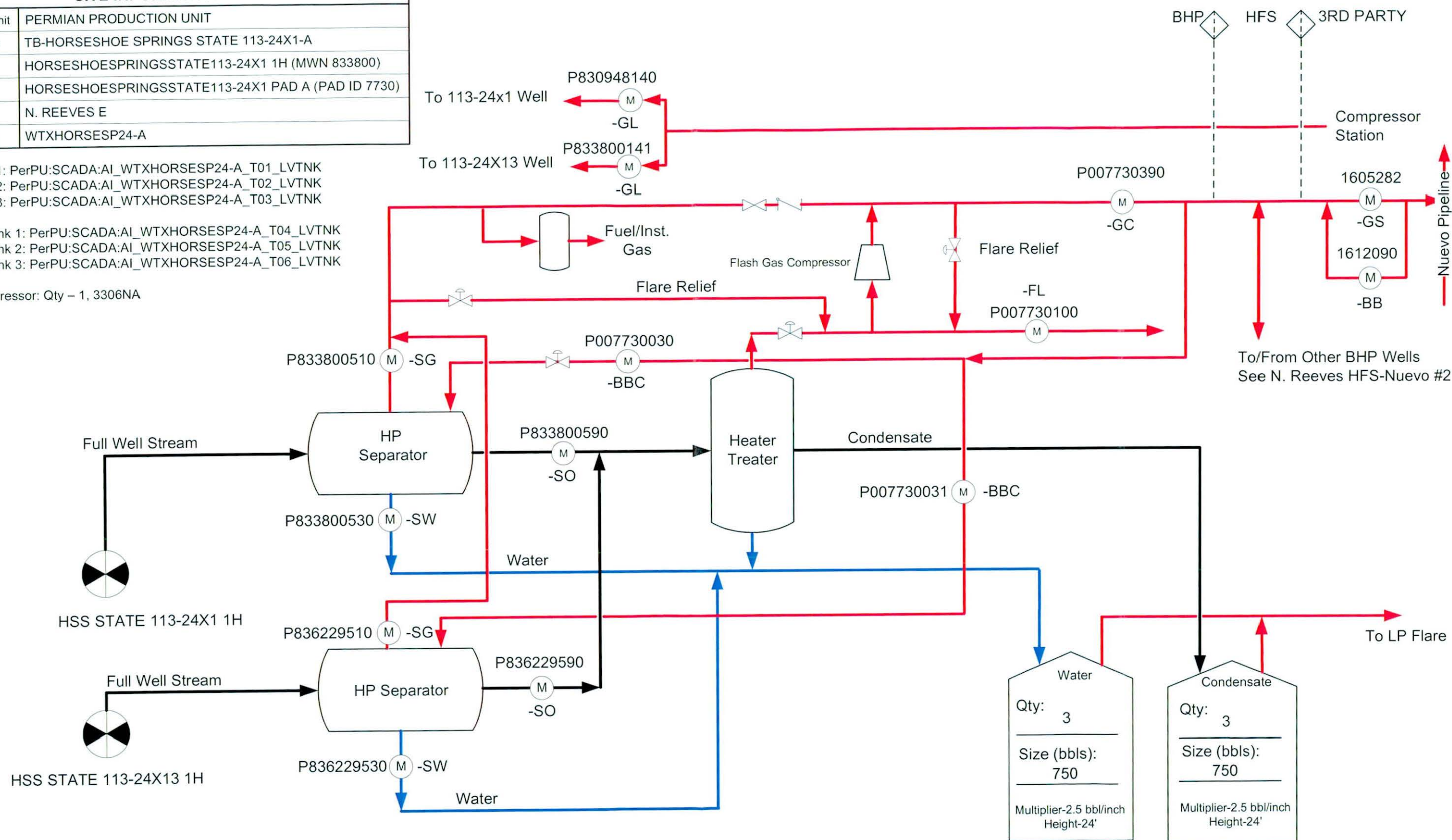
BHP BILLITON PET (TXLA OP) CO	
HS STATE 113-24X13 1H (MWN #836229)	
S.H.L. IN L. E. MCGILVREY, A - 1853, B.H.L. IN W. H. HICKS, A - 1273	
CULBERSON COUNTY, TEXAS	
FINAL PERMIT PLAT	
SCALE: 1" = 1200'	CHECKED BY: JWB
PLOT DATE: 10/17/2016	CDT
DRAWN BY:	APPROVED BY: MN
	SHEET NO.: 1 OF 2

Production Unit	PERMIAN PRODUCTION UNIT
Facility name	TB-HORSESHOE SPRINGS STATE 113-24X1-A
Well name	HORSESHOESPRINGSSTATE113-24X1 1H (MWN 833800)
Pad name	HORSESHOESPRINGSSTATE113-24X1 PAD A (PAD ID 7730)
Route	N. REEVES E
SCADA Tag	WTXHORSESP24-A

Oil Tank 1: PerPU:SCADA:AI_WTXHORSESP24-A_T01_LVTNK
Oil Tank 2: PerPU:SCADA:AI_WTXHORSESP24-A_T02_LVTNK
Oil Tank 3: PerPU:SCADA:AI_WTXHORSESP24-A_T03_LVTNK

Water Tank 1: PerPU:SCADA:AI_WTXHORSESP24-A_T04_LVTNK
Water Tank 2: PerPU:SCADA:AI_WTXHORSESP24-A_T05_LVTNK
Water Tank 3: PerPU:SCADA:AI_WTXHORSESP24-A_T06_LVTNK

GL Compressor: Qty – 1, 3306NA

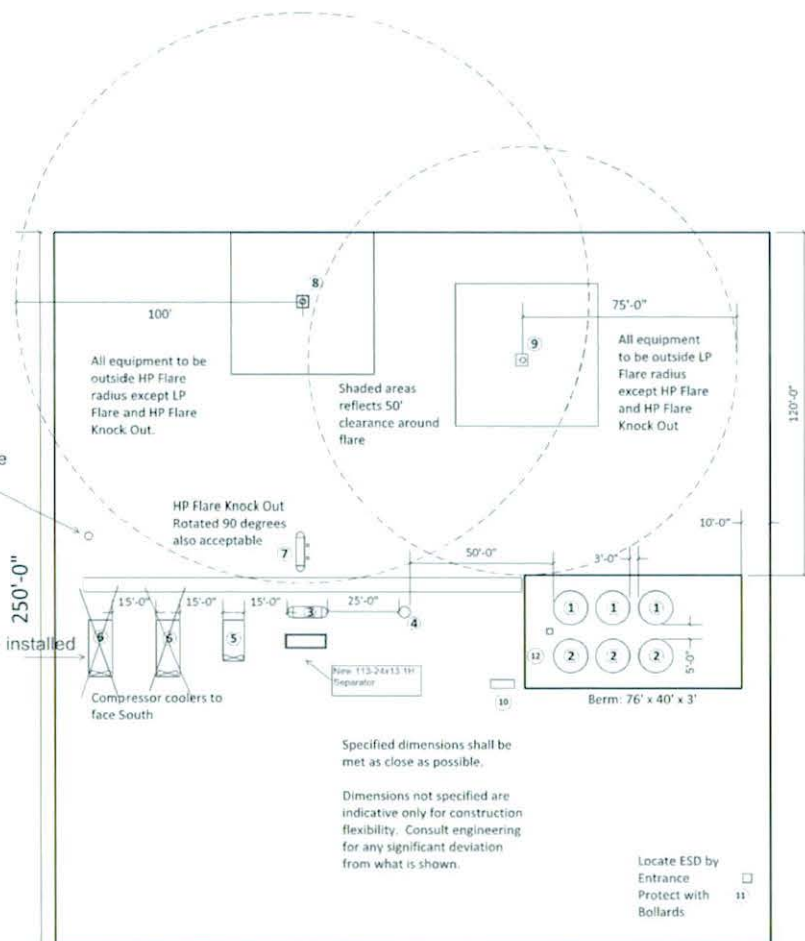


LEGEND				SIGNATURES			REVISIONS							 bhpbilliton resourcing the future		PERMANENT PRODUCTION UNIT DWG Name: Allocation Flow Diagram TB-HORSESHOE SPRINGS STATE 113-24X1-A DWG. No. : PM7730-PX-AFD-00001 Rev. : 06 Date: 01/18/17		
				TEAM	SIGNATURE	DATE	REV.	DESCRIPTION			BY	CHK	APP					
	Gas						06	UPDATED FOR SECOND WELL EXPANSION			AO		EAL	01/18/17				
	Oil						05	REMOVED FLASH GAS COMPRESSOR.			EAL	TK	EAL	07/13/16				
	Water						4	UPDATED OIL METER OFF OF HP SEPARATOR FOR IWP.			EAL		EAL	01/18/16				
Multiplier = (Total number of barrels per tank)/(Height in inches)				SURFACE ENG.	EAK	6/24/15	3	CORRECTED TANK MULTIPLIER AND TIED BUYBACK INTO HP SEPARATOR.			EAK			09/17/15				
				ALLOCATIONS			2	UPDATED FLARE THERMAL DISPERSION METER #			LTI	BCG	EAK	08/04/15				
				PRODUCTION ENG.			1	UPDATED PER CONTROLLED DOCUMENT TEMPLATE.			EAK	LTI	EAK	06/24/15				
										0	SEE SURFACE ENGINEERING #ROOM FOR PREVIOUS REV.							



2" Pipeline Tie-in location to be
5ft West of the Pipe Rack

Item 6's will not be installed



- ① Water Tanks
- ② Oil Tanks
- ③ High Pressure Separator
- ④ Heater Treater (4' x 20')
- ⑤ Flash Gas Compressor
- ⑥ Booster Compressor
- ⑦ Flare Knock Out
- ⑧ HP Flare
- ⑨ LP Flare
- ⑩ PLC
- ⑪ ESD
- ⑫ Bottoms Pump



NOTES

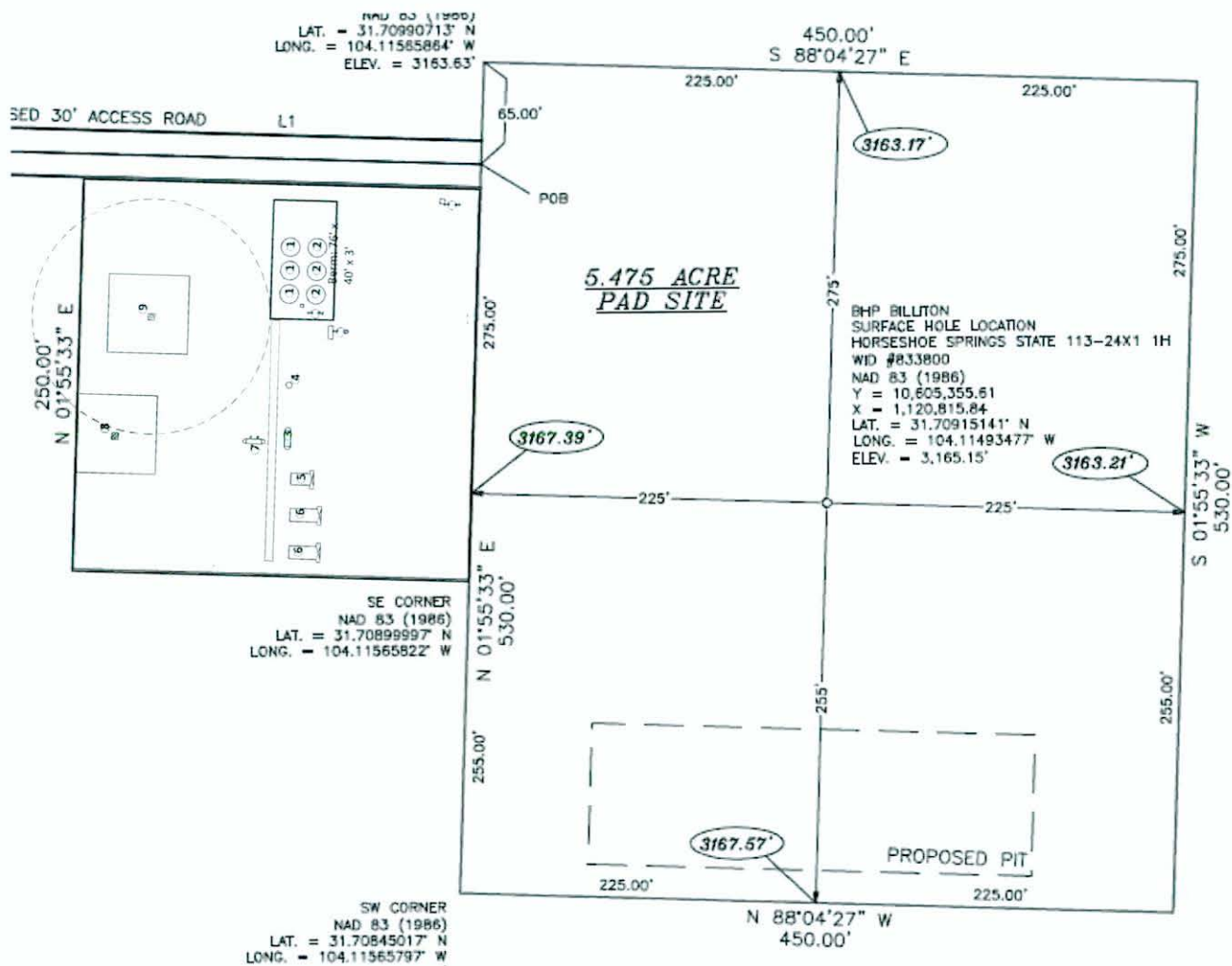
REVISIONS

REV	DESCRIPTION	DATE	BY	CHKD	APPV	DATE
1	ISSUED FOR CONSTRUCTION	2009	JAC	JAC	PPH00001	



PERMIAN PRODUCTION UNIT

DWG TITLE	PMU-HP-PLN-3029
FACILITY NO	HORSESHOE SPRINGS STATE 113-24X1 (TYPE1-H)
DWG NO	PMU-HP-PLN-3029
SHEET NO	1



NOTES

REVISIONS

REV	DESCRIPTION	DRAWN	CHECKED	APPROVED	DATE
1	BAILED FOR CONSTRUCTION	EM	JW	JS	09/05/2011



PERMIAN PRODUCTION UNIT

DWG TITLE	PPU-MP-PLN-3029
FACILITY NO.	HORSESHOE SPRINGS STATE 113-24X1 (TYPE1-H)
DWG. NO.	2
PPU-MP-PLN-3029	

BHP BILLITON HSS STATE 113-24X1 PAD A

REV	DATE	DRAWING NO.	TITLE
01	06-JAN-17	PM7730-PX-PID-05001	DRAWING INDEX
00	10-NOV-16	PM7730-PX-PID-05002-01	LEGACY LEGEND & SYMBOLOGY SHEET
00	10-NOV-16	PM7730-PX-PID-05002-02	NEW LEGEND SHEET
00	10-NOV-16	PM7730-PX-PID-05003	HSS 113 24x1-1A 1H, WELLHEAD
01	06-JAN-17	PM7730-PX-PID-05004	HSS 113 24x13 1H, WELLHEAD
00	10-NOV-16	PM7730-PX-PID-05005	HSS 113 24x1 1H HP SEPARATOR
00	10-NOV-16	PM7730-PX-PID-05006	HSS STATE 113-24x13 1H, HP PRODUCTION SEPARATOR
00	10-NOV-16	PM7730-PX-PID-05013	HEATER TREATER
00	10-NOV-16	PM7730-PX-PID-05017	GAS LIFT COMPRESSOR
00	10-NOV-16	PM7730-PX-PID-05025	FUEL GAS SYSTEM
00	10-NOV-16	PM7730-PX-PID-05026	GAS SALES HEADER
00	10-NOV-16	PM7730-PX-PID-05030	LP FLARE BLOW CASE, AND RERUN PUMP
00	10-NOV-16	PM7730-PX-PID-05031	FLARE K.O. DRUM
00	10-NOV-16	PM7730-PX-PID-05032	HP AND LP FLARE
00	10-NOV-16	PM7730-PX-PID-05037	OIL TANKS, 750 BBL
00	10-NOV-16	PM7730-PX-PID-05041	PRODUCED WATER TANKS, 750 BBL
00	10-NOV-16	PM7730-PX-PID-05045	METHANOL SYSTEM

NOTES

01	06-JAN-17	RE-ISSUED FOR CONSTRUCTION REVISED INDEX	JOL	CL
00	10-NOV-16	ISSUED FOR CONSTRUCTION	WMP	J.C. CL
0	29-SEP-16	ISSUED FOR REVIEW	WMP	J.C. CL
REV.	DATE	REVISION - DESCRIPTION	BY	CHK'D APP'D

RA	☐ REVIEWED AND ACCEPTED FINAL AND CERTIFIED WORK MAY PROCEED
VA	☐ REVIEWED AND ACCEPTED AS NOTED REVISE AND RE-SUBMIT WORK MAY PROCEED
RR	☐ REJECTED INCORPORATE COMMENTS AND LOCKS REVISE AND RE-SUBMIT WORK MAY BE PROCEED
INF	☐ REVIEW NOT REQUIRED, DO NOT RESUBMIT FOR INFORMATION ONLY
	DELIVERY MANAGER SIGNATURE
	REVIEW DATE

SCALE: NTS

PROJ. No.

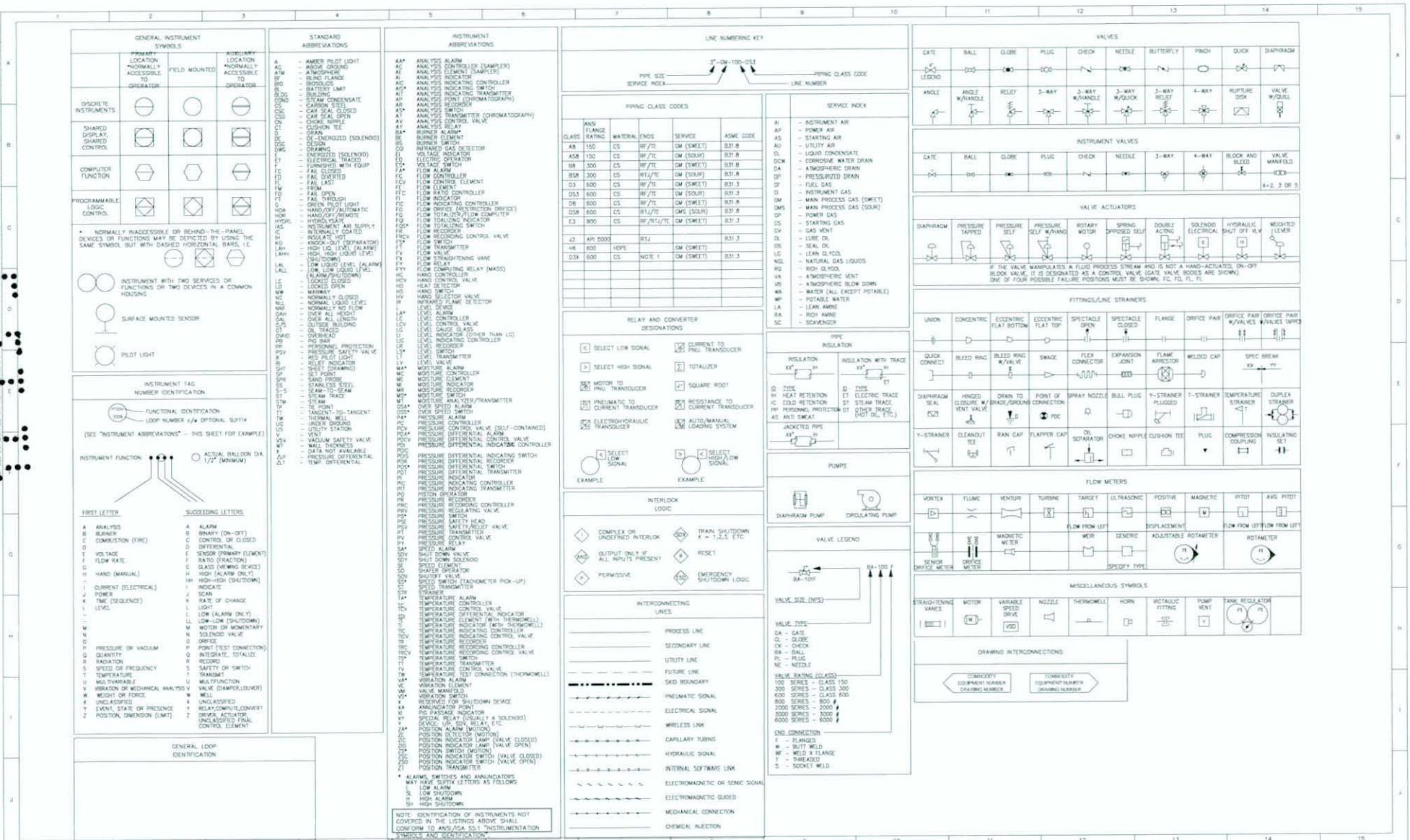


HSS STATE 113-24X1 PAD A
PIPING & INSTRUMENTATION DIAGRAM
DRAWING INDEX

BHP BILLITON DNG No.
PM7730-PX-PID-05001

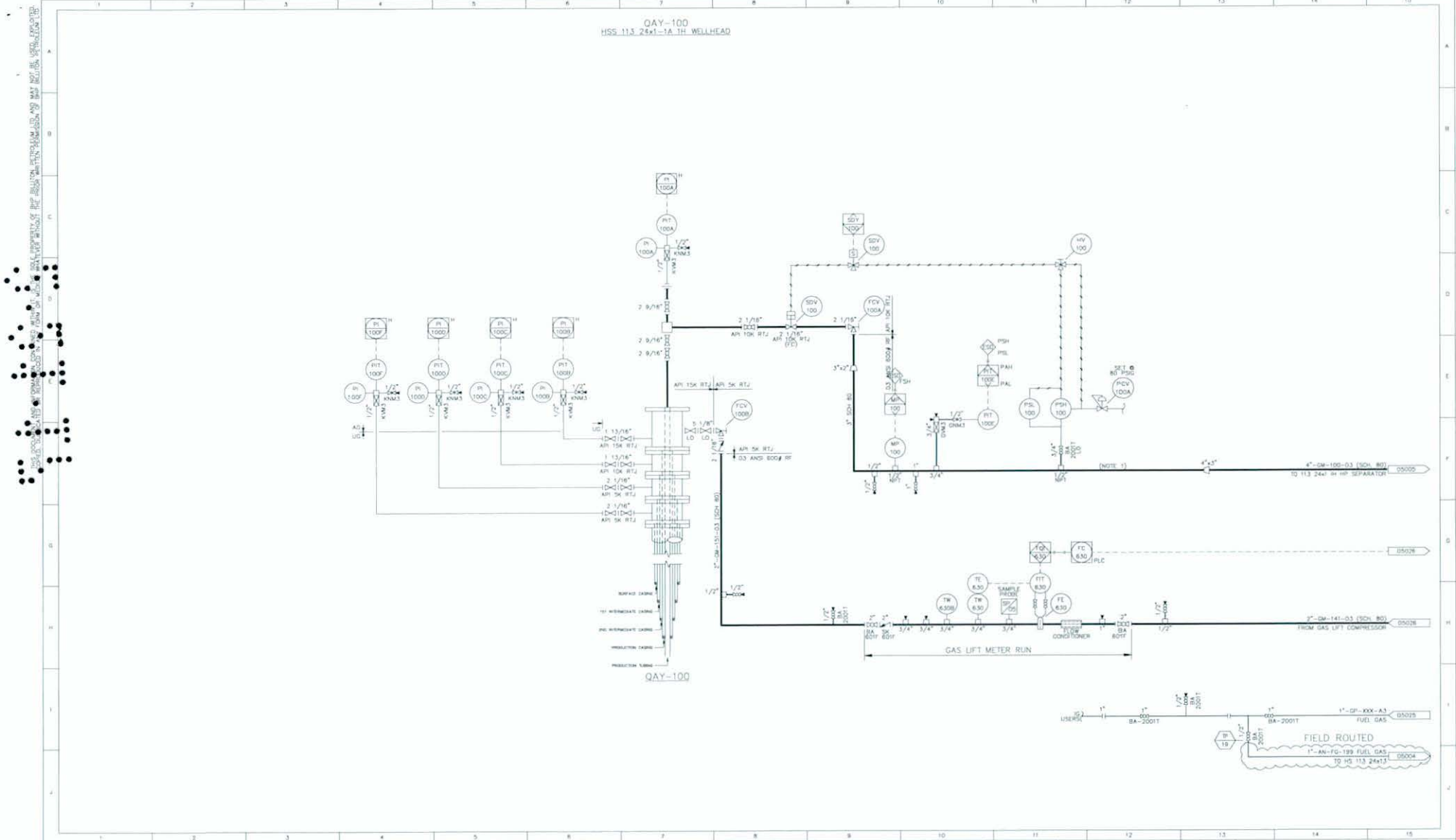
REV No.
01

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ABBREVIATIONS			EQUIPMENT/COMPONENT IDENTIFICATION			PIPING SPECIFICATION			VALVE CODE INDEX																																																																													
AB BREATHING AIR AC AIR TO CLOSE AD AIR TO OPEN BF BLIND FLANGE BOV BOTTOM OF VESSEL BS&W BASIC SEDIMENT BTL BOTTOM TANGENT LINE CA CORROSION ALLOWANCE CSC CAR SEAL CLOSED CSD CAR SEAL OPEN DC DUAL CHAMBER/SENSOR DBB DOUBLE BLOCK AND BLEED DET DETAIL ELEV ELEVATION ESD EMERGENCY SHUTDOWN ESP ELECTRICAL SUBMERSIBLE PUMP F7 FURNISHED FC FAL CLOSED FL FAL LAST FO FAL OPEN FSD FLAT SIDE DOWN FSL FLAT SIDE UP HC HOSE CONNECTION HI HAND HOSE HKA HAND-OFF/AUTOMATIC IAS INSTRUMENT AIR SUPPLY IS INTERCONNECTING PIPING I INTERFACE IS INSTRUMENT GAS SUPPLY INT INTERCONNECTING PIPE IP CURRENT TO PRESSURE TRANSDUCER JOG JOG/OFF/AUTO LC LOCK CLOSED LO LOCK OPEN LS LIQUID SEAL MAWP MAXIMUM ALLOWABLE WORKING PRESSURE MCC MOTOR CONTROL CENTER MIN MINIMUM MR MANWAY NC NORMALLY CLOSED NL NORMAL LIQUID LEVEL NO NORMALLY OPEN NOL NORMAL OIL LEVEL NWL NORMAL WATER LEVEL OAL OVER ALL LENGTH OP OPERATING PRESSURE OPT OPTIONAL OT OPERATING TEMPERATURE PLC PROGRAMMABLE LOGIC CONTROLLER PM PRODUCTION MODULE P/P PIPELINE RTD RESISTANCE TEMPERATURE DETECTOR S/D SHUTDOWN SC SINGLE CHAMBER/SENSOR STP SHUT IN TUBING PRESSURE SNAP SNAP ACTING CONTROL SR STRESS RELIEF ST STEAM S/S SEAM TO SEAM, ON START, STOP THA/TLE THROTTLE ACTING CONTROL T/T TANGENT TO TANGENT UAS UTILITY AIR SUPPLY			P-2100 AREA IDENTIFIER TRAIN/WEIL # TYPE TYPE AREA IDENTIFIER WELL PAGES EPS/COMP 100 WELL AND FLOW LINE 200 SEPARATION 300 HEATER TREATER 400 COMPRESSION (FLASH GAS) 500 CHEMICAL 600 COMPRESSION (SALES GAS) 700 GAS LIFT 800 STORAGE/TRUCK LOADING 900 UTILITY/FUEL GAS/FLARE 2 OTHER/SAID/PACKAGED EQUIPMENT * ALL MAJOR EQUIPMENT TAG NUMBER UNIQUE IDENTIFIERS TO END IN "0" * SIMILAR EQUIPMENT IN A TRAIN WILL USE ALPHABETIC SUFFIXES			A 1 MODIFIER (2) PIPING CLASS (1) (1) PRESSURE RATING A ASME CLASS 150# B ASME CLASS 300# D ASME CLASS 900# E ASME CLASS 1500# G ASME CLASS 3000# J API 5000 K API 10000 N NON-METALLIC S LOW PRESSURE STORAGE T HIGH PRESS TUBING U HIGH PRESS TUBING (2) MOOFER A LOW PRESSURE CS C LOW TEMPERATURE CS (-50F) D STAINLESS STEEL F FIBERGLASS G GALVANIZED CS H HIGH CORROSION/CO2 CS (3/16 IN) I LOW CORROSION CS (0.05 IN) M MEDIUM TEMPERATURE CS (450F) N NORMAL CORROSION CS (1/8 IN) P POLYETHYLENE R REINFORCED (FLEX PIPE) S SOUL (-20) T HIGH TEMPERATURE CS (600F) U COPPER V PVC Z ZERO CORROSION CS			BRRTX SPECIAL VALVE QUALIFIER (5) MATERIAL (4) VALVE END FACING (3) VALVE TYPE (2) PIPING CLASS (1) (1) PRESSURE RATING A 150# (285 PSIG @ 100F) B 300# (740 PSIG @ 100F) D 600# (1480 PSIG @ 100F) F 900# (2220 PSIG @ 100F) G 1500# (3705 PSIG @ 100F) H 2500# (6170 PSIG @ 100F) J API 5000 (10000 PSIG @ 100F) K API 10000 (20000 PSIG @ 100F) N 150 PSIG @ 100F P 600 PSIG @ 100F R 2000 PSIG @ 100F T 3000 PSIG @ 100F V 15000 PSIG @ 100F (3) END CONNECTION B TUBING FITTING F FLAT FACE FLANGE J RTJ FLANGE M THREADED (M x F) H RAISED FACE FLANGE S SOCKET WELDED T THREADED (F x F) X SOCKET WELDED x THREAD K SPECIAL (4) MATERIAL 1 CARBON STEEL 2 LOW TEMP CARBON STEEL 3 STAINLESS STEEL 4 BRONZE/BRASS 5 PVC (5) SPECIAL VALVE QUALIFIER C CORROSION PRODUCTION FLUID G GAS SERVICE ONLY L LOW TEMPERATURE M MEDIUM TEMPERATURE S SOLAR (NACE COMPLIANT) T HIGH TEMPERATURE																																																																													
PIPING LINE IDENTIFICATION AN - PL - 1200 - 1" - WF - 1TW HEAT TRACE (OPT) INSULATION TYPE (OPT) INSULATION THICKNESS (OPT) LINE NUMBER SERVICE IDENTIFICATION PIPING SPECIFICATION NOMINAL PIPE SIZE			PIPING SERVICE IDENTIFICATION <table> <tr> <th>SERVICE</th><th>SERVICE CODE</th><th>I MAX (2)</th></tr> <tr><td>ADD GAS (W/ME CO2)</td><td>AG</td><td>130</td></tr> <tr><td>COOLANT ENGINE</td><td>CE</td><td>100</td></tr> <tr><td>DRAIN CLOSED</td><td>DC</td><td>130</td></tr> <tr><td>DRAIN OPEN</td><td>DO</td><td>100</td></tr> <tr><td>FUEL DIESEL</td><td>FD</td><td>100</td></tr> <tr><td>FUEL GAS</td><td>FG</td><td>130</td></tr> <tr><td>HEAT MEDIA (HOT OIL)</td><td>HM</td><td>650</td></tr> <tr><td>INSTRUMENT AIR</td><td>IA</td><td>130</td></tr> <tr><td>INSTRUMENT GAS</td><td>IG</td><td>130</td></tr> <tr><td>LUBE OIL</td><td>LO</td><td>100</td></tr> <tr><td>NITROGEN</td><td>NI</td><td>130</td></tr> <tr><td>NONCORROSIVE SWEET HYDROCARBON FLUIDS</td><td>PF</td><td>450</td></tr> <tr><td>NONCORROSIVE SWEET HYDROCARBON GAS</td><td>PG</td><td>450</td></tr> <tr><td>NONCORROSIVE SWEET HYDROCARBON LIQUID</td><td>PL</td><td>450</td></tr> <tr><td>PROCESS SOLID (H2O OR PSA H2S)</td><td>PS</td><td>250</td></tr> <tr><td>PRODUCED WATER</td><td>PW</td><td>130</td></tr> <tr><td>SANITARY</td><td>SS</td><td>100</td></tr> <tr><td>UTILITY AIR</td><td>UA</td><td>150</td></tr> <tr><td>UTILITY WATER</td><td>UW</td><td>130</td></tr> <tr><td>ATMOSPHERIC VENT</td><td>VA</td><td>130</td></tr> <tr><td>VENT HIGH PRESSURE</td><td>VH</td><td>130</td></tr> <tr><td>VENT LOW PRESSURE</td><td>VL</td><td>130</td></tr> <tr><td>WASTE (DRAIN AND LEAK)</td><td>WA</td><td>300</td></tr> <tr><td>W/PROD (TIC HIGH AND LEAK)</td><td>WC</td><td>450</td></tr> <tr><td>CHEMICAL INJECTION</td><td>ZI</td><td>130</td></tr> </table>			SERVICE	SERVICE CODE	I MAX (2)	ADD GAS (W/ME CO2)	AG	130	COOLANT ENGINE	CE	100	DRAIN CLOSED	DC	130	DRAIN OPEN	DO	100	FUEL DIESEL	FD	100	FUEL GAS	FG	130	HEAT MEDIA (HOT OIL)	HM	650	INSTRUMENT AIR	IA	130	INSTRUMENT GAS	IG	130	LUBE OIL	LO	100	NITROGEN	NI	130	NONCORROSIVE SWEET HYDROCARBON FLUIDS	PF	450	NONCORROSIVE SWEET HYDROCARBON GAS	PG	450	NONCORROSIVE SWEET HYDROCARBON LIQUID	PL	450	PROCESS SOLID (H2O OR PSA H2S)	PS	250	PRODUCED WATER	PW	130	SANITARY	SS	100	UTILITY AIR	UA	150	UTILITY WATER	UW	130	ATMOSPHERIC VENT	VA	130	VENT HIGH PRESSURE	VH	130	VENT LOW PRESSURE	VL	130	WASTE (DRAIN AND LEAK)	WA	300	W/PROD (TIC HIGH AND LEAK)	WC	450	CHEMICAL INJECTION	ZI	130	VALVE SYMBOLS GATE VALVE BALL VALVE GLOBE VALVE PLUG VALVE CHECK VALVE NEEDLE VALVE BUTTERFLY VALVE SOLENOID SHUT DOWN VALVE (GATE) SHUT DOWN VALVE (BALL) CONTROL VALVE (GATE) CONTROL VALVE (BALL) CONTROL VALVE (GLOBE) CONTROL VALVE (BUTTERFLY) 3 WAY ANGLE VALVE CHOKE VALVE - ADJUSTABLE CHOKE VALVE - FIXED GAUGE GLASS VALVE GAUGE VALVE PNEUMATIC PILOT WITH RESET AUTOMATIC CHOKE WITH SHUTTER POSITIONER AND HAND WHEEL REGULATOR ANGLE REGULATOR BLEED RING FAIL FLOW DIRECTION PLUG		
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AIR SYSTEMS	9000																																																																																					
INSULATION TYPE CB COLD CONSERVATION CF COLD CONSERVATION (FIBERGLASS) H9 HEAT CONSERVATION (FIBERGLASS > 750F) H6 HEAT CONSERVATION (FIBERGLASS < 750F) H4 HEAT CONSERVATION PP PERSONNEL PROTECTION (EXPANDED METAL, FIBERGLASS > 400F) WF WINTERIZATION (FIBERGLASS)			HEAT TRACE ETW ELECTRICAL TRACE WINTER ETP ELECTRICAL TRACE PROCESS																																																																																			
NOTES			BA REVIEWED AND ACCEPTED FINAL AND CONTROLLED WORK WAY PROCEED RB REVIEWED AND ACCEPTED AS NOTED REUSE AND RE-SUBMIT WORK WAY PROCEED RR REJECTED INADEQUATE COMMENTS AND UPON REUSE AND RE-SUBMIT WORK WAY NOT PROCEED RF REVIEW NOT REQUIRED, DO NOT RESUBMIT FOR INFORMATION ONLY DELIVERY MANAGER SIGNATURE REVIEW DATE SCALE: NTS PROJ No REV No BHP BILLITON DING No PM/7730-PX-PID-050002-02																																																																																			
00 10-NOV-18 ISSUED FOR CONSTRUCTION 01 29-SEP-18 ISSUED FOR REVIEW WWP JC G WWP G G REV DATE REVISION - DESCRIPTION BY CHK'D AP'D			HSS STATE 113-24X1 PAD A PIPING & INSTRUMENTATION DIAGRAM NEW LEGEND SHEET																																																																																			



NOTES:
1. ALL 90° TURNS IN THIS LINE TO BE FITTED WITH CUSHION TEES.
2. PRIOR TO THIS PROJECT TO BE IMPORTANT THIS ASSETS CAN BE ON BLAST JOINT OR IMMEDIATELY DOWNSTREAM ON FLOWLINE.
3. TEMPORARY WELDED JOINTS FOR INITIAL START UP REQUIRED.

DD	10-NOV-16	ISSUED FOR CONSTRUCTION	WMP	JC	DL
B	28-SEP-16	ISSUED FOR REVIEW	WMP	JC	DL
REV	DATE	REVISION - DESCRIPTION	BY	CHK'D	APP'D

PA	☐ REVIEWED AND ACCEPTED FINAL AND CERTIFIED WORK MAY PROCEED
PN	☐ REVIEWED AND ACCEPTED AS NOTED REVISE AND RE-SUBMIT WORK MAY PROCEED
PR	☐ REJECTED INAPPROPRIATE COMMENTS AND WORK REVISE AND RE-SUBMIT WORK MAY BE PROCEED
PP	☐ REVIEW NOT REQUIRED, DO NOT RESUBMIT FOR INFORMATION ONLY
DELIVERY MANAGER SIGNATURE	REVIEW DATE

SCALE: NTS PROJ No: 14353

VENDOR DWG No:

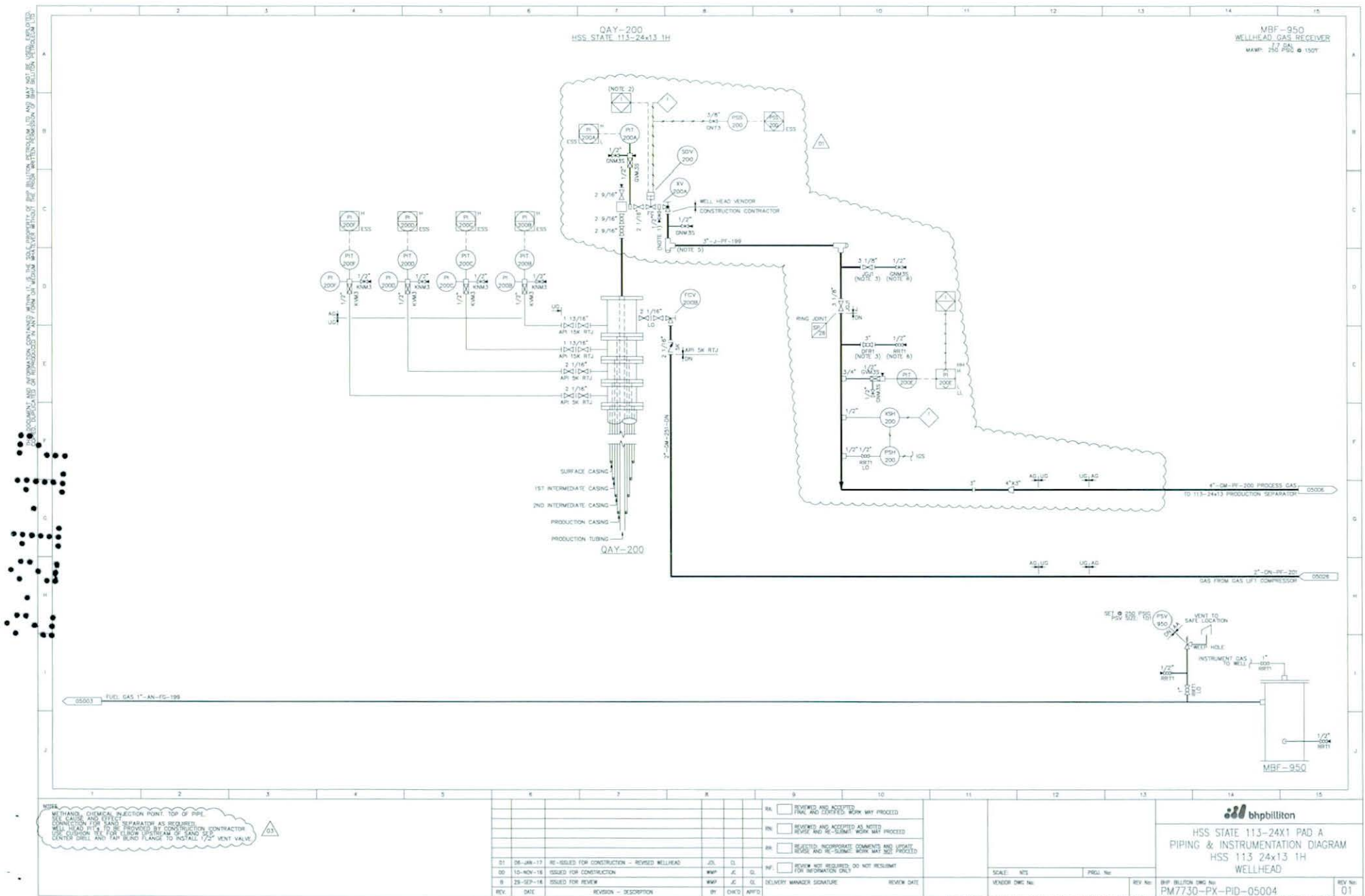
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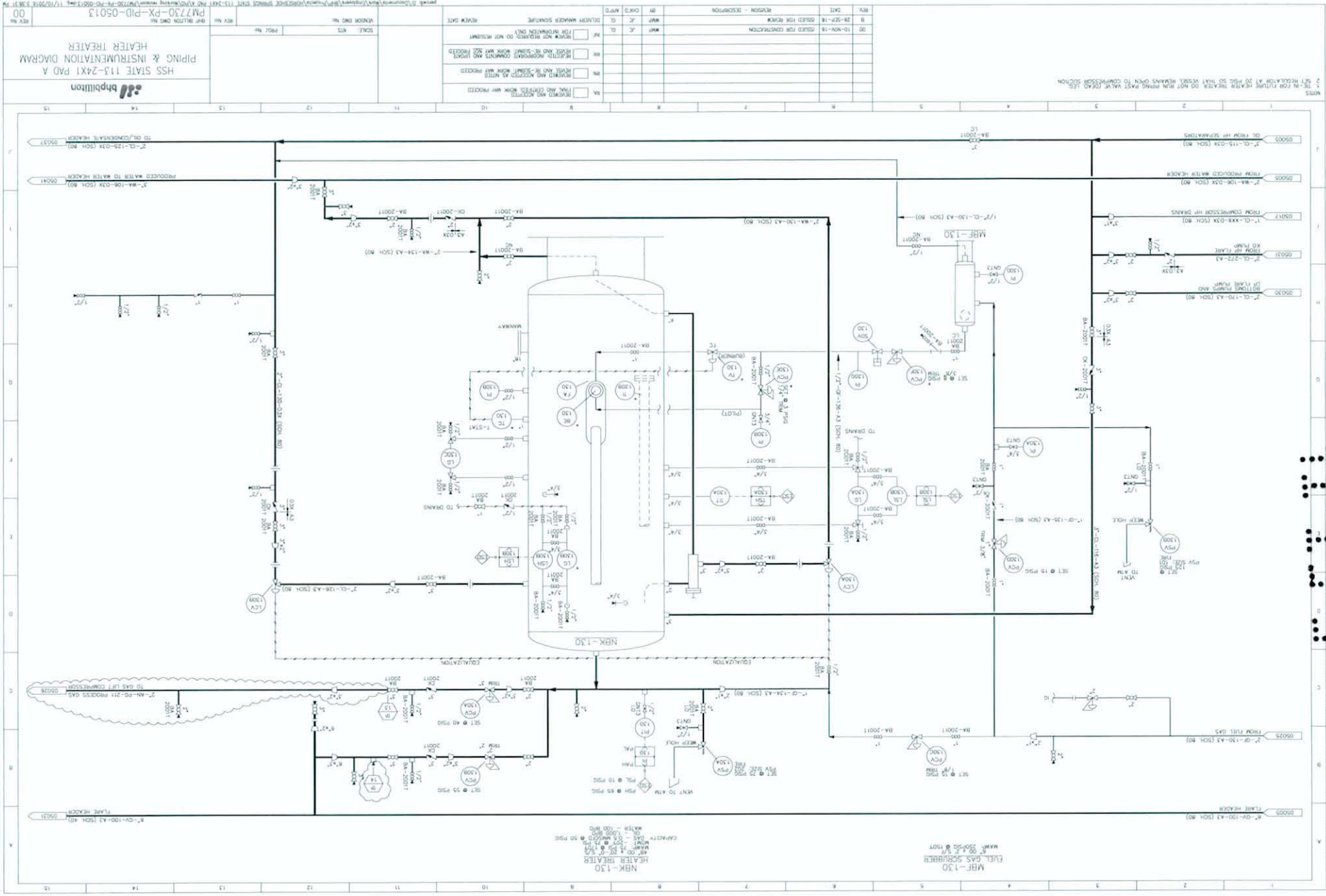
bhpbilliton
HSS STATE 113-24X1 PAD A
PIPING & INSTRUMENTATION DIAGRAM
HSS 113 24x1-1A 1H
WELLHEAD

SHIP BILLION DWG No:
PM7730-PX-PID-05003

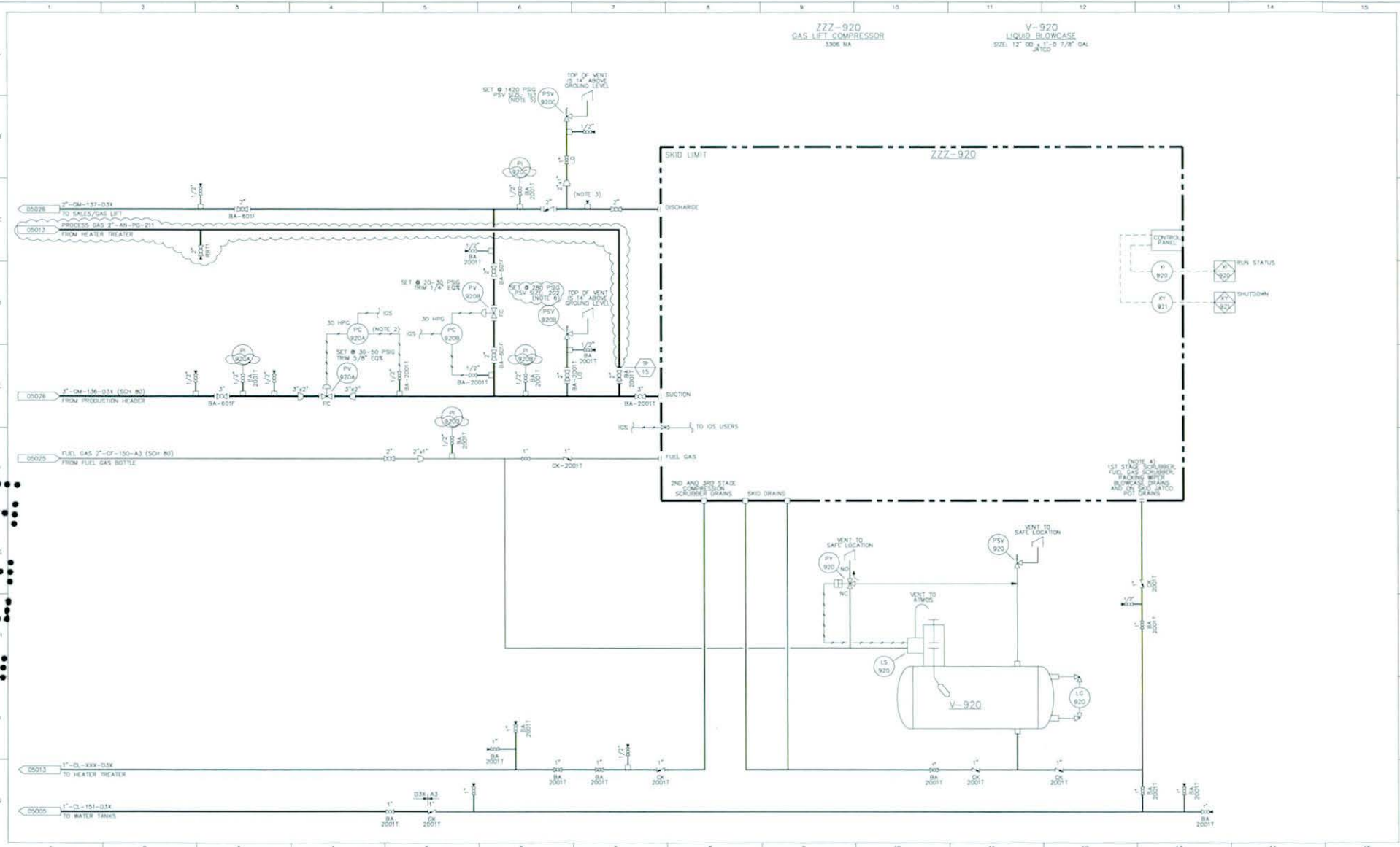
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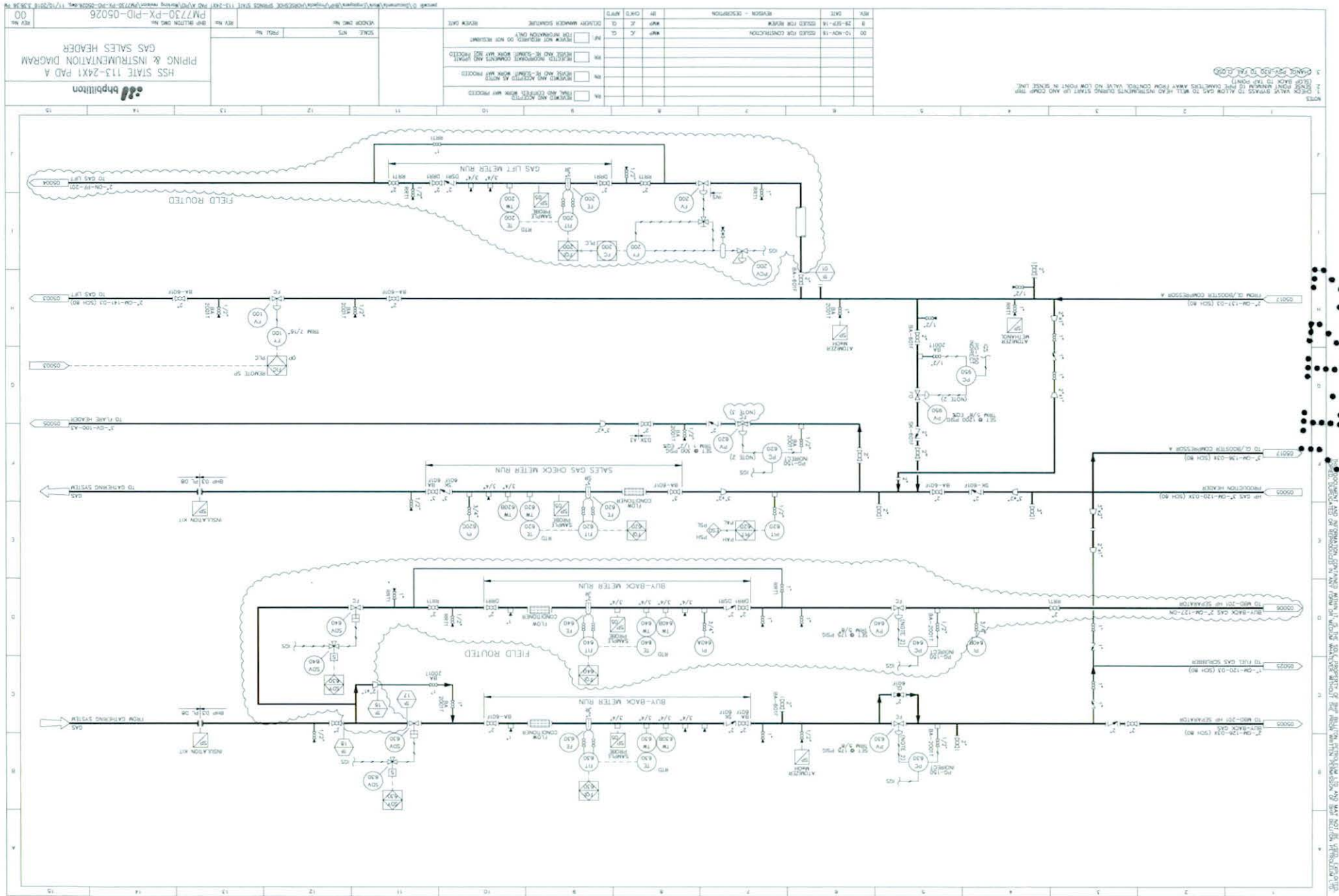


NOTES
1. DESIGNATES SUPPLIED LOCK BY VENDOR
2. VENT POINT SHALL BE 2' MINIMUM & 10' MAXIMUM AWAY FROM CONTROL VALVE
3. SUBJECT WITH 1/2" LONG THERMOWELL AND PLUG
4. FUEL GAS SCRAMMER DRAINS FROM ON-SKID DRAIN HEADER AND PIPE AS SHOWN ON DRAWING
5. SET PSV-920C AT 1420 PSIG
6. SET PSV-920E AT 1420 PSIG

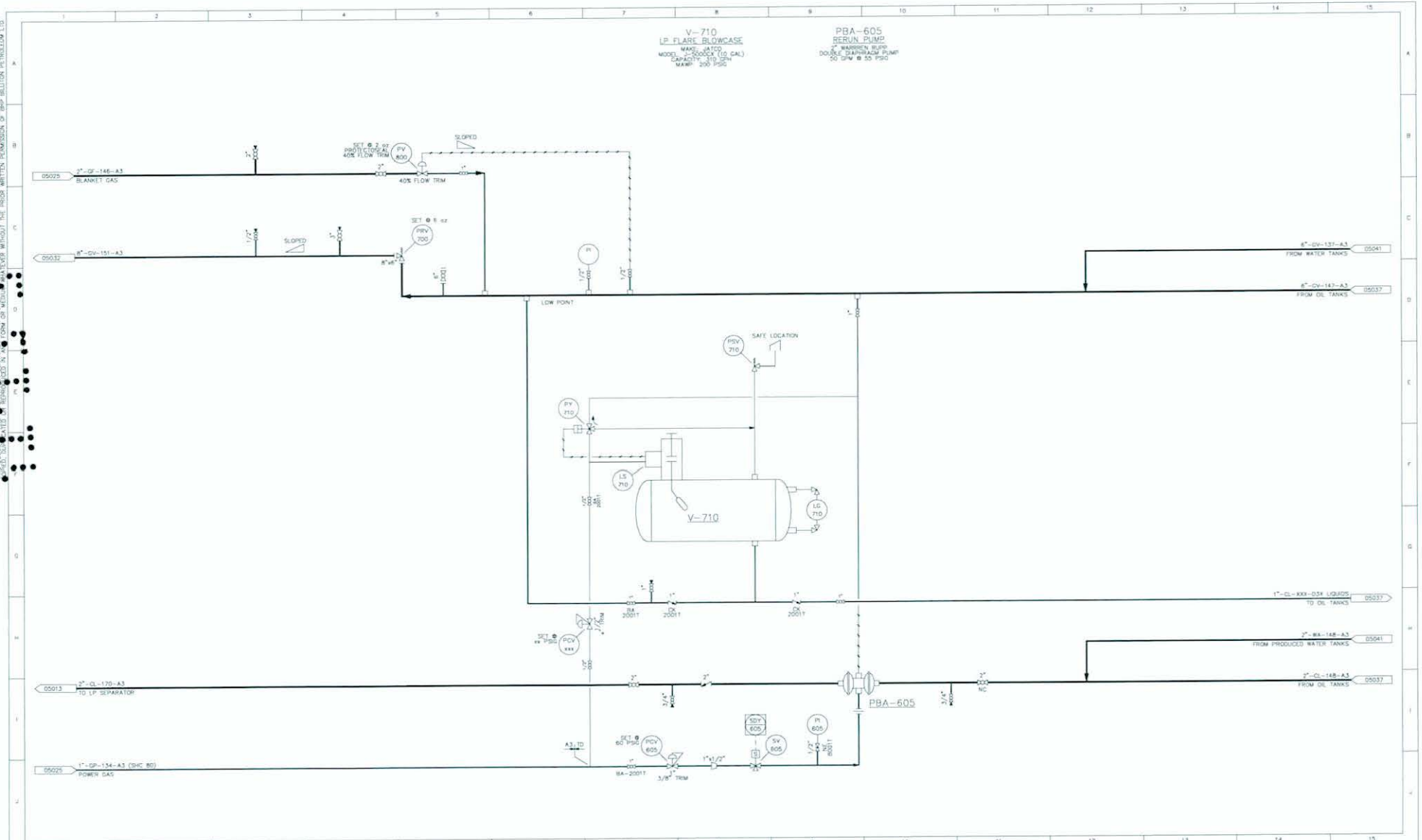
DO	10-NOV-16	ISSUED FOR CONSTRUCTION	WMP	JC	CL	
B	29-SEP-16	ISSUED FOR REVIEW	WMP	JC	CL	
REV	DATE	REVISION - DESCRIPTION	BY	CHKD	APP'D	

RA	☐	REVIEWED AND ACCEPTED FINAL AND CERTIFIED WORK MAY PROCEED
WR	☐	REVIEWED AND ACCEPTED AS NOTED REVIEW AND RE-SUBMIT WORK MAY PROCEED
WR	☐	SELECTED, INCORPORATE COMMENTS AND UPGRADE REVIEW AND RE-SUBMIT WORK MAY PROCEED
NR	☐	REVIEW NOT REQUIRED, DO NOT RESUBMIT FOR INFORMATION ONLY
SCALE	N/A	
PROJ. No.		
VENDOR Dwg No.		
REV No.	BHP BILLITON Dwg No. PM7730-PX-PID-05017	
REV No.	00	

bhpbilliton
HSS STATE 113-24X1 PAD A
PIPING & INSTRUMENTATION DIAGRAM
GAS LIFT COMPRESSOR



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NOTES

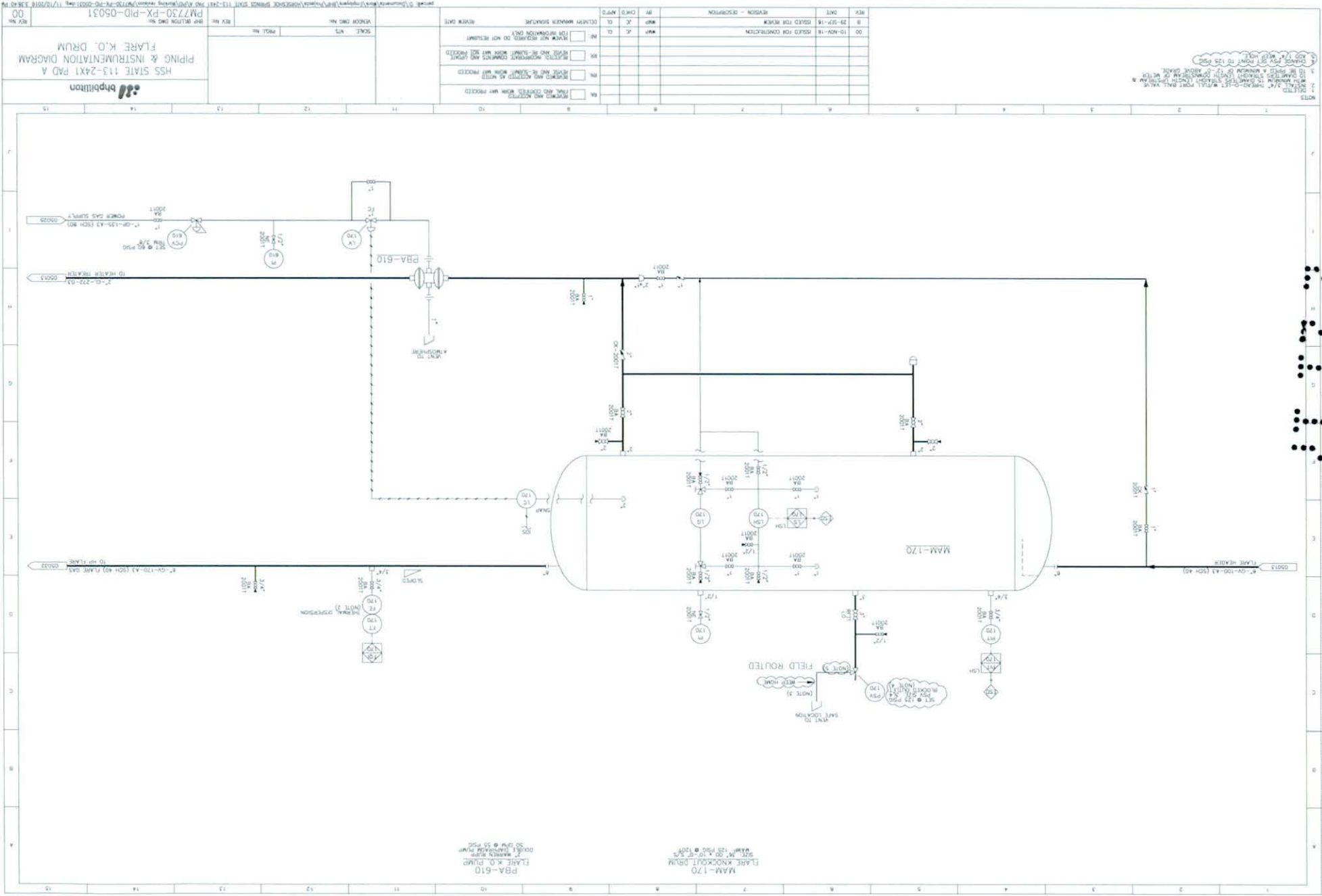
		RA		☐ REVIEWED AND ACCEPTED FINAL AND COMPLETED WORK MAY PROCEED	
		RL		☐ REVIEWED AND ACCEPTED AS NOTED REVISE AND RE-SUBMIT WORK MAY PROCEED	
		RR		☐ REJECTED, INCORPORATE COMMENTS AND URGENT REVISE AND RE-SUBMIT WORK MAY BE PROCEED	
		RF		☐ REVIEW NOT REQUIRED, DO NOT RESUBMIT FOR INFORMATION ONLY	
DD	10-NOV-16	ISSUED FOR CONSTRUCTION	WWP	JC	DL
TR	29-SEP-16	ISSUED FOR REVIEW	WWP	JC	DL
REV	DATE	REVISION - DESCRIPTION	BY	CHK'D	APTD

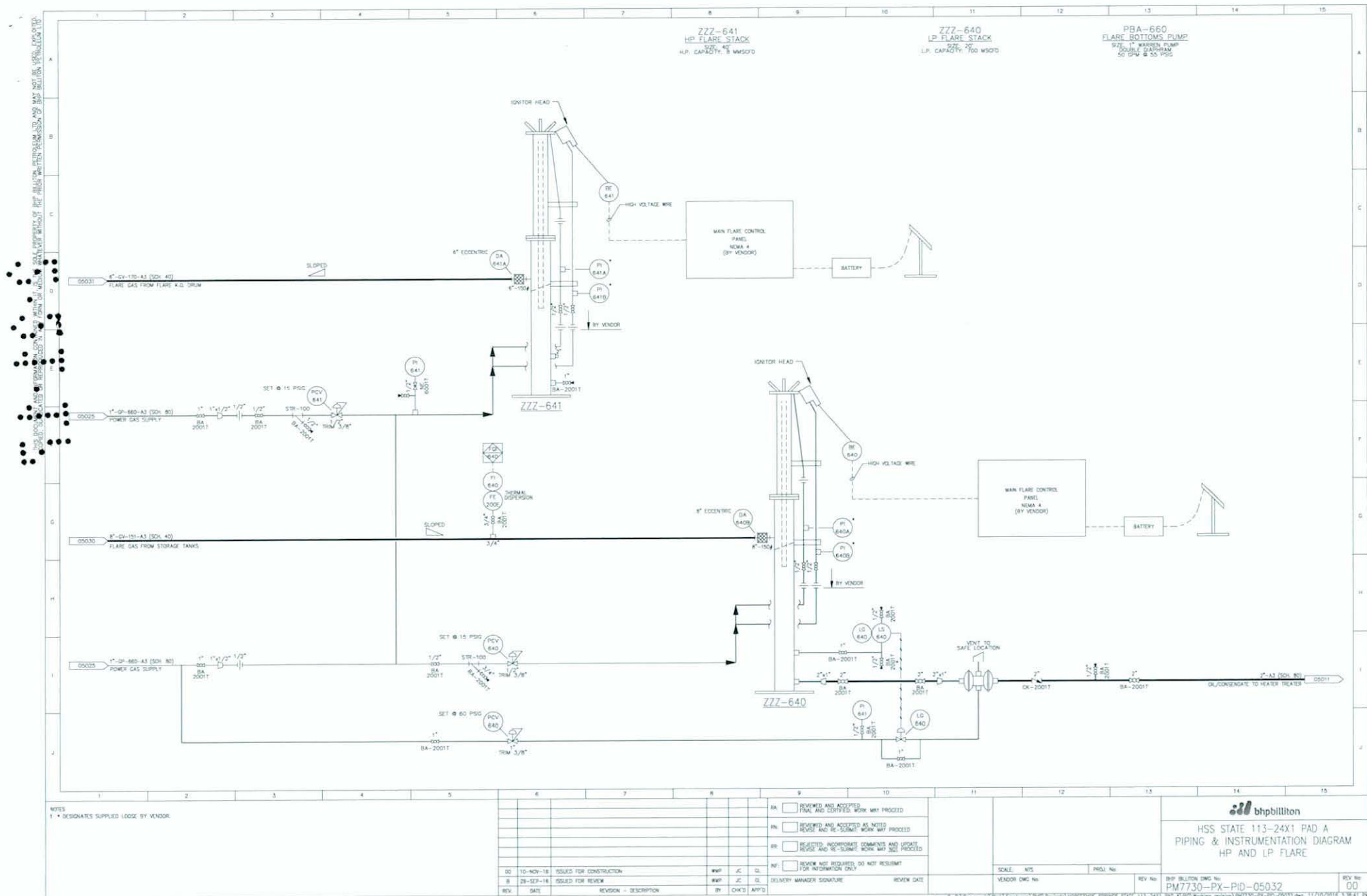
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VENDOR DWG No:		REV No:	
BHP BILLITON DWG No:		REV No:	
PM7730-PX-PID-05030		00	

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HSS STATE 113-241 PAD A
PIPING & INSTRUMENTATION DIAGRAM
LP FLARE BLOW CASE
AND RERUN PUMP







PIPING & INSTRUMENTATION DIAGRAM
OIL TANKS
750 BBL

00

BMP	$\mathcal{K}$	$\mathcal{Q}$
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WMP	JC	GL
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REV	CHK'D	APP'D
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ON ☐ REVIEWED AND ACCEPTED AS NOTED
REVISOR AND RE-SUBMIT WORK MAY PROCEED

IN: ☐ REVIEW NOT REQUIRED; DO NOT RESUBMIT FOR ADMINISTRATIVE ONLY

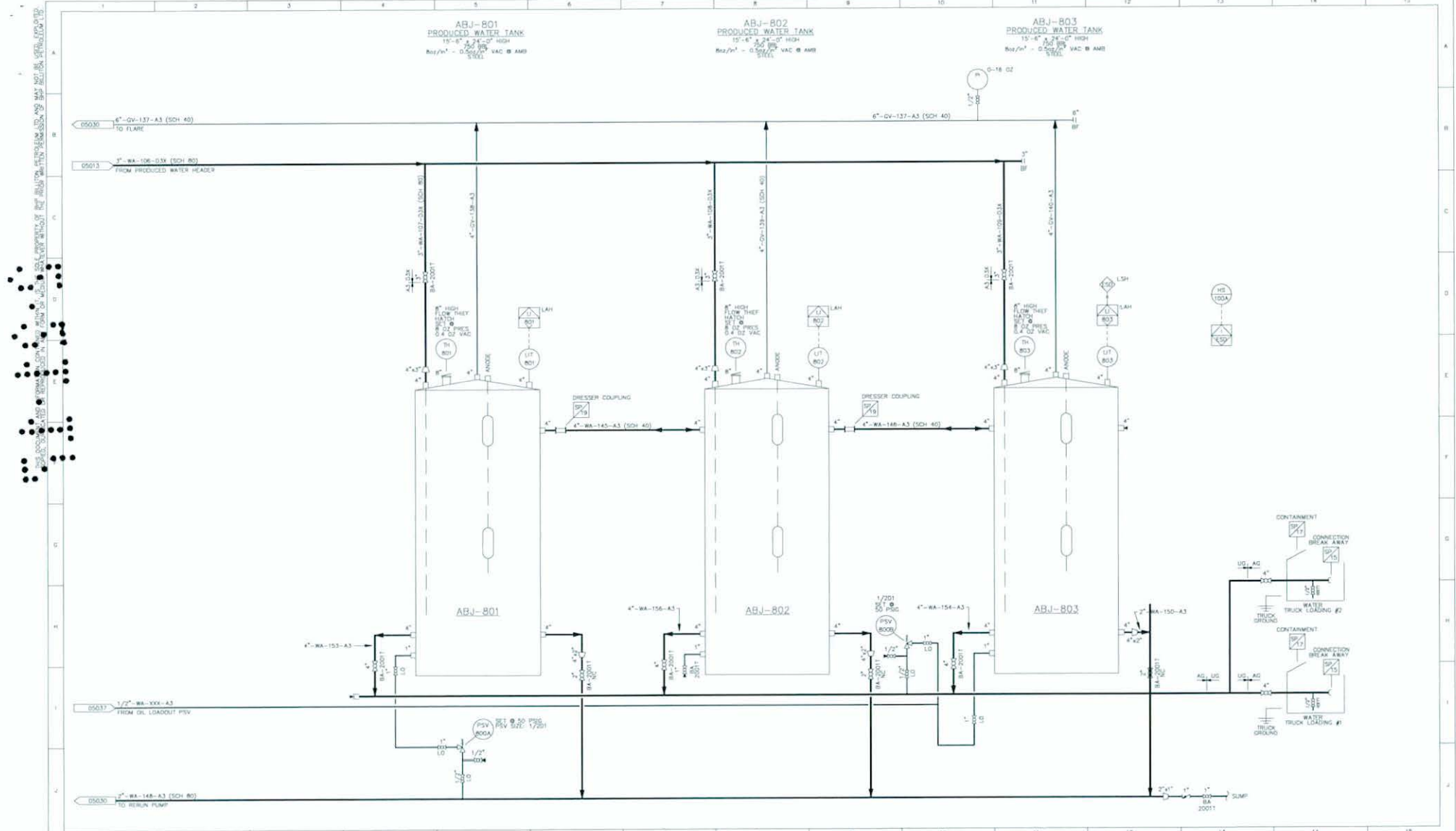
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PM7730-PX-PID-05037

171 113-2487 PAB A\NO\Working revision\PW7735-PX-PB-0

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NOTES
1. LOCATE FOR EASY ACCESS FROM WALKWAY.

REVIEWED AND ACCEPTED FINAL AND CERTIFIED WORK MAY PROCEED	REV	DATE	REVISION - DESCRIPTION	BY	CHK'D	APP'D
REVIEWED AND ACCEPTED AS NOTED REVISE AND RE-SUBMIT WORK MAY PROCEED	1	10-NOV-18	ISSUED FOR CONSTRUCTION	WMP	JC	GL
REJECTED INAPPROPRIATE COMMENTS AND LOGS REVISE AND RE-SUBMIT WORK MAY PROCEED	2	29-SEP-18	ISSUED FOR REVIEW	WMP	JC	GL
REVIEW NOT REQUIRED, DO NOT RESUBMIT FOR INFORMATION ONLY	3			WMP	JC	GL
DELIVERY MANAGER SIGNATURE	4			WMP	JC	GL
REVIEW DATE	5			WMP	JC	GL

SCALE: NTS	PROJ. No.	REV. No.	REV. No.
VENDOR DWG. No.			
HSS STATE 113-24X1 PAD A PIPING & INSTRUMENTATION DIAGRAM PRODUCED WATER TANKS 750 BBL			
BHP BILLITON DWG. No. PM7730-PX-PID-05041			REV. No. 00

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REPORTS OIL PRODUCTION ON FORM PR AND EACH STATE LEASE IS EQUIPPED WITH AN OIL AND GAS SEPARATOR WITH OIL AND GAS SEPARATELY METERED BEFORE COMMINGLING WITH OTHER LEASES.

NOTES:

- NOTES:
1. ENTER THE STATE MINERAL LEASE NUMBER WHERE THE PRODUCTIVE FIELD INTERVAL OF THE WELL IS LOCATED WITHIN THE PHYSICAL BOUNDARY OF THE LEASE.
IF, DUE TO DEPTH LIMITATIONS, SEVERAL LEASES EXIST WITHIN A COMMON WELLBORE, THEN ENTER THE MINERAL LEASE NUMBER FOR THE PRODUCING FIELD INTERVAL.
IF THE WELLBORE OF A HORIZONTAL WELL OR DIRECTIONAL WELL TRAVERSES MULTIPLE STATE MINERAL LEASES THEN ENTER EACH STATE MINERAL LEASE ASSOCIATED WITH THE PRODUCING FIELD INTERVAL IN ORDER FROM THE HEAL (FIRST TAKE POINT) TO THE TOE (LAST TAKE POINT) OF THE WELL AND ENTER THE GLO UNIT NAME, NUMBER, AND UNIT NRI IN THE APPROPRIATE COLUMNS.
 2. ENTER THE STATE MINERAL LEASE INTEREST UNLESS THE WELL IS ASSOCIATED WITH A GLO POOLED UNIT THEN ENTER THE POOLED UNIT NET ROYALTY INTEREST.
 3. IF RRC LEASE ID PENDING ASSIGNMENT THEN ENTER "DP" FOLLOWED BY THE RRC DRILLING PERMIT NO. FOR THE COMPLETED INTERVAL.

[illegible]

NOTES:

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NEED 3 COPIES EACH
ATTACHMENT 4 (1)
BOTH GAS WELLS

MTS
GLO
SAMPLE GLO COMMINGLE LEASE TABLES 9-16-13 REV 2.XLS
9/16/2013
REV 2

NEED 3 COPIES EACH, ON
ATTACHMENT 4 (ALLOCATION)
BOTH GAS WELLS
✗ COMMINGLING OF SEPARATE
UNITS AND LEASES
HAS GAS LIFT WITH GAS
LIFT SUPPLY FROM OFF
LEASE, (FULL TIME GAS
LIFT USING OFF LEASE SUPPLY)
THUS COMMINGLING OF LIFT
GAS WITH GAS PRODUCED BY
EACH UNIT.

File No. MF111133

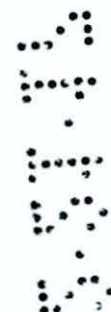
CULBERSON County

REQUEST TO COMMINGLE

Date Filed: 3/30/2017

George P. Bush, Commissioner

By MTSCOTT





Tel 713-983-2508
Fax 713-966-2925
www.bhpbilliton.com

February 28, 2017

Texas General Land Office
Attn: Matthew T. Scott, P.E.
P.O. Box 12873
Austin, TX 78711-2873

Re: BHP Billiton Pet (TXLA OP) Co (068596)
Request for Surface Commingling Authority - 31 TAC 9.35(a)(3)
Horseshoespringsstate113-24x1 1H / HS State 113-24x13 1H
Culberson County, Texas

Mr Scott:

Please see below revision to the original application cover letter submitted on February 13, 2017. BHP Billiton Pet (TXLA OP) Co, (BHP), is currently completing our second well within the Horseshoespringsstate113-24x1 pad lease.

Upon completion, BHP is requesting permission to surface commingle production from the individual wells referenced above. Please see attachment for detailed information on each well.

We are also requesting to commingle multiple RRC state gas leases in the same unit. As well as request permission to utilize gas lift at each well and utilize buy back.

Also attached are three (3) copies of the approved Railroad Commission of Texas, Form P-17, Application for Exception to SWR 26 and/or 27, as well as an amended lease table.

Should you have any questions or require additional information, please email me at Nicole.Vail@bhpbilliton or phone (713) 499-5391.

Respectfully,
BHP Billiton Pet (TXLA OP) Co.



Nicole Vail
Regulatory Specialist



RAILROAD COMMISSION OF TEXAS 3132847

1701 N. Congress
P.O. Box 12967
Austin, Texas 78711-2967Form P-17
Rev. 04/2015APPLICATION FOR EXCEPTION TO
STATEWIDE RULES (SWR) 26 AND/OR 27☒ New
☐ Amended Existing Permit No. _____
Effective Month/Year of Requested
Exception: 2 / 2017
District 08
County CULBERSON

SECTION 1. OPERATOR INFORMATION

Operator Name: BHP BILLITON PET (TXLA OP) CO

Operator P-5 No.: 068596

Operator Address: 1360 POST OAK BLVD STE 150 HOUSTON, TX 77056

SECTION 2. GATHERER (of oil or condensate) INFORMATION (not required if 3b is checked)

Gatherer Name: PLAINS MARKETING, LP

Gatherer P-5 No.: 667683

Gatherer Address: P.O. BOX 4648 HOUSTON, TX 77210-4648

Gatherer E-mail Address:

(Optional - If provided, e-mail address will become part of this public record.)

SECTION 3. APPLICATION APPLIES TO (CHECK ALL THAT APPLY): ☐ OIL ☐ CASINGHEAD GAS ☐ WELL GAS ☒ CONDENSATE

- a) ☐ Gas well full well stream into common separation and storage facility with liquids reported on Form PR.
- b) ☐ Gas well full well stream into a gasoline plant/common separation and storage facility with liquids reported on Form R-3 Serial # _____ (If full well stream is checked, the results of periodic tests to determine the number of stock tank barrels of liquid hydrocarbons recovered per 1,000 standard cubic feet of gas must be reported on Form G-10 in accordance with SWR 55. Attach an explanation of any exceptions to SWR 55.)
- c) ☐ Condensate and low-pressure Gas Well Gas are commingled into low-pressure separation and storage facilities.
- d) ☐ This request is for off lease: ☐ Storage ☐ Separation ☐ Metering
- e) ☒ This exception is for common storage.
- f) ☒ This exception is for common separation.
- g) ☐ This exception is for casinghead gas metering by: ☐ Deduct Metering ☐ Allocation by well test ☐ Other _____
- h) ☐ This exception is for gas well gas metering by: ☐ Deduct Metering ☐ Allocation by well test ☐ Other _____

SECTION 4. NOTICE REQUIREMENTS AND ALLOCATION METHOD. (CHECK ALL THAT APPLY)

The following questions determine if 21-day notice is required and applies to all wells proposed for commingling:

- a) ☒ The production is measured separately from all leases or individual wells before commingling. (Notice not required; Skip to Section 5)
- b) ☐ The royalty interests and working interests are the same with respect to identity and percentage. (Notice not required)
- c) ☐ The royalty interests and working interests are not the same with respect to identity and percentage. (Notice required)
If b. or c. checked, production will be allocated by: ☐ W-10 (oil) ☐ W-2 retest (oil) ☐ PD Meter (oil & condensate) ☐ G-10 (gas)
- d) ☐ The wells produce from multiple reservoirs. (Notice required unless 4e. or 4f. apply; see instructions for additional requirements)
- e) ☐ The wells produce from multiple reservoirs and have SWR10 exceptions. (Notice not required)
- f) ☐ The wells produce from multiple reservoirs and are measured separately from each reservoir. (Notice not required)
- g) ☐ Any one of the wells proposed for commingling produces from a Commission-designated reservoir for which special field rules have been adopted. (Notice required)

SECTION 5. ☐ Wells proposed for commingling have an operator's name other than the applicant listed in SECTION 1. (See instructions)SECTION 6. ☐ For oil production, the production from all oil wells on each oil lease is to be commingled. (See instructions)

SECTION 7. IDENTIFY LEASES AS SHOWN ON COMMISSION RECORDS (attach additional pages as needed)

DISTRICT	RRC IDENTIFIER	ACTION	LEASE AND FIELD NAME	WELL NO.
08	278243	☐ Existing ☒ Add ☐ Delete	Horseshoespringsstate113-24x1	1H
08	DP 819978	☐ Existing ☒ Add ☐ Delete	HS STATE 113-24X13	1H
		☐ Existing ☐ Add ☐ Delete		
		☐ Existing ☐ Add ☐ Delete		

ATTACH ADDITIONAL PAGES AS NEEDED. ☒ No additional pages ☐ Additional pages _____ (# of additional pages)

FEE: \$150 Filing Fee + \$225 Surcharge = \$375 total remittance required (See Statewide Rule 78)

CERTIFICATE: I declare under penalties in Sec. 91.143, Texas Natural Resources Code, that I am authorized to file this application, that this application was prepared by me or under my supervision and direction, and that the data and facts stated therein are true, correct, and complete to be the best of my knowledge. I certify that all requests for related required approvals from other affected state agencies have been submitted and that I understand that any authorization granted by Commission approval of this application is contingent upon the approvals from other affected state agencies being obtained.

Signature Nicole Title Regulatory Specialist Date 02/13/2017Operator E-mail Address: permreg@bhpbilliton.com

Operator Phone No. _____

(Optional - If provided, e-mail address will become part of this public record.)

RRC USE ONLY

Commingling Permit No. 7837Approval date: 2/21/17Approved by: [Signature]

P-17 RRC Request Status	Lease Commingle Facility Name	RRC Field Name	RRC Lease Name	RRC Well No.	RRC Lease/ID No.	Wellbore 10 Digit API No.	RRC Lease Form P4 Operator	RRC Lease Type (Oil/Gas)	RRC Well Status	SEE NOTE 1 State Mineral Lease No.	GLO or Private Unit Name (If Unitized)	GLO Unit No.	SEE NOTE 2 State Mineral Lease or Unit Net Royalty Interest	
Add	Horseshoespringstate113-24x1	Ford, West (Wolfcamp)	Horseshoespringstate113-24x1	1H	278243	109-32810	BHP Biliton Pet (TXLA OP) Co	GAS	ACTIVE	MF111133A; MF113602; MF111134A;	HORSESHOE SPRINGS STATE 113-24X1 UNIT	7219	0.125000	
Add	HS State 113-24x13 1H	Ford, West (Wolfcamp)	HS State 113-24x13	1H	DP#819978	109-33020	BHP Biliton Pet (TXLA OP) Co	PENDING	PERMITTED	MF115984; MF111133; MF113603; MF113602	HS STATE 113-24X13 WEST UNIT	8292	0.125000	
					SEE NOTE 3				SEE NOTE 1				SEE NOTE 2	

NOTES:

1. ENTER THE STATE MINERAL LEASE NUMBER WHERE THE PRODUCTIVE FIELD INTERVAL OF THE WELL IS LOCATED WITHIN THE PHYSICAL BOUNDARY OF THE LEASE.
IF, DUE TO DEPTH LIMITATIONS, SEVERAL LEASES EXIST WITHIN A COMMON WELLBORE, THEN ENTER THE MINERAL LEASE NUMBER FOR THE PRODUCING FIELD INTERVAL.
IF THE WELLBORE OF A HORIZONTAL WELL OR DIRECTIONAL WELL TRAVERSES MULTIPLE STATE MINERAL LEASES THEN ENTER EACH STATE MINERAL LEASE ASSOCIATED WITH THE PRODUCING FIELD INTERVAL IN ORDER FROM THE HEAL (FIRST TAKE POINT) TO THE TOE (LAST TAKE POINT) OF THE WELL AND ENTER THE GLO UNIT NAME, NUMBER, AND UNIT NRI IN THE APPROPRIATE COLUMNS.
2. ENTER THE STATE MINERAL LEASE INTEREST UNLESS THE WELL IS ASSOCIATED WITH A GLO POOLED UNIT THEN ENTER THE POOLED UNIT NET ROYALTY INTEREST.
3. IF RRC LEASE ID PENDING ASSIGNMENT THEN ENTER "DP" FOLLOWED BY THE RRC DRILLING PERMIT NO. FOR THE COMPLETED INTERVAL.

File No. MF111133

CULBERSON County

REV 1 REQUEST TO COMMINGLE

Date Filed: 3/30/2017

George P. Bush, Commissioner

By MT SCOTT

2. 173



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

March 22, 2017

Certified Mail: 7016 2070 0000 7391 7925

Ms. Nicole Vail
Regulatory Analyst
BHP Billiton Pet (TXLA OP) Co.
1360 Post Oak Blvd.
Suite 150
Houston, Texas 77056 3020

RE: Your Application Dated 2/28/17 for Authority to Surface Commingle Oil and Gas Production from the Horseshoe Springs State 113-24x1 and HS State 113-24x13 Leases, State RAL Mineral Leases MF111133, MF111134, MF115984, MF113602, and MF113603, the Horseshoe Springs State 113-24x1 Unit, GLO Unit 7219, and HS State 113-24x13 Unit, GLO Unit 8292, RRC Commingling Permit 08-7837, Culberson County, Texas.

Dear Ms. Vail:

Please reference your letters dated 2/13/2017 and 2/28/2017, where you requested permission to commingle state lease production and advised that the commingling permit is required due to the commingling of condensate/oil from RRC designated gas leases into common storage at the Horseshoe Springs State 113-24x1 Tank Battery. In addition, pursuant to the terms of the state's lease, you requested permission to utilize on-lease gas lift and to utilize and commingle with off-lease sources of gas for gas lift supply purposes.

As shown by the process flow diagram, the production from each lease/unit well is separated, metered, and then further treated/processed for sale and/or disposal at the Horseshoe Springs State 113-24x1 Tank Battery. The available for sale gas produced at the tank battery/facility is either: a) measured prior to transfer into a common gas gathering system and/or b) the gas is used to supply gas lift to the wells of each unit. Gas buy-back meters are provided at the facility to allow for the buy-back of gas volumes for gas lift start-up, make-up, and fuel gas supply purposes. The purpose of the RRC Form P-17 commingling permit is to allow for the oil from multiple RRC gas leases/units to be commingled into a common storage. The state's net royalty interest is the same for all RRC leases in the scope of the commingling permit; however, the wells are included in different pooled units.

In this specific case, per the conditions of commingling below, the production royalty shall be due based on the proportionate share of: (1) the gross or total stock tank barrels of oil produced monthly by each state lease/unit, (2) the gross or total MMBTUs of gas produced by each

lease/unit that is processed in a plant to recover natural gas liquids, and (3) any non-sales dispositions of gas.

Absent any details regarding the gas gathering system and the methodology used to determine the royalty due amounts for oil and gas please be advised that GLO staff might disagree with your report of royalty and/or allocation methodology in the context of an audit.

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

1. All oil production royalties shall be due based on the proportionate share of the total oil production sales and stock tank inventory (in stock tank barrels) that are allocated to each unit as determined by the separated and metered oil volumes of each RRC Lease ID/unit well. In this specific case the Lessee may pay monthly oil royalties per Texas Administrative Code (TAC) Title 31, Part 1, Chapter 9, Subchapter D, Rule §9.51.
2. All gas production royalties shall be due based on the proportionate share of the total or gross gas production volumes (sales and non-sales dispositions), reported in MSCF and energy content (MMBtus) as measured by the available for sale gas meter located at the Horseshoe Springs State 113-24x1 Tank Battery Tank Battery after accounting for any applicable off-lease gas lift supply; and any other non-sales dispositions such as fuel, vent, and flare volumes.

The gross production of gas shall be determined by the sum of: (1) the gas production volumes and energy content remaining after accounting for any applicable off-lease gas lift contribution as measured at the available for sale facility gas meter located downstream of the separation equipment serving each state lease/unit, (2) the applicable flash gas volume and composition as determined by the performance of laboratory flash separation tests at the appropriate stage of separation or per industry standard correlations, based on the total monthly oil production of each state lease/unit, and (3) any other non-sales dispositions such as fuel, vent, and flare volumes. The gas BTU content and component analysis obtained at each lease separator and facility gas meter shall be determined by gas sample chromatographic analysis or other industry-accepted practices.

3. Retain, for lease audit purposes, all meter records, volume statements/reports, oil and gas analyses reports, and shrinkage/flash gas calculation records for a period of at least seven (7) years after creation of each report or record.
4. Any changes to the flow process, metering scheme, or the addition of any state lease wells that are not currently processed at the Horseshoe Springs State 113-24x1 Tank Battery Tank Battery shall require the Lessee to obtain permission from the GLO prior to making said changes.

5. With respect to the application of gas lift as an artificial lift method and the use of off-lease sources of gas, the Lessee has permission to utilize gas lift and off-lease make-up supply sources contingent upon the requirement that:
- a. Lessee shall install and utilize square-edged orifice meters and meter tubes per all applicable specifications and requirements of API MPMS 14.3/AGA Report No. 3 for gas measurement,
 - b. Lessee shall continuously meter the gas lift supply to each well and the gas that passes through any other gas lift supply and distribution meter,
 - c. All measuring equipment shall be calibrated and adjusted as necessary by Lessee or as frequently as deemed necessary due to cleaning, repair, replacement, or any other condition that affects the accuracy, repeatability, and linearity of a meter, but not less frequently than once per calendar quarter, at intervals not to exceed 100 days, and
 - d. The gas BTU content and component analysis obtained at each lease/unit gas lift supply meter shall be determined by gas sample chromatographic analysis.

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

Sincerely,



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

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

File No. MF111133CULBERSON CountyAGREE TO COMMINGLEDate Filed: 3/30/2017

George P. Bush, Commissioner

By MT SCOTT

2016 2070 0000 7391 3422

U.S. Postal Service™
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Domestic Mail Only

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

Postage

\$

Total Postage and Fees

\$

ATTN: Holly Dutton

Sent To

HTP Billiton Petroleum (TXLA Operating) Co.

Street and Apt. No. or PO Box No.

1360 Post Oak Blvd ste 150

City, State, ZIP+4®

Houston, TX 77056-3030

MF111133

Postmark
Here

MF113602

MF111134

Certified Mail service provides the following benefits:

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

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

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

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

IMPORTANT: Save this receipt for your records.



Texas General Land Office

Reconciliation Billing

George P. Bush, Commissioner

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

BHP Billiton Petroleum (TXLA Operating) Company
Attn: Holly Dutton
1360 Post Oak Blvd Ste 150
Houston, TX 77056-3030

Billing Date: 10/11/2017
Billing Due Date: 11/10/2017
Customer Number: C000046383

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
18I00061	MF111133	\$694.26	\$0.00	\$69.43	\$45.88	\$809.57
18I00062	MF111134	\$1,362.25	\$0.00	\$136.23	\$90.02	\$1,588.50
18I00063	MF113602	\$6,169.54	\$0.00	\$616.95	\$407.70	\$7,194.19
18I00064	MF113602	\$0.00	\$1,850.88	\$192.43	\$124.36	\$2,167.67
Total Due		\$8,226.05	\$1,850.88	\$1,015.04	\$667.96	\$11,759.93

Penalty and interest have been calculated thru 10/31/2017. Payment remitted after 10/31/2017 will result in additional penalty and interest charges.

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

NOTICE

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

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

Detach and return with payment

Reconciliation Billing

BHP Billiton Petroleum (TXLA Operating) Company

Billing Date: 10/11/2017

Billing Due Date: 11/10/2017

Customer Number: C000046383

Remit Payment To:

Texas General Land Office

PO Box 12873

Austin, TX 78711-2873

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
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18I00063	MF113602	\$6,169.54	\$0.00	\$616.95	\$407.70	\$7,194.19
18I00064	MF113602	\$0.00	\$1,850.88	\$192.43	\$124.36	\$2,167.67
Total Due		\$8,226.05	\$1,850.88	\$1,015.04	\$667.96	\$11,759.93
Amt. Paid						

Customer ID: C000046383
 Invoice Number:
 GLO Lease: MF111134
 GLO Review: BHP BILLINTON PET (TX LA OP) CO
 Review Period: September 2015 through August 2016

Category Gas
 Auditor/AE: DJACQUET
 Billing Date: 10/9/2017
 P&I Calculation Date: 10/31/2017
 Royalty Rate: 12.50%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	RRC Number	Gas/Oil Volume	Tract Participation Rate	Price	BTU	Gross Value	Royalty Due	Royalty Paid	Additional Royalty Due	Number of Days Late	Interest Rate For Additional Royalty	Penalty Rate From Additional Royalty	Interest Rate From Additional Royalty2	Revenue Due
Jan-16	08-278243	29,995	0.16560200	\$2.23	1.00	\$11,076.93	\$1,384.62	\$22.37	\$1,362.25	595	4.50%	\$136.23	\$90.02	\$1,588.50
TOTALS		29,995				\$11,076.93	\$1,384.62	\$22.37	\$1,362.25			\$136.23	\$90.02	\$1,588.50

COMMENTS: VOLUMES WERE VALUED AT \$.01 PER MCF ON GLO2 REPORTS WHICH IS CLEARLY UNDER VALUED.

COLUMN (3) VOLUMES SHOWN ARE THE TOTAL OF LEASE USE, RESIDUE, VENTED OR FLARED SALES REPORTED TO THE RRC.

COLUMNS (5) & (6) THE PRICE AND BTU FACTORS WERE BASED OFF THE HOUSTON SHIP CHANNEL PRICE AND BTU FOR THE PRODUCTION MONTH.

COLUMNS (12),(13),(14) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENT:

<http://www.glo.texas.gov/energy-business/oil-gas/rrac/forms/penalty-interest-assessment-rules.pdf>

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

ATTN: HOLLY DUTTON
 CERTIFIED MAIL: 7016 2070 0000 7391 3422

Customer ID: C000046383
 Invoice Number:
 GLO Lease: MF111133
 GLO Review: BHP BILLINTON PET (TX LA OP) CO
 Review Period: September 2015 through August 2016

Category Gas
 Auditor/AE: DJACQUET
 Billing Date: 10/9/2017
 P&I Calculation Date: 10/31/2017
 Royalty Rate: 12.50%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	RRC Number	Gas/Oil Volume	Tract Participation Rate	Price	BTU	Gross Value	Royalty Due	Royalty Paid	Additional Royalty Due	Number of Days Late	Interest Rate For Additional Royalty	Penalty Rate From Additional Royalty	Interest Rate From Additional Royalty2	Revenue Due
Jan-16	08-278243	29,995	0.08439820	\$2.23	1.00	\$5,645.30	\$705.66	\$11.40	\$694.26	595	4.50%	\$69.43	\$45.88	\$809.57
TOTALS		29,995				\$5,645.30	\$705.66	\$11.40	\$694.26			\$69.43	\$45.88	\$809.57

COMMENTS: VOLUMES WERE VALUED AT \$.01 PER MCF ON GLO2 REPORTS WHICH IS CLEARLY UNDER VALUED.

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<http://www.glo.texas.gov/energy-business/oil-gas/rrac/forms/penalty-interest-assessment-rules.pdf>

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ATTN: HOLLY DUTTON
 CERTIFIED MAIL: 7016 2070 0000 7391 3422

Customer ID: C000046383
 Invoice Number:
 GLO Lease: MF113602
 GLO Review: BHP BILLINTON PET (TX LA OP) CO
 Review Period: September 2015 through August 2016

Category Gas
 Auditor/AE: DJACQUET
 Billing Date: 10/9/2017
 P&I Calculation Date: 10/31/2017
 Royalty Rate: 12.50%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	RRC Number	Gas/Oil Volume	Tract Participation Rate	Price	BTU	Gross Value	Royalty Due	Royalty Paid	Additional Royalty Due	Number of Days Late	Interest Rate For Additional Royalty	Penalty Rate From Additional Royalty	Interest Rate From Additional Royalty2	Revenue Due
Jan-16	08-278243	29,995	0.750	\$2.23	1.00	\$50,166.64	\$6,270.83	\$101.29	\$6,169.54	595	4.50%	\$616.95	\$407.70	\$7,194.19
TOTALS		29,995				\$50,166.64	\$6,270.83	\$101.29	\$6,169.54			\$616.95	\$407.70	\$7,194.19

COMMENTS: VOLUMES WERE VALUED AT \$.01 PER MCF ON GLO2 REPORTS WHICH IS CLEARLY UNDER VALUED.

COLUMN (3) VOLUMES SHOWN ARE THE TOTAL OF LEASE USE, RESIDUE, VENTED OR FLARED SALES REPORTED TO THE RRC.

COLUMNS (5) & (6) THE PRICE AND BTU FACTORS WERE BASED OFF THE HOUSTON SHIP CHANNEL PRICE AND BTU FOR THE PRODUCTION MONTH.

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<http://www.glo.texas.gov/energy-business/oil-gas/rrac/forms/penalty-interest-assessment-rules.pdf>

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

ATTN: HOLLY DUTTON
 CERTIFIED MAIL: 7016 2070 0000 7391 3422

Customer ID: C000046383
 Invoice Number:
 GLO Lease: MF113602
 GLO Review: BHP BILLITON PET (TXLA OP) CO
 Review Period: September 2015 thru August 2016

Category: Oil
 Auditor/AE: DJACQUET
 Billing Date: 10/9/2017
 P&I Calculation Date: 10/31/2017
 Royalty Rate: 12.50%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	RRC Number	Gas/Oil Volume	Tract Participation Rate	Price	BTU	Gross Value	Royalty Due	Royalty Paid	Additional Royalty Due	Number of Days Late	Interest Rate For Additional Royalty	Penalty Rate From Additional Royalty	Interest Rate From Additional Royalty2	Revenue Due
Oct-15	08-278243	92	1	\$41.22	1.00	\$3,792.24	\$474.03	\$0.00	\$474.03	696	4.25%	\$47.40	\$35.16	\$556.59
Nov-15	08-278243	35	1	\$40.35	1.00	\$1,412.25	\$176.53	\$0.00	\$176.53	665	4.50%	\$25.00	\$13.19	\$214.72
Jan-16	08-278243	154	1	\$29.23	1.00	\$4,501.42	\$562.68	\$0.00	\$562.68	605	4.50%	\$56.27	\$37.68	\$656.83
Mar-16	08-278243	177	1	\$28.82	1.00	\$5,101.14	\$637.64	\$0.00	\$637.64	544	4.50%	\$63.76	\$38.13	\$739.53
TOTALS		458				\$14,807.05	\$1,850.88	\$0.00	\$1,850.88			\$192.43	\$124.36	\$2,167.67

COMMENTS: BILLING ON DIFFERENCE FROM VOLUMES REPORTED TO GLO COMPARED TO THE VOLUMES REPORTED TO RRC.

COLUMN (3) VOLUME - REPRESENTS UNDER REPORTED SALES VOLUMES TO THE GLO FROM RRC ID # 08-278243
 COLUMN (5) PRICE - AVERAGE FROM PRODUCTION ROYALTY REPORTS SUBMITTED TO THE TEXAS GENERAL LAND OFFICE.
 COLUMNS (12),(13),(14) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENT:
<http://www.glo.texas.gov/energy-business/oil-gas/rrac/forms/penalty-interest-assessment-rules.pdf>

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

ATTN: HOLLY DUTTON
 CERTIFIED MAIL: 7016 2070 0000 7391 3422

29

File No. MF111133

County

Recon Billing

Date Filed: 10/13/17

George P. Bush, Commissioner

By AT

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

BHP Billiton Petroleum (TXLA Operating)
Co.
ATTN: Holly Dutton
1360 Post Oak Blvd Ste 150
Houston, TX 77056-3030



9590 9402 1749 6074 7813 78

7016 2070 0000 7391 3422

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *April Camacho*

☒ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

10/19/17

D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

3. Service Type

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

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

☐ Delivery Restricted Delivery
all

☐ Insured Mail Restricted Delivery
(over \$500)

USPS TRACKING#

TX HOUSTON



9590 9402 1749 6074 7813 78



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Permit No. G-10

United States
Postal Service



Texas General Land Office

George P. Bush, Commissioner

P.O. Box 12873

Austin, Texas 78711-2873

ATTN: Aurora Jordan Energy - 7th

MP111133



RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

PERMIT NUMBER 833178	DATE PERMIT ISSUED OR AMENDED Dec 20, 2017	DISTRICT * 08
API NUMBER 42-109-33228	FORM W-1 RECEIVED Nov 14, 2017	COUNTY CULBERSON
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Horizontal	ACRES 488.2
OPERATOR BHP BILLITON PET(TXLA OP) CO 1500 POST OAK BLVD HOUSTON, TX 77056-0000		NOTICE This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. District Office Telephone No: (432) 684-5581
LEASE NAME HS STATE 113-24X13		WELL NUMBER W102H
LOCATION 14.51 miles SW direction from ORLA		TOTAL DEPTH 14000
Section, Block and/or Survey SECTION 113 BLOCK 24X13 ABSTRACT 1853 SURVEY L.E. MCGILVREY		
DISTANCE TO SURVEY LINES 2266 ft. NORTH 1226 ft. WEST		DISTANCE TO NEAREST LEASE LINE 200 ft.
DISTANCE TO LEASE LINES 420 ft. SOUTH 1226 ft. WEST		DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below
FIELD(s) and LIMITATIONS: * SEE FIELD DISTRICT FOR REPORTING PURPOSES *		
FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH NEAREST WE
FORD, WEST (WOLFCAMP) HS STATE 113-24X13	488.20 200	12,500 563
WELLBORE PROFILE(s) FOR FIELD: Horizontal		
RESTRICTIONS: This is a hydrogen sulfide field. Hydrogen Sulfide Fields with perforations must be isolated and tested per State Wide Rule 36 and a Form H-9 filed with the district office. Fields with SWR 10 authority to downhole commingle must be isolated and tested individually prior to commingling production. Lateral: TH1 Penetration Point Location Lease Lines: 200.0 F NORTH L 990.0 F WEST L Terminus Location BH County: CULBERSON Section: 13 Block: 113 Abstract: 1273 Survey: PSL/HICKS, W H Lease Lines: 50.0 F NORTH L 990.0 F WEST L Survey Lines: 50.0 F NORTH L 990.0 F WEST L		
PHANTOM (WOLFCAMP) HS STATE 113-24X13	488.20 200	12,500 563

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

PERMIT NUMBER 833178	DATE PERMIT ISSUED OR AMENDED Dec 20, 2017	DISTRICT * 08
API NUMBER 42-109-33228	FORM W-1 RECEIVED Nov 14, 2017	COUNTY CULBERSON
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Horizontal	ACRES 488.2
OPERATOR BHP BILLITON PET(TXLA OP) CO 1500 POST OAK BLVD HOUSTON, TX 77056-0000		NOTICE This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. District Office Telephone No: (432) 684-5581
LEASE NAME HS STATE 113-24X13		WELL NUMBER W102H
LOCATION 14.51 miles SW direction from ORLA		TOTAL DEPTH 14000
Section, Block and/or Survey SECTION ◀ 113 BLOCK ◀ 24X13 ABSTRACT ◀ 1853 SURVEY ◀ L.E. MCGILVREY		
DISTANCE TO SURVEY LINES 2266 ft. NORTH 1226 ft. WEST		DISTANCE TO NEAREST LEASE LINE 200 ft.
DISTANCE TO LEASE LINES 420 ft. SOUTH 1226 ft. WEST		DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below
FIELD(s) and LIMITATIONS: * SEE FIELD DISTRICT FOR REPORTING PURPOSES *		
FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH NEAREST WE
WELLBORE PROFILE(s) FOR FIELD: Horizontal -----		
RESTRICTIONS: This is a hydrogen sulfide field. Hydrogen Sulfide Fields with perforations must be isolated and tested per State Wide Rule 36 and a Form H-9 filed with the district office. Fields with SWR 10 authority to downhole commingle must be isolated and tested individually prior to commingling production. Lateral: TH1 Penetration Point Location Lease Lines: 200.0 F NORTH L 990.0 F WEST L Terminus Location BH County: CULBERSON Section: 113 Block: 24X13 Abstract: 1273 Survey: L.E. MCGILVREY Lease Lines: 50.0 F NORTH L 990.0 F WEST L Survey Lines: 50.0 F NORTH L 990.0 F WEST L		
THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS This well shall be completed and produced in compliance with applicable special field or statewide spacing and density rules. If this well is to be used for brine mining, underground storage of liquid hydrocarbons in salt formations, or underground storage of gas in salt formations, a permit for that specific purpose must be obtained from Environmental Services prior to construction, including drilling, of the well in accordance with Statewide Rules 81, 95, and 97.		

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

PERMIT NUMBER 833178	DATE PERMIT ISSUED OR AMENDED Dec 20, 2017	DISTRICT * 08
API NUMBER 42-109-33228	FORM W-1 RECEIVED Nov 14, 2017	COUNTY CULBERSON
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Horizontal	ACRES 488.2
OPERATOR BHP BILLITON PET(TXLA OP) CO 1500 POST OAK BLVD HOUSTON, TX 77056-0000		NOTICE This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. District Office Telephone No: (432) 684-5581
LEASE NAME HS STATE 113-24X13		WELL NUMBER W102H
LOCATION 14.51 miles SW direction from ORLA		TOTAL DEPTH 14000
Section, Block and/or Survey SECTION ◀ 113 BLOCK ◀ 24X13 ABSTRACT ◀ 1853 SURVEY ◀ L.E. MCGILVREY		
DISTANCE TO SURVEY LINES 2266 ft. NORTH 1226 ft. WEST		DISTANCE TO NEAREST LEASE LINE 200 ft.
DISTANCE TO LEASE LINES 420 ft. SOUTH 1226 ft. WEST		DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below
FIELD(s) and LIMITATIONS: * SEE FIELD DISTRICT FOR REPORTING PURPOSES *		
FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH NEAREST WE
This well must comply to the new SWR 3.13 requirements concerning the isolation of any potential flow zones and zones with corrosive formation fluids. See approved permit for those formations that have been identified for the county in which you are drilling the well in. The designated interval for one or more of the fields approved in this permit appears to overlap with the designated interval of another field or fields in this district. In the case of conflicting designated intervals you will be required to be consistent in field designation on this lease. Further, if the designated interval overlap of wells on this lease results in an actual or potential double assignment of reservoir and the applicant cannot conclusively demonstrate that there is no double assignment, the permitted well may not be assigned an allowable until the conflict is resolved. Because of the overlapping designated intervals in this area, issuance of this permit does not guarantee that the completion of the well will be approved or that the well will receive an allowable in any given field, even if that field is listed on the approved permit application.		

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

CULBERSON (109) County

Formation	Shallow Top	Deep Top	Remarks	Geological Order	Effective Date
RUSTLER	450	450		1	12/17/2013
FORD-DELAWARE	2,500	2,500		2	12/17/2013
DELAWARE	2,600	3,400		3	12/17/2013
CHERRY CANYON	3,600	5,400		4	12/17/2013
BONE SPRINGS	6,150	6,150		5	12/17/2013
MISSISSIPPIAN	8,900	8,900		6	12/17/2013
WOLFCAMP	7,900	9,100		7	12/17/2013
ATOKA	11,600	11,600		8	12/17/2013
MORROW	11,800	11,800		9	12/17/2013
STRAWN	5,750	12,800		10	12/17/2013
SILURIAN	15,400	15,400		11	12/17/2013

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



Railroad Commission of Texas

PERMIT TO DRILL, RE-COMPLETE, OR RE-ENTER ON REGULAR OR ADMINISTRATIVE EXCEPTION LOCATION

CONDITIONS AND INSTRUCTIONS

Permit Invalidation. It is the operator's responsibility to make sure that the permitted location complies with Commission density and spacing rules in effect on the spud date. The permit becomes invalid automatically if, because of a field rule change or the drilling of another well, the stated location is not in compliance with Commission field rules on the spud date. If this occurs, application for an exception to Statewide Rules 37 and 38 must be made and a special permit granted prior to spudding. Failure to do so may result in an allowable not being assigned and/or enforcement procedures being initiated.

Notice Requirements. Per H.B 630, signed May 8, 2007, the operator is required to provide notice to the surface owner no later than the 15th business day after the Commission issues a permit to drill. Please refer to subchapter Q Sec. 91.751-91.755 of the Texas Natural Resources Code for applicability.

Permit expiration. This permit expires two (2) years from the date of issuance shown on the original permit. The permit period will not be extended.

Drilling Permit Number. The drilling permit number shown on the permit **MUST** be given as a reference with any notification to the district (see below), correspondence, or application concerning this permit.

Rule 37 Exception Permits. This Statewide Rule 37 exception permit is granted under either provision Rule 37 (h)(2)(A) or 37(h)(2)(B). Be advised that a permit granted under Rule 37(h)(2)(A), notice of application, is subject to the General Rules of Practice and Procedures and if a protest is received under Section 1.3, "Filing of Documents," and/or Section 1.4, "Computation of Time," the permit may be deemed invalid.

Before Drilling

Fresh Water Sand Protection. The operator must set and cement sufficient surface casing to protect all usable-quality water, as defined by the Railroad Commission of Texas (RRC) Groundwater Advisory Unit (GWAU). Before drilling a well, the operator must obtain a letter from the Railroad Commission of Texas stating the depth to which water needs protection. Write: Railroad Commission of Texas, Groundwater Advisory Unit (GWAU), P.O. Box 12967, Austin, TX 78711-3087. File a copy of the letter with the appropriate district office.

Accessing the Well Site. If an OPERATOR, well equipment TRANSPORTER or WELL service provider must access the well site from a roadway on the state highway system (Interstate, U.S. Highway, State Highway, Farm-to-Market Road, Ranch-to-Market Road, etc.), an access permit is required from TxDOT. Permit applications are submitted to the respective TxDOT Area Office serving the county where the well is located.

Water Transport to Well Site. If an operator intends to transport water to the well site through a temporary pipeline laid above ground on the state's right-of-way, an additional TxDOT permit is required. Permit applications are submitted to the respective TxDOT Area Office serving the county where the well is located.

*NOTIFICATION

The operator is **REQUIRED** to notify the district office when setting surface casing, intermediate casing, and production casing, or when plugging a dry hole. The district office **MUST** also be notified if the operator intends to re-enter a plugged well or re-complete a well into a different regulatory field. Time requirements are given below. The drilling permit number **MUST** be given with such notifications.

During Drilling

Permit at Drilling Site. A copy of the Form W-1 Drilling Permit Application, the location plat, a copy of Statewide Rule 13 alternate surface casing setting depth approval from the district office, if applicable, and this drilling permit must be kept at the permitted well site throughout drilling operations.

***Notification of Setting Casing.** The operator **MUST** call in notification to the appropriate district office (phone number shown the on permit) a minimum of eight (8) hours prior to the setting of surface casing, intermediate casing, AND production casing. The individual giving notification **MUST** be able to advise the district office of the drilling permit number.

***Notification of Re-completion/Re-entry.** The operator MUST call in notification to the appropriate district office (phone number shown on permit) a minimum of eight (8) hours prior to the initiation of drilling or re-completion operations. The individual giving notification MUST be able to advise the district office of the drilling permit number.

Completion and Plugging Reports

Hydraulic Fracture Stimulation using Diesel Fuel: Most operators in Texas do not use diesel fuel in hydraulic fracturing fluids. Section 322 of the Energy Policy Act of 2005 amended the Underground Injection Control (UIC) portion of the federal Safe Drinking Water Act (42 USC 300h(d)) to define "underground injection" to *EXCLUDE* " ...the underground injection of fluids or propping agents (*other than diesel fuels*) pursuant to hydraulic fracturing operations related to oil, gas, or geothermal production activities." (italic and underlining added.) Therefore, hydraulic fracturing may be subject to regulation under the federal UIC regulations if diesel fuel is injected or used as a propping agent. EPA defined "diesel fuel" using the following five (5) Chemical Abstract Service numbers: 68334-30-5 Primary Name: Fuels, diesel; 68476-34-6 Primary Name: Fuels, diesel, No. 2; 68476-30-2 Primary Name: Fuel oil No. 2; 68476-31-3 Primary Name: Fuel oil, No. 4; and 8008-20-6 Primary Name: Kerosene. As a result, an injection well permit would be required before performing hydraulic fracture stimulation using diesel fuel as defined by EPA on any well in Texas. Hydraulic fracture stimulation using diesel fuel as defined by EPA on a well in Texas without an injection well permit could result in enforcement action.

Producing Well. Statewide Rule 16 states that the operator of a well shall file with the Commission the appropriate completion report within thirty (30) days after completion of the well or within ninety (90) days after the date on which the drilling operation is completed, whichever is earlier. Completion of the well in a field authorized by this permit voids the permit for all other fields included in the permit unless the operator indicates on the initial completion report that the well is to be a dual or multiple completion and promptly submits an application for multiple completion. All zones are required to be completed before the expiration date on the existing permit. Statewide Rule 40(d) requires that upon successful completion of a well in the same reservoir as any other well previously assigned the same acreage, proration plats and P-15s (if required) must be submitted with no double assignment of acreage.

Dry or Noncommercial Hole. Statewide Rule 14(b)(2) prohibits suspension of operations on each dry or non-commercial well without plugging unless the hole is cased and the casing is cemented in compliance with Commission rules. If properly cased, Statewide Rule 14(b)(2) requires that plugging operations must begin within a period of one (1) year after drilling or operations have ceased. Plugging operations must proceed with due diligence until completed. An extension to the one-year plugging requirement may be granted under the provisions stated in Statewide Rule 14(b)(2).

Intention to Plug. The operator must file a Form W-3A (Notice of Intention to Plug and Abandon) with the district office at least five (5) days prior to beginning plugging operations. If, however, a drilling rig is already at work on location and ready to begin plugging operations, the district director or the director's delegate may waive this requirement upon request, and verbally approve the proposed plugging procedures.

***Notification of Plugging a Dry Hole.** The operator MUST call in notification to the appropriate district office (phone number shown on permit) a minimum of four (4) hours prior to beginning plugging operations. The individual giving the notification MUST be able to advise the district office of the drilling permit number and all water protection depths for that location as stated in the Texas Commission on Environmental Quality letter.

DIRECT INQUIRIES TO: DRILLING PERMIT SECTION, OIL AND GAS DIVISION

PHONE
(512) 463-6751

MAIL:
PO Box 12967
Austin, Texas, 78711-2967



GROUNDWATER PROTECTION DETERMINATION

Form GW-2

Groundwater Advisory Unit

Date Issued: 17 November 2017

GAU Number: 183877

Attention: BHP BILLITON PET (TX GATH),
1500 POST OAK BLVD
HOUSTON, TX 77056

Operator No.: 068595

API Number:
County: CULBERSON
Lease Name: HS SATE 113-24X13
Lease Number:
Well Number: W102H
Total Vertical Depth: 14000
Latitude: 31.709042
Longitude: -104.113683
Datum: NAD27

Purpose: New Drill

Location: Survey-MCGILVREY, L E; Abstract-1853; Block-113; Section-24

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

The interval from the land surface to the base of the Rustler, which is estimated to occur at a depth of 375 feet, must be protected.

This recommendation is applicable to all wells within a radius of 2500 feet of this location.

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

This determination is based on information provided when the application was submitted on 11/16/2017. If the location information has changed, you must contact the Groundwater Advisory Unit, and submit a new application if necessary. If you have questions, please contact us at 512-463-2741 or gau@rrc.texas.gov.

Groundwater Advisory Unit, Oil and Gas Division

Form GW-2 P.O. Box 12967 Austin, Texas 78771-2967
Rev. 02/2014

512-463-2741

Internet address: www.rrc.texas.gov

RAILROAD COMMISSION OF TEXAS

OIL AND GAS DIVISION

MINOR PERMIT TO TREAT DOMESTIC WASTEWATER

Permit No. MPGW-A18-0562-D08
Permit Effective **11/20/2017**

BHP BILLITON PET (TXLA OP) CO
1360 POST OAK BLVD, STE. 150
HOUSTON, TX 77056

Based on information contained in the original application received November 17, 2017, and additional information received to date, you are hereby authorized to treat, recycle, and reuse domestic wastewater as described herein:

Ford (Wolfcamp), **SHS State 113-24X13**
2H, Drilling Permit Number 833178
Latitude, Longitude: 31.709162° & -104.114161°
Culberson County, Texas
RRC District 08, Midland

This minor permit grants authority to store, handle, treat, recycle, and reuse certain non-hazardous domestic wastewater in accordance with 16 Texas Administrative Code (TAC) §3.8 (Statewide Rule 8) and the following conditions:

1. The effective date of this permit is **11/20/2017**, and the authority granted by this permit expires on **3/20/2018**.
2. This permit authorizes the on-site treatment and management of domestic wastewater generated at oil and gas drill sites and waste streams generated from mobile drinking water treatment systems located at and resulting from use exclusively at well sites for use down-hole and/or for dust suppression and controlled irrigation purposes as specified in the "SAMPLING CRITERIA FOR WASTE STREAMS" document which is attached to and incorporated into this permit as **Permit Appendix A**. Treatment and reuse of the waste streams is granted for use at the above referenced location(s).
3. This permit does not authorize the discharge of any domestic wastewater or waste streams generated from mobile drinking water treatment systems into any watercourses or drainage ways, including any drainage ditch, dry creek, flowing creek, river, or any other body of surface water.



4. Residual solids accumulated during the treatment process must be removed and transported by a Texas Commission on Environmental Quality (TCEQ) registered sludge transporter to a TCEQ permitted disposal facility approved to receive and manage domestic sewage prior to treatment system relocation.
5. Unless otherwise required by conditions of this permit, operation of the treatment system(s) and reuse of the treated waste streams must be in accordance with the information represented in the permit application and information contained in the "APPLICATION FOR BENEFICIAL RECYCLING OF TREATED DOMESTIC WASTEWATER AND MOBILE DRINKING WATER TREATMENT SYSTEM WASTEWATER AT DRILL SITES" (Domestic Wastewater Application Worksheet), which is attached to and incorporated into this permit as **Permit Appendix B**.
6. A waiver from the surface owner or proof that notice has been provided to the surface owner at least ten (10) days prior to reuse is required for any recycling of domestic wastewater other than for down-hole purposes.
7. If treated domestic wastewater and mobile drinking water treatment system wastewater are commingled, the more stringent requirements will apply, unless otherwise indicated.
8. If treated domestic wastewater or wastewater from mobile drinking water treatment systems is stored for greater than seven days, a chlorine residual between 2 and 3 part per million (ppm) must be maintained.
9. For treated domestic wastewater, no more than 5,000 gallons per day of pre-treated domestic wastewater may be received and processed.
10. The treated domestic wastewater and drinking water treatment system wastewater must be analyzed as indicated for the Parameters listed in the "SAMPLING CRITERIA FOR WASTE STREAMS" document which is attached as **Permit Appendix A**. All samples shall be representative of the respective waste streams. All sample acquisition, preservation, and analysis must be performed according to procedures specified in Title 40 of the Code of Federal Regulations (40 CFR) Part 136. The procedures used to preserve the samples and analytical methods used shall be reported.
11. All chemical laboratory analyses required to be performed in accordance with this permit must be performed using appropriate Environmental Protection Agency (EPA) methods or Standard Methods by an independent National Environmental Laboratory Accreditation Program (NELAP) certified laboratory neither owned nor operated by the permittee. Any sample collected for laboratory analysis must be collected and preserved in a manner appropriate for that analytical method as specified by 40 CFR, Part 136. All geotechnical testing is to be performed utilizing tests standardized by the American Society for Testing and Materials (ASTM) and certified by a Texas registered Professional Engineer.
12. Safety Data Sheets (SDS) must be submitted to Technical Permitting in Austin for any chemical or accelerator proposed to be used in the treatment of waste at the facility that was not identified in the initial application. Storage of the chemicals must be in accordance with the manufacturers' specifications and must be maintained in a leak free condition.

13. Prior to recycling and reuse, the treated domestic wastewater must be stored in the 20-mil high density polyethylene (HDPE) on-site reserve pit with a permeability less than or equal to 1×10^{-7} cm/s. Earthen berms must be constructed around the pit and must be compacted or constructed of material that meets 95% standard Proctor (ASTM D-698) or 90-92% modified Proctor (ASTM D-1557) density. The berm shall be constructed to a height of at least two feet and shall maintain a slope no steeper than a one to three (vertical to horizontal) ratio, unless constructed of concrete or equivalent material (firewalls). These structures must be used to divert non-contact storm water around the waste management areas and contain and isolate storm water within the waste management units.
14. Upon completion of the project, a report detailing all relevant activities for the duration of the permit must be submitted including:
 - a. The total number of days domestic wastewater and/or mobile drinking water treatment system wastewater is reused or applied after treatment.
 - b. The total volume of each type of waste received for treatment.
 - c. The total volume of treated effluent for each type of reuse method (down-hole, controlled irrigation, dust suppression).
 - d. A table of the water treatment analytical results, sampling dates, corresponding analytical reports, and chain of custody for the Parameters required to be analyzed in the "SAMPLE CRITERIA FOR WASTE STREAMS" document which is attached as **Permit Appendix A**.
15. All reports must be certified as follows: "I declare under penalties prescribed in Section 91.143, Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my direct supervision and direction, and that data and facts stated therein are true and complete to the best of my knowledge."
16. Water treatment vessels and equipment must be maintained in good operating condition for the duration of the permit.
17. Any changes affecting this permit must be reported to Technical Permitting in Austin or the appropriate District Office in order for the Railroad Commission of Texas (RRC) to determine whether a permit amendment is necessary.
18. This permit may be considered for administrative renewal upon review by the RRC. Submit any request for renewal at least 30 days prior to this permit's expiration date.
19. Failure to comply with any condition of this minor permit shall be cause for modification, suspension, termination, or cancellation of this minor permit if Technical Permitting determines that the permittee is in violation RRC rules.

This authorization is granted subject to review and cancellation should investigation show that such authorization is being abused.



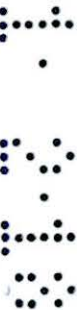
APPROVED AND ISSUED ON NOVEMBER 20, 2017.



Craig Pearson, PhD
District Director
Midland District Office

Attachments: Permit Appendices A and B

CC: RRC – District 08/ Midland
RRC – Environmental Permits and Support, Austin



PERMIT APPENDIX A

Sampling Criteria for Waste Streams

Permit No. MPG W-A18-0562-D08



SAMPLING CRITERIA FOR WASTE STREAMS

The RRC has jurisdiction over the on-site treatment and management of domestic wastewater generated at oil and gas drill sites and waste streams generated from mobile drinking water treatment systems located at and resulting from use exclusively at well sites. The term domestic wastewater means wastewater that originates primarily from kitchen, bathroom, and laundry sources, including wastes from food preparation, dishwashing, garbage grinding, toilets, baths, showers, and sinks of a residential dwelling. The term "mobile drinking water treatment system wastewater" means wastewater generated from the treatment of groundwater for drinking water purposes, including reverse osmosis reject water. The following analyses are required for each specific end use of the treated wastewater:

TOTAL ESTIMATED VOLUME

The estimated daily volume of the treated and recycled waste stream from all sources is presented below. The total volume of the influent source of domestic wastewater must be less than 5,000 gallons per day.

Waste Stream	Reuse Method	Estimated Volume (GPD)
Treated Domestic Wastewater (< 5,000 GPD)	Down-hole	4,800
	Dust Suppression	0
	Controlled Irrigation	0
Mobile Drinking Water Treatment System Wastewater	Down-hole	800
	Dust Suppression	0
	Controlled Irrigation	

MOBILE DRINKING WATER TREATMENT SYSTEM WASTEWATER

Mobile drinking water treatment system wastewater can be recycled and reused for either down-hole purposes or dust suppression and/or controlled irrigation purposes. No permit or testing criteria is required for reuse of mobile drinking water treatment system wastewater for down-hole recycling purposes.

- **Dust suppression and/or controlled irrigation purposes:** Quality assurance sampling and analysis of the treated effluent utilized for dust suppression and/or controlled irrigation purposes must be conducted once per site location for the Parameters below:

<u>PARAMETER</u>	<u>LIMITATION</u>
Total Dissolved Solids (TDS) <i>Standard Method 2540 or equivalent</i>	Report mg/l
pH <i>EPA Method 9045 or equivalent</i>	Report SU
Electrical Conductivity (EC)	Report mmhos/cm

TREATED DOMESTIC WASTEWATER

Treated domestic wastewater can be recycled and reused for either down-hole purposes or dust suppression and/or controlled irrigation purposes; however, a waiver from the surface owner or proof that notice has been provided to the surface owner at least ten (10) days prior to reuse is required for any recycling of domestic wastewater other than for down-hole purposes. Each specific end use requires different testing requirements as described below.

- **Down-hole purposes:** Quality assurance sampling and analysis of the treated effluent utilized for down-hole purposes must be conducted every fourteen (14) days for the Parameters below.

<u>PARAMETER</u>	<u>LIMITATION</u>
Biological Oxygen Demand (BOD ₅) / (CBOD ₅) *	≤ 80 milligrams per liter (mg/l)
Escherichia coli (E-Coli)	≤ 800 CFU/100 milliliters (ml)
Chlorine Residual (> 7 day storage) <i>EPA Method 334.0 or equivalent</i>	2 - 3 mg/l
pH <i>EPA Method 9045C or equivalent field method</i>	6.0 - 9.0 Standard Units (SU)

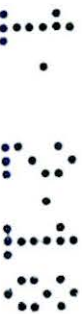
- **Dust suppression and/or controlled irrigation purposes:** Quality assurance sampling and analysis of the treated effluent utilized for dust suppression and/or controlled irrigation purposes must be conducted every seven (7) days for the Parameters below.

<u>PARAMETER</u>	<u>LIMITATION</u>
Biological Oxygen Demand (BOD ₅) / (CBOD ₅) *	≤ 65 mg/l
E-Coli for "Dust Suppression"	≤ 200 CFU/100 ml
E-Coli for "Controlled Irrigation"	≤ 75 CFU/100 ml
Oil and Grease <i>EPA Method 1664</i>	≤ 30 mg/l
Total Chlorides <i>or site-specific background for surficial aquifer</i>	≤ 1,500 mg/l
Chlorine Residual (> 7 day storage) <i>EPA Method 334.0 or equivalent</i>	2 - 3 mg/l
pH <i>EPA Method 9045C or equivalent field method</i>	6.0 - 9.0 SU

* Carbonaceous Biological/Biochemical Oxygen Demand (CBOD₅) may be substituted for BOD₅

PERMIT APPENDIX B

Domestic Wastewater Application Worksheet



APPLICATION FOR BENEFICIAL RECYCLING OF TREATED DOMESTIC WASTEWATER AND MOBILE DRINKING WATER TREATMENT SYSTEM WASTEWATER AT DRILL SITES

Worksheet

OPERATOR NAME (as shown on P-5, Organization Report) BHP Billiton PET (TXLA OP) Co			OPERATOR P-5 NUMBER 068596
OPERATOR ADDRESS (including city, state, and zip code) 1500 Post Oak Blvd. Houston, Tx. 77056			TYPE OF FACILITY Drill Pad
RRC DISTRICT NO. 08	COUNTY Culberson	FIELD NAME FOord (Wolfcamp)	LEASE NAME AND Number SHS State 113-24x13 2H
WELL NUMBER AND DRILLING PERMIT NUMBER Well # 2H / Permit Pending 833178		LATITUDE/LONGITUDE (Decimal Degrees) 31.709162 / -104.114161	
NAME OF CONTRACTOR PROVIDING THE TREATMENT SERVICES Water Fleet LLC			
DESCRIPTION OF THE WASTE STREAM AND ESTIMATED VOLUME OF WASTE RECEIVED (gallons per day, GPD)			
☒ Domestic Wastewater (DW)		Volume of DW (GPD): 4800	
☒ Mobile Drinking Water Treatment System Wastewater (MDW)		Volume of MDW (GPD): 800	
STORAGE METHOD OF WASTEWATER BEFORE RECYCLING ☒ Lined Pit ☐ Above-Ground Tank			
Provide details for pits (liner material, liner thickness, manufacturers' specifications, pit capacity, berms, etc.) and/or tanks (tank material, tank volume, tank pad, berms, etc.) DW and MDW are both going to the lined reserve pit on site. Liner Thickness: 20 ml Pit Capacity: 10,000 bbls total (5K liquid/5K solid) Berm: 5'			
RE-USE METHOD OF WASTEWATER AFTER TREATMENT		ESTIMATED TREATED EFFLUENT VOLUME (GPD)	
☒ Down-hole Application		Down-hole: 4800	
☐ Controlled Irrigation ☐ Dust Suppressant		Surface Application: n/a	
PRECAUTIONS TAKEN TO MINIMIZE EXPOSURE TO THE WASTE Waste stream is piped to the reserve pit and discharged in a manner to prevent contact with personnel.			
ADDITIONAL OR COMPLIMENTARY TECHNICAL INFORMATION If possible could we get a total of 120 day permit, the drill schedule could possible change.			
PROOF OF LANDOWNER NOTICE (required for wastewater re-use as controlled irrigation or dust suppressant) ☐ Attached ☐ Not Attached			
"I certify that I am authorized to make this application, that this application was prepared by me or under my supervision and direction, and that the data and facts stated herein are true, correct, and complete to the best of my knowledge."			
Signature: 		Date: November 17, 2017	
Name (print or type): Veronica Clanton		Email: veronica.clanton@bhp.com	

* Attachments may be used to explain or clarify any additional information

019 1

30 File No. MF111133
Culberson County
Drilling Permit API 109-33228 Unit 8292
Date Filed: 02/13/2018
By Jm George P. Bush, Commissioner

✓ MF 111133 MF 113603
MF 113602 MF 115984

EXHIBIT A
Unit 8292

BHP

Date: 5/23/2018

CREDIT TO

Owner # 80113945
STATE OF TEXAS GLO
1700 N CONGRESS AVE NO 640
AUSTIN TX 78701-1495

BHP
Land Administration
P.O. Box 22719
Houston, TX 77227-9927
T (877) 311-1443
F (888) 484-3189
PetroleumOwnerRelations
Request@bhpbilliton.com

Special Clauses/Comments:

Issue Date: 5/23/2018
Property Name: HS STATE 113-24X13 W102H
Property #: P1M896/00502 109-33228
Production: ALL PRODUCTS
Operator: BHP BILLITON PETROLEUM (TXLA OPERATING)
Legal Description: PSL ABST/ID# 1273 Grantee W.H. HICKS Blk 113 Sec 13 CULBERSON
COUNTY/PARISH, TEXAS (488.200 ACRES); PSL ABST/ID# 1853 Grantee
MCGILVREY Blk 113 Sec 24 CULBERSON COUNTY/PARISH, TEXAS (488.200
ACRES)

Decimal	Type	Status	Reason	Start Date
0.01051055	RI	PAY		4/1/2018
0.06221835	RI	PAY		4/1/2018
0.03153165	RI	PAY		4/1/2018
0.02073945	RI	PAY		4/1/2018

PLEASE KEEP THIS COPY FOR YOUR RECORDS.

HANNS - 50496(P1M896_NotAmended)





BHP
Land Administration
P.O. Box 22719
Houston, TX 77227-9927
T (877) 311-1443
F (888) 484-3189
PetroleumOwnerRelations
Request@bhpbilliton.com

STATE OF TEXAS GLO
1700 N CONGRESS AVE NO 640
AUSTIN TX 78701-1495

Division Order Instruction Sheet

We are pleased to deliver this Division Order which sets forth your share of production proceeds from the well indicated thereon and the name and address to which payments will be made. Please return one fully executed copy and retain the other copy for your records. Your Division Order contains information that will aid in your communication with BHP. When contacting us about any questions regarding your interest or Division Order, please have the Division Order in hand as it contains identifying information that will assist us in answering your questions.

WE ARE NOT ABLE TO ACCEPT ANY ALTERATIONS TO THIS DIVISION ORDER FORM.

SIGNATURES:

- Sign exactly as shown on the Division Order. If your signature is different, please enclose legal documentation authorizing the name change with your returned Division Order.
- Signatures by Agents, Attorneys-in-Fact, Guardians, or Trustees must be verified by attaching a copy of the recorded legal evidence of the rights vested in the signing party.
- In the event of multiple trustees/executors, all signatures are required unless documentation is provided evidencing authority to sign on behalf of all parties.
- An authorized official, with the name and title of the signing party printed beneath the signature, must execute for companies, corporations, or partnerships.
- All signatures must be witnessed. Notary is not required.

TAXPAYER IDENTIFICATION NUMBER OR SOCIAL SECURITY NUMBER:

Include your Tax ID or Social Security Number in the space provided on your Division Order. Failure to furnish this number will result in 24% tax withholding in accordance with Section 3406 of the Internal Revenue Service Code, and any tax withheld will not be refundable by BHP.

ADDRESS & TITLE CHANGES:

- Please note any change of address directly on your Division Order
- Subsequent address changes must be submitted in writing either by mail, fax or email (a change of address form can be found at <http://www.bhpbilliton.com/investor-centre/owner-relations>).
- If a change in title occurs, please furnish us with a copy of the recorded deed or document transferring the title.

PAYMENTS: Royalty check payments are mailed on or before the 30th of each month. Our policy is to remit checks monthly when your account reaches \$100, or once a year, whichever occurs first. We can reduce the minimum hold on your account from \$100 to \$25 upon written request.

PRIVACY: BHP respects the privacy of our owners. Please remember we are unable to release information to third parties on any ownership account without prior written authorization from the owner unless legally required. In order for us to discuss your lease, agreement, and/or royalty information with your appointed representative, we must be furnished with your written authorization.

CONTACT US: The following information will assist us in serving you: (1) name & owner number (2) county and state where well is located (3) well name and property number (4) telephone number with area code (5) nature of your inquiry

Owner Relations Call Center

Phone Number: 1-877-311-1443

Fax: 1-888-484-3189

E-mail: petroleumownerrelationsrequest@bhpbilliton.com

BHP

Land Administration

P O Box 22719

Houston, TX 77227-9927



SEE EXHIBIT A FOR LIST OF PROPERTY(IES) AND DECIMAL INTEREST(S) COVERED

The undersigned severally and not jointly certifies that it is the legal owner of the interest set out herein of all products produced from the property described herein:

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

The following provisions apply to each interest owner ("owner") who executes this agreement and may not be altered as to its terms:

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

PAYMENT: From the effective date, payment is to be made monthly by payor's check or electronic funds transfer, based on this division of interest, for products run during the preceding calendar month from the property listed herein, less taxes required by law to be deducted and remitted by payor as purchaser. Payments of less than \$100 may be accrued before disbursement until the total amount equals \$100 or more, or until 12 months of proceeds accumulate, whichever occurs first. However, the payor may hold accumulated proceeds of less than \$10 until production ceases or the payor's responsibility for making payment for production ceases, whichever occurs first. Payee agrees to refund to payor any amounts attributable to an interest or part of an interest that payee does not own.

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

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

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

NOTICES: The owner agrees to notify payor in writing of any change in the division of interest, including changes of interest contingent on payment of money or expiration of time.

No change of interest is binding on payor until the recorded copy of the instrument of change or documents satisfactorily evidencing such change are furnished to payor at the time the change occurs.

Any change of interest shall be made effective on the first day of the month following receipt of such notice by payor.

Any correspondence regarding this agreement shall be furnished to the addresses listed unless otherwise advised by either party.

In addition to the legal rights provided by the terms and provisions of this Division Order, an owner and payor may have certain statutory rights under the laws of this State.

2579

DIVISION ORDER

Date: 5/23/2018

Special Clauses/Comments:

Owner Number: 80113945

Owner Name: STATE OF TEXAS GLO

Owners Signatures: _____

Owner Tax I.D. Number: XXXXXXXXXX _____

Day Time Phone Number: 800-998-4456

E-Mail Address: _____

Owners Mailing Address: 1700 N CONGRESS AVE NO 640
AUSTIN TX 78701-1495

Witness: _____

Federal Law requires you to furnish your Social Security or Taxpayer Identification Number. Failure to comply will result in 24% tax withholding and will not be refundable by Payor.



DIVO 50496 80113945

PLEASE SIGN AND RETURN THIS COPY

HANNS - 50496(P1M896_NotAmended)



AUTHORIZATION FOR ELECTRONIC FUNDS TRANSFER PAYMENT

The undersigned, hereinafter called "Owner", is representing that he / she is the owner of an oil, gas and / or mineral interest that is currently paid by BHP Billiton Petroleum (Fayetteville) LLC (BHPB) / Petrohawk Energy Corporation (PEC). Owner is now authorizing BHPB / PEC to make direct deposit (EFT) payments for his / her owned interest to the financial institution and owner account as designated below.

Owner agrees that electing to participate in EFT payments will not amend any lease agreements between BHPB / PEC and Owner. This agreement simply allows for EFT payments in lieu of paper royalty check payments.

Owner acknowledges they will no longer receive physical Check Stub Details via the United States Postal Service (USPS). Check Stub Details are available online to all owners via the PDS Energy website (<https://secure.pds-austin.com/bhp/login.asp>). Please visit this site and click on "Register Now" to create your User Name and Password for login purposes.

Owner agrees to give at least sixty (60) days advance written notice of any change in the payment instructions shown below. Owner agrees that any changes to their mailing address will continue to be submitted in writing.

Owner agrees that BHPB and/or PEC will not be held liable for any interest or other claim arising as the result of Owner's failure to provide written notice of any payment instruction changes. Owner also releases and agrees to indemnify and hold BHPB / PEC harmless for any loss, claim, damage, or interest incurred as the result of Owner's depository institution's failure to properly or promptly post any EFT payment and / or as a result of any error or omission in the payment instructions provided by or on behalf of Owner.

Name of Owner:	STATE OF TEXAS GLO
Owner Number on BHPB / PEC Issued Check:	80113945
Street Address or P.O. Box:	
City, State, & Zip Code:	
Daytime Phone Number (Including Area Code):	
Email Address:	

Depository Institution:	
Depository Institution Routing Number (9 Digits):	
Name on Account:	
Account Number:	
Account Type (circle one):	☐ CHECKING ☐ SAVINGS

Signature of Owner(s) or Authorized Representatives:	
TIN or SSN (Last 4 Digits):	XXXXXX [REDACTED]
Date:	

Please initial below if you would like the address on your account to be updated to the address reflected above. Please note this is where all future correspondence sent by BHPB & PEC will be sent unless otherwise noted.

Owner Initials: _____

Owner understands and agrees that BHPB and/or PEC will have up to sixty (60) days after receipt of the authorization form to process the EFT request and payments will be deferred until accruals reach \$100 or annually, whichever comes first. **Owner Initials:** _____

Owner acknowledges they will no longer receive physical Check Stub Details via the USPS. Check Stub Details are available online to all owners via the PDS Energy website. **Owner Initials:** _____

PLEASE ENCLOSE A BLANK VOIDED CHECK FOR THE ACCOUNT TO WHICH PAYMENTS WILL BE DEPOSITED.



EFT 50496 80113945

01.07.9



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

July 19, 2018

Broderick Brown
Division Order Analyst
BHP Billiton Petroleum
P O BOX 22719
Houston, TX 77227-9927

Re: State Lease Nos. ✓ MF111133, MF113602, MF113603 and MF115984 HS State 113-24X13
W102H Unit 8292

Dear Mr. Brown:

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 Zamora
Landman, Energy Resources
512-475-0428
512-475-1543 (fax)
vivian.zamora@glo.texas.gov

File No. MF 111133

Culberson County

Division Order

Date Filed: 7-20-18

George P. Bush, Commissioner

By V.Z.

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

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

OFFICIAL USE

Certified Mail Fee

\$

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

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

Postage

\$

Total Postage and Fees

\$

Sent To

ATTN: Holly Dutton
BHP Billiton Petroleum (TXLA Operating) Co.
Street and Apt. No., or PO Box No.
1360 Post Oak Blvd Ste 150
City, State, ZIP+4®
Houston, TX 77056-3030

MF 111133

MF 111134

MF 113640

Postmark
Here

MF 113596

MF 113602

MF 116740

7016 0600 0000 6595 6229

Certified Mail service provides the following benefits:

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

Important Reminders:

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

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

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

IMPORTANT: Save this receipt for your records.

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

BHP Billiton Petroleum (XLA Operating)
ATTN: Holly Dutton Company
1360 Post Oak Blvd Ste 150
Houston, TX 77056-3030



9590 9402 1749 6074 7585 30

7016 0600 0000 6595 6629

COMPLETE THIS SECTION ON DELIVERY

A. Signature

☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1?

☐ Yes

If YES, enter delivery address below:

☐ No

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☐ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Insured Mail Restricted Delivery (over \$500)
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☐ Return Receipt for Merchandise
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

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

USPS TRACKING #



9590 9402 1749 6074 7585 30



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

United States
Postal Service



Texas General Land Office

George P. Bush, Commissioner

P.O. Box 12873

Austin, Texas 78711-2873

ATTN: Aurora Jordan 8th Energy

MF 11/133



Texas General Land Office

Reconciliation Billing

George P. Bush, Commissioner

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

BHP Billiton Petroleum (TXLA Operating) Company
Attn: Holly Dutton
1360 Post Oak Blvd Ste 150
Houston, TX 77056-3030

Billing Date: 8/6/2018
Billing Due Date: 9/5/2018
Customer Number: C000046383

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
18I00624	MF111133	\$569.28	\$0.00	\$68.60	\$24.75	\$662.63
18I00625	MF111133	\$0.00	\$307.29	\$30.73	\$12.04	\$350.06
18I00626	MF111134	\$977.18	\$0.00	\$99.72	\$42.51	\$1,119.41
18I00627	MF111134	\$0.00	\$597.82	\$59.78	\$23.42	\$681.02
18I00628	MF113596	\$1,087.24	\$0.00	\$108.72	\$67.21	\$1,263.17
18I00629	MF113602	\$4,600.16	\$0.00	\$460.02	\$199.53	\$5,259.71
18I00630	MF113602	\$0.00	\$2,695.17	\$269.52	\$105.57	\$3,070.26
18I00631	MF113640	\$10,188.11	\$0.00	\$1,018.81	\$582.60	\$11,789.52
18I00632	MF116740	\$5,238.97	\$0.00	\$635.85	\$351.94	\$6,226.76
Total Due		\$22,660.94	\$3,600.28	\$2,751.75	\$1,409.57	\$30,422.54

Penalty and interest have been calculated thru 8/31/2018. Payment remitted after 8/31/2018 will result in additional penalty and interest charges.

Contact Info: Jasmina Alapag (512) 475-1447 or jasmina.alapag@glo.texas.gov

NOTICE

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

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

Detach and return with payment

Reconciliation Billing

BHP Billiton Petroleum (TXLA Operating) Company

Billing Date: 8/6/2018

Billing Due Date: 9/5/2018

Customer Number: C000046383

Remit Payment To:

Texas General Land Office

PO Box 12873

Austin, TX 78711-2873

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
18I00624	MF111133	\$569.28	\$0.00	\$68.60	\$24.75	\$662.63
18I00625	MF111133	\$0.00	\$307.29	\$30.73	\$12.04	\$350.06



Texas General Land Office

George P. Bush, Commissioner

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

18I00626	MF111134	\$977.18	\$0.00	\$99.72	\$42.51	\$1,119.41
18I00627	MF111134	\$0.00	\$597.82	\$59.78	\$23.42	\$681.02
18I00628	MF113596	\$1,087.24	\$0.00	\$108.72	\$67.21	\$1,263.17
18I00629	MF113602	\$4,600.16	\$0.00	\$460.02	\$199.53	\$5,259.71
18I00630	MF113602	\$0.00	\$2,695.17	\$269.52	\$105.57	\$3,070.26
18I00631	MF113640	\$10,188.11	\$0.00	\$1,018.81	\$582.60	\$11,789.52
18I00632	MF116740	\$5,238.97	\$0.00	\$635.85	\$351.94	\$6,226.76
Total Due		\$22,660.94	\$3,600.28	\$2,751.75	\$1,409.57	\$30,422.54
Amt. Paid						

Customer ID: C000046383
 Invoice Number:
 GLO Lease: MF111133
 GLO Review: BHP Billiton Pet (TxLA OP) Co
 Review Period: 201609-201708

Category: Gas
 Auditor/AE: JasAlapaq
 Billing Date: 8/1/2018
 P&I Calculation Date: 8/31/2018
 Royalty Rate: 12.50%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	RRC Number	Gas/Oil Volume	Tract Particip	Price	BTU	Gross Value	Royalty Due	Royalty Paid	Additional Ro	Number of Da	Interest Rate For	Penalty Rate For	Interest Rate For	Revenue Due
Jan-17	08-278243	300	1.00000000	3.536476	1.005345	\$1,066.61	\$133.33	\$0.00	\$133.33	534	4.75%	\$25.00	\$8.24	\$166.57
Jul-17	08-278243	1,223	1.00000000	2.887812	0.987490	\$3,487.61	\$435.95	\$0.00	\$435.95	350	4.75%	\$43.60	\$16.51	\$496.06
TOTALS		1,523				\$4,554.23	\$569.28	\$0.00	\$569.28			\$68.60	\$24.75	\$662.63

ATTN: Holly Dutton
 CERTIFIED MAIL: 7016 0600 0000 6595 6629

COMMENTS: SALES VOLUMES REPORTED TO THE GLO WERE COMPARED TO VOLUMES REPORTED TO THE RRC.
 IT HAS BEEN DETERMINED THAT THE SALES VOLUMES HAVE BEEN UNDER PAID.

COLUMN (3) RRC VOLUME - REPRESENTS UNDER REPORTED SALES VOLUMES TO THE GLO FROM RRC WELL ID# 08-278243

COLUMN (5) PRICE - TAKEN FROM PRODUCTION ROYALTY REPORTS SUBMITTED TO THE TEXAS GENERAL LAND OFFICE

COLUMN (6) BTU - TAKEN FROM PRODUCTION ROYALTY REPORTS SUBMITTED TO THE TEXAS GENERAL LAND OFFICE

COLUMN (13)(14)(15) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENT:

<http://www.glo.texas.gov/energy-business/oil-gas/rrac/forms/penalty-interest-assessment-rules.pdf>

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

Energy Financial Management
SMAR Activity / Invoicing Approval

Auditor/Account Examiner: Jasmin Alapag
Company Name: BHP Billiton Pet (TxLA OP) Co
Customer Number: C000046383
Mineral File #: MF111133
Transaction Type:
Other / Invoice #:

Previous Amount	Current Amount	Date	AE / Reviewer's Notes	Reviewer's Signature	AR Notes
	\$662.63	08/01/18		MM 7/30/2018	

All original invoices must be approved.

All reductions in billing of more than \$1000 must be approved.

Customer ID: C000046383
 Invoice Number:
 GLO Lease: MF111133
 GLO Review: BHP Billiton Pet (TxLA OP) Co
 Review Period: SEPT 2016 Through AUG 2017

Category: Oil
 Auditor/AE: JasAlapag
 Billing Date: 8/1/2018
 P&I Calculation Date: 8/31/2018
 Royalty Rate: 12.50%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	RRC Number	Gas/Oil Volume	Tract Particip	Price	BTU	Gross Value	Royalty Due	Royalty Paid	Additional Ro	Number of Da	Interest Rate For	Penalty Rate Fron	Interest Rate Fron	Revenue Due
Jul-17	08-278243	55	1.00000000	44.696954	1.000000	\$2,458.33	\$307.29	\$0.00	\$307.29	360	4.75%	\$30.73	\$12.04	\$350.06
TOTALS		55				\$2,458.33	\$307.29	\$0.00	\$307.29			\$30.73	\$12.04	\$350.06

ATTENTION: Holly Dutton
 CERTIFIED MAIL: 7016 0600 0000 6595 6629

COMMENTS: SALES VOLUMES REPORTED TO THE GLO WERE COMPARED TO VOLUMES REPORTED TO THE RRC.
 IT HAS BEEN DETERMINED THAT THE SALES VOLUMES HAVE BEEN UNDER PAID.

COLUMN (3) RRC VOLUME - REPRESENTS UNDER REPORTED SALES VOLUMES TO THE GLO FROM RRC WELL ID# 08-278243

COLUMN (5) PRICE - TAKEN FROM PRODUCTION ROYALTY REPORTS SUBMITTED TO THE TEXAS GENERAL LAND OFFICE

COLUMN (13)(14)(15) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENT:
<http://www.glo.texas.gov/energy-business/oil-gas/rrac/forms/penalty-interest-assessment-rules.pdf>

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

Energy Financial Management
SMAR Activity / Invoicing Approval

Auditor/Account Examiner: Jasmin Alapag
Company Name: BHP Billiton Pet (TxLA OP) Co
Customer Number: C000046383
Mineral File #: MF111133
Transaction Type:
Other / Invoice #:

Previous Amount	Current Amount	Date	AE / Reviewer's Notes	Reviewer's Signature	AR Notes
	\$350.06	08/01/18		MM 7/30/2018	

All original invoices must be approved.

All reductions in billing of more than \$1000 must be approved.

File No. MF 111133

County

Recon Billing

Date Filed: 8/10/18

George P. Bush, Commissioner

By AT

DO NOT DESTROY



Texas General Land Office

UNIT AGREEMENT MEMO

NUM180001

Unit Number 9591
Operator Name BHP Billiton Petroleum (TXLA Operating) Company Effective Date 08/25/2018
Customer ID C000046383 Unitized For
Unit Name Sec 9, Blk 113 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 NUML
State Net Revenue Interest Oil 0.12500000
State Part in Unit 1.00000000
Unit Depth Allow All Depths Well
From Depth Formation
To Depth 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
MF111133		147.790000	591.160000	0.25000000	O/G	0.12500000	0.03125000	No
MF113604		443.370000	591.160000	0.75000000	O/G	0.12500000	0.09375000	No

API Number

4210933251

Remarks:

Prepared By:

SSD

Prepared Date:

10/9/18

GLO Base Updated By:

SSD

GLO Base Date:

10/9/18

RAM Approval By:

SSD JW

RAM Approval Date:

10/18/18

GIS By:

SSD

GIS Date:

10/30/18

Well Inventory By:

SSD

WI Date:

10/9/18



Crafton Tull
surveying

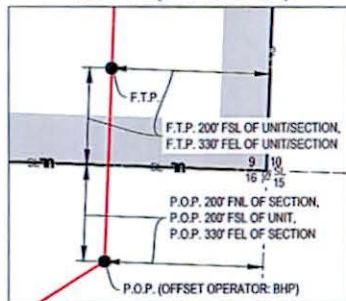
501.328.3314 | 501.328.3325 |
www.craftontull.com

1000 Ledgewood Dr.
Conway, Arkansas 72034

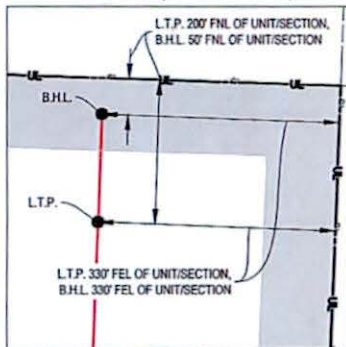
LEGEND

- UNIT LINE
- PROPOSED WELL PATH
- NEAREST PROPOSED WELL PATH
- SURVEY/SECTION/UNIT LINE
- S.H.L. SURFACE HOLE LOCATION
- P.O.P. POINT OF PENETRATION
- F.T.P. FIRST TAKE POINT
- T.P. TURNING POINT
- L.T.P. LAST TAKE POINT
- B.H.L. BOTTOM HOLE LOCATION

INSET "A" (NOT TO SCALE)



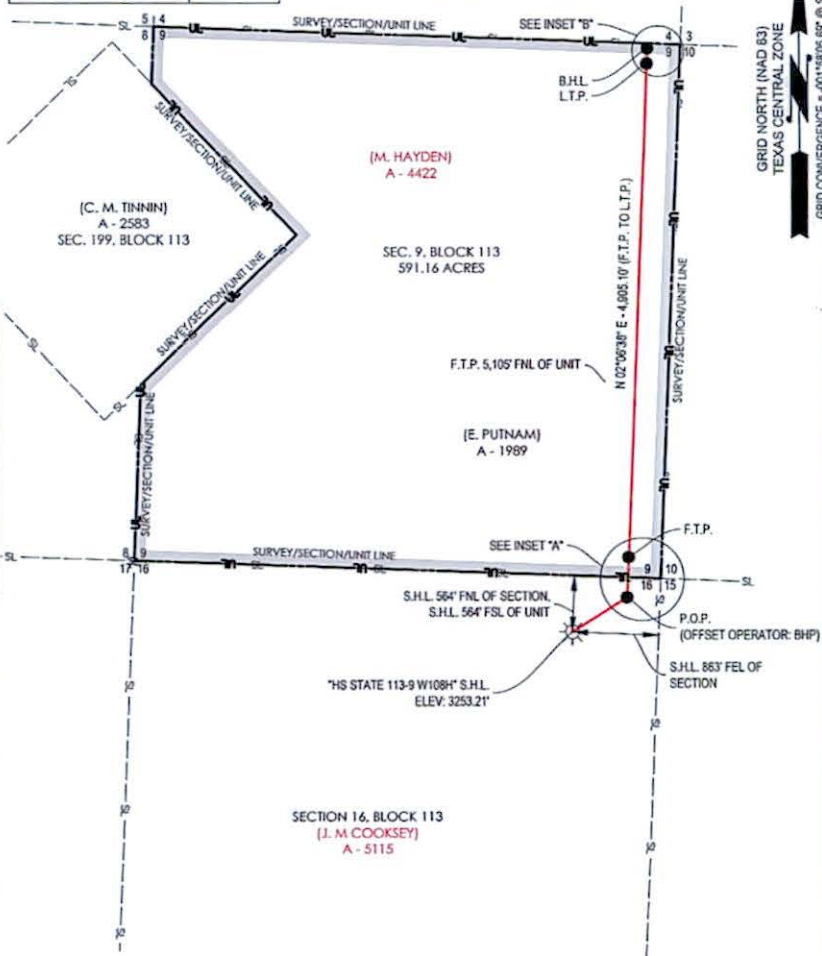
INSET "B" (NOT TO SCALE)



S.H.L. ELEVATION	
WELL NAME	ELEVATION
"HS STATE 113-9 W108H"	3253.21'

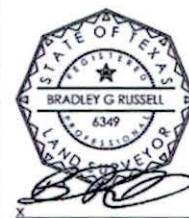
NOTE: S.H.L. APPROXIMATE LOCATION IS S 67°08'34" W,
15.93 MILES FROM ORLA, TEXAS.
S.H.L. LOCATED IN THE PSL SURVEY A - 5115.
B.H.L. LOCATED IN THE PSL SURVEY A - 4422.

GRID NORTH (NAD 83)
TEXAS CENTRAL ZONE
GRID CONVERGENCE = -001°39'05.89" @ S.H.L.



UNIT CORNERS

LOCATION	DESCRIPTION	NAD83 (1986)		NAD27	
		STATE PLANE TEXAS CENTRAL (2077)	GEOGRAPHIC (NAD83)	STATE PLANE TEXAS CENTRAL (2077)	GEOGRAPHIC (NAD27)
NE CORNER 113-9	CALCULATED CORNER	N = 10618609.25 E = 1109764.75	N: 31.74452657° N LONG: 104.15191315° W	N = 776032.94 E = 813303.76	N: 31.74440190° N LONG: 104.15143351° W
SE CORNER 113-9	CALCULATED CORNER	N = 10613307.81 E = 1109569.42	N: 31.72994324° N LONG: 104.15195583° W	N = 770731.58 E = 813108.39	N: 31.72981829° N LONG: 104.15147640° W
SW CORNER 113-9	CALCULATED CORNER	N = 10613485.28 E = 1104298.74	N: 31.72993342° N LONG: 104.16891788° W	N = 770909.06 E = 807837.76	N: 31.72980759° N LONG: 104.16843788° W
CORNER 113-9	CALCULATED CORNER	N = 10615233.07 E = 1104362.37	N: 31.73474022° N LONG: 104.16890713° W	N = 772656.82 E = 807901.41	N: 31.73461549° N LONG: 104.16842706° W
E CORNER 113-199	CALCULATED CORNER	N = 10616715.20 E = 1105910.20	N: 31.73895872° N LONG: 104.16409558° W	N = 774138.93 E = 809449.24	N: 31.73883404° N LONG: 104.16361561° W
CORNER 113-9	CALCULATED CORNER	N = 10618219.90 E = 1104471.11	N: 31.74295634° N LONG: 104.16888875° W	N = 775643.61 E = 808010.18	N: 31.74283177° N LONG: 104.16840856° W
NW CORNER 113-9	CALCULATED CORNER	N = 10618788.42 E = 1104491.74	N: 31.74451471° N LONG: 104.16888527° W	N = 776210.13 E = 808030.81	N: 31.74439017° N LONG: 104.16840505° W



CONTACT INFORMATION:
Bradley G. Russell
Crafton Tull (10193715)
1000 Ledgewood Dr.
Conway, AR 72034

11/21/2017

WELL BORE POSITIONS

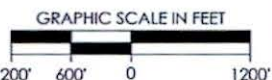
REFERENCE	LAT. (NAD 83)	LONG. (NAD 83)	NORTHING (NAD 83)	EASTING (NAD 83)	LAT. (NAD 27)	LONG. (NAD 27)	LAT. (NAD 27)	LONG. (NAD 27)	NORTHING (NAD 27)	EASTING (NAD 27)
S.H.L.	31.72839199° N	104.15473480° W	10612773.51	1108686.54	31.72826704° N	104.15425530° W	31° 43' 41.761" N	104° 09' 15.319" W	770197.29	812225.51
P.O.P.	31.72939283° N	104.15301895° W	10613119.05	1109232.21	31.72926788° N	104.15253849° W	31° 43' 45.364" N	104° 09' 09.142" W	770542.82	812771.18
F.T.P.	31.73049242° N	104.15301574° W	10613518.78	1109246.94	31.73036749° N	104.15253628° W	31° 43' 49.323" N	104° 09' 09.131" W	770942.55	812765.91
L.T.P.	31.74397633° N	104.15297632° W	10618420.55	1109427.57	31.74385165° N	104.15249668° W	31° 44' 37.866" N	104° 09' 08.988" W	775844.24	812966.58
B.H.L.	31.74438867° N	104.15297512° W	10618570.45	1109433.10	31.74426401° N	104.15249545° W	31° 44' 39.350" N	104° 09' 08.984" W	775984.14	812972.11

WELL PATH DATA

REF.	BEARING	DISTANCE
S.H.L. TO P.O.P.	N 57°39'22" E	645.87'
P.O.P. TO F.T.P.	N 02°06'38" E	400.00'
F.T.P. TO L.T.P.	N 02°06'38" E	4,905.10'
L.T.P. TO B.H.L.	N 02°06'38" E	150.00'

WELL PATH DATA

REF.	SECTION LINE CALLS (S)	UNIT LINE CALLS (H)
S.H.L.	564' FNL, 863' FEL (S.16)	564' FSL, N/A
P.O.P.	200' FNL, 330' FEL (S.16)	200' FSL, N/A
F.T.P.	200' FNL, 330' FEL (S.9)	200' FSL, 330' FEL
L.T.P.	200' FNL, 330' FEL (S.9)	200' FNL, 330' FEL
B.H.L.	50' FNL, 330' FEL (S.9)	50' FNL, 330' FEL



GENERAL NOTES

1. THE LOCATIONS OF UNDERGROUND UTILITIES AS SHOWN HEREON ARE BASED ON REASONABLE VISUAL OBSERVATION. LOCATIONS OF UNDERGROUND UTILITIES/STRUCTURES MAY VARY FROM LOCATIONS SHOWN HEREIN. ADDITIONAL BURIED UTILITIES/STRUCTURES MAY BE ENCOUNTERED. NO EXCAVATIONS WERE MADE DURING THE PROGRESS OF THIS SURVEY TO LOCATE BURIED UTILITIES/STRUCTURES. BEFORE EXCAVATIONS ARE BEGUN, THE OFFICES OF THE VARIOUS UTILITIES SERVICING THIS AREA SHOULD BE CONTACTED FOR THEIR UTILITY LOCATION.

2. PROJECT COORDINATE SYSTEM: TEXAS STATE PLANE, CENTRAL ZONE, NAD83, U.S. FEET AS DETERMINED BY GPS OBSERVATION, CAF = 0.9999047 @ S.H.L.

REVISION	
1	PRELIMINARY PLAT 11/20/17
2	FINAL PLAT 11/20/17

BHP		BHP BILLITON PET (TXLA OP) CO	
HS STATE 113-9 W108H (MWN 837235)		S.H.L. IN PSL SURVEY, A-5115, B.H.L. IN PSL SURVEY, A-4422	
CULBERSON COUNTY, TEXAS		FINAL PERMIT PLAT	
SCALE: 1" = 1200'	CHECKED BY: MN	APPROVED BY: BR	
PLOT DATE: 11/21/2017	DRAWN BY: CDM	SHEET NO.: 1 OF 1	

File No. MF 11133

NUML 9591 ~~County~~

SEC. 9, BLK 113

Date Filed: 10/23/18

George P. Bush, Commissioner

By SSD



Permian Land
1500 Post Oak, Houston, TX 77056-3030
Ph: (713) 297-6557; Email: lynn.latiolais@bhpbilliton.com

July 26, 2018

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

Attention: Joy McCauley

Re: **HS State 113-24X13 W102H**
Culberson County, Texas
(GLO Basefile 100591, MF111133; MF113602; BHP P1M896)

Dear Ms. McCauley:

Enclosed you will find a Final As-Drilled Plat for BHP's HS State 113-24X13 W102H well located in Culberson County, Texas for your records.

Should you need any additional information, please feel free to call or email.

Sincerely,

Lynn Latiolais, CPLTA
Land Technical Analyst

/ll
Enclosure



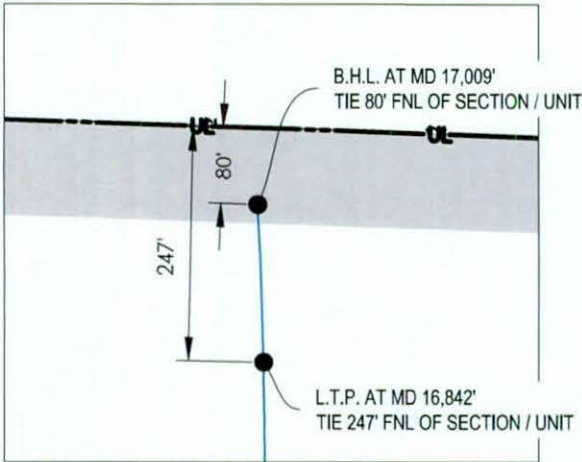
Crafton Tull
surveying

501.328.3316 f 501.328.3325 f
www.craftontull.com

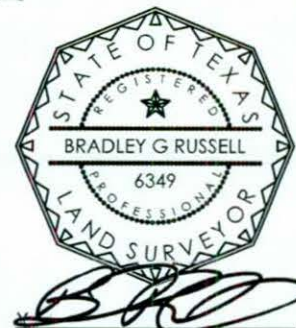
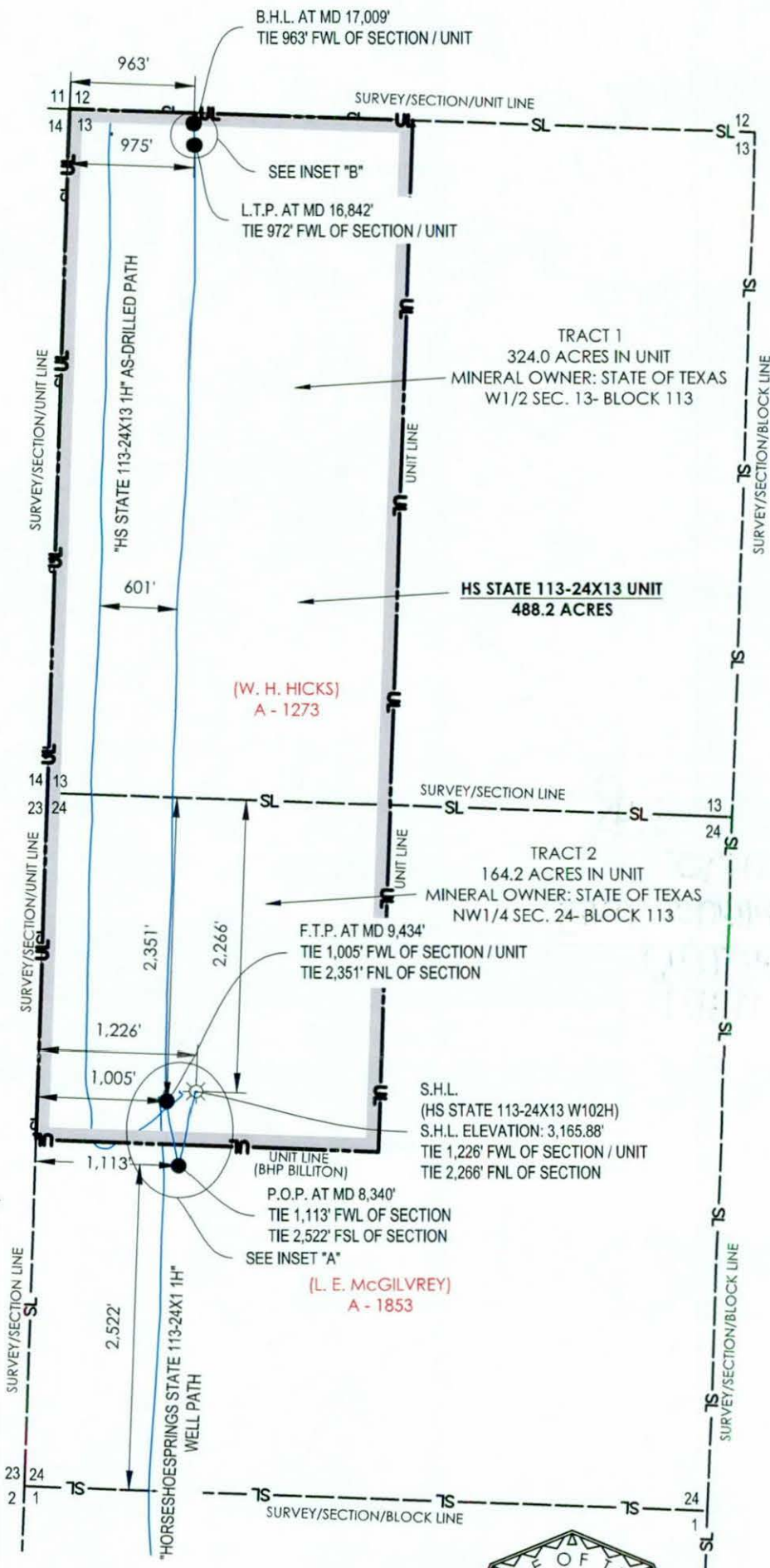
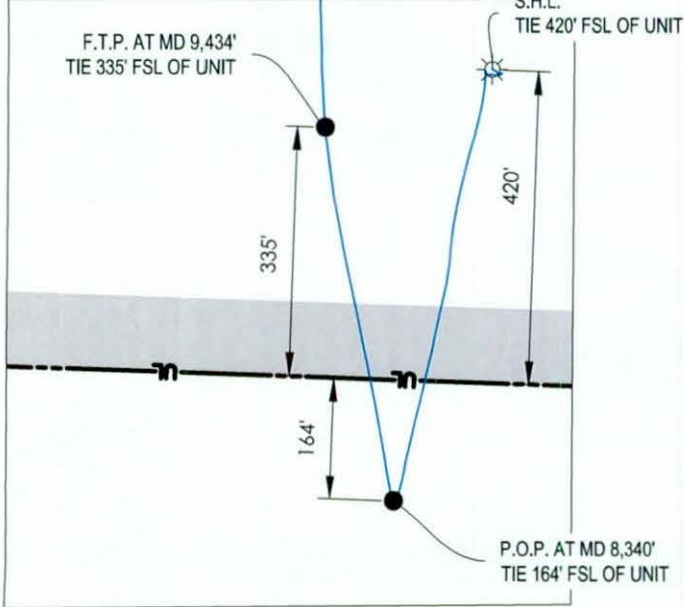
LEGEND

- UNIT LINE
- AS-DRILLED WELL PATH
- PROPOSED WELL PATH
- SECTION LINE
- S.H.L. SURFACE HOLE LOCATION
- P.O.P. POINT OF PENETRATION
- F.T.P. FIRST TAKE POINT
- T.P. TURNING POINT
- L.T.P. LAST TAKE POINT
- B.H.L. BOTTOM HOLE LOCATION
- P.B.T. PLUG BACK TERMINUS

INSET "B" (NOT TO SCALE)



INSET "A" (NOT TO SCALE)



5-14-2018

CONTACT INFORMATION:

Bradley G Russell
Crafton Tull (10193715)
1000 LedgeLawn Dr.
Conway, AR 72034

WELL BORE POSITIONS

REFERENCE	LAT. (NAD 83)	LONG. (NAD 83)	NORTHING (NAD 83)	EASTING (NAD 83)	LAT. (NAD 27)	LONG. (NAD 27)	LAT. (NAD 27)	LONG. (NAD 27)	NORTHING (NAD 27)	EASTING (NAD 27)
S.H.L.	31.70916827° N	104.11416161° W	10605353.56	1121056.35	31.70904269° N	104.11368375° W	31° 42' 32.55" N	104° 06' 49.26" W	762777.40	824595.13
P.O.P.	31.70756127° N	104.11452304° W	10604773.14	1120924.15	31.70743567° N	104.11404519° W	31° 42' 26.77" N	104° 06' 50.56" W	762196.99	824462.93
F.T.P.	31.70893442° N	104.11487106° W	10605276.04	1120832.96	31.70880885° N	104.11439317° W	31° 42' 31.71" N	104° 06' 51.82" W	762699.89	824371.75
L.T.P.	31.72928273° N	104.11499206° W	10612675.16	1121046.95	31.72915751° N	104.11451389° W	31° 43' 44.97" N	104° 06' 52.25" W	770098.89	824585.78
B.H.L.	31.72974061° N	104.11503040° W	10612842.03	1121040.69	31.72961540° N	104.11455223° W	31° 43' 46.62" N	104° 06' 52.39" W	770265.76	824579.53

GRAPHIC SCALE IN FEET



GENERAL NOTES

1. THE LOCATIONS OF UNDERGROUND UTILITIES AS SHOWN HEREON ARE BASED ON REASONABLE VISUAL OBSERVATION. LOCATIONS OF UNDERGROUND UTILITIES/ STRUCTURES MAY VARY FROM LOCATIONS SHOWN HEREIN. ADDITIONAL BURIED UTILITIES/ STRUCTURES MAY BE ENCOUNTERED. NO EXCAVATIONS WERE MADE DURING THE PROGRESS OF THIS SURVEY TO LOCATE BURIED UTILITIES/ STRUCTURES. BEFORE EXCAVATIONS ARE BEGUN, THE OFFICES OF THE VARIOUS UTILITIES SERVICING THIS AREA SHOULD BE CONTACTED FOR THEIR UTILITY LOCATION.

2. PROJECT COORDINATE SYSTEM: TEXAS STATE PLANE, CENTRAL ZONE, NAD'83, U.S. FEET AS DETERMINED BY GPS OBSERVATION, CAF = 0.999807073.

REVISION
1 PRELIMINARY PLAT 2/23/18
2 FINAL PLAT 5/14/18

BHP

BHP BILLITON PET (TXLA OP) CO

HS STATE 113-24X13 W102H (MWN 836613)
S.H.L. IN L. E. MCGILVREY, A - 1853, B.H.L. IN W. H. HICKS, A - 1273
CULBERSON COUNTY, TEXAS
FINAL AS-DRILLED PLAT

SCALE: 1" = 1200'
PLOT DATE: 05/14/2018

CHECKED BY: MN
DRAWN BY: MF

APPROVED BY: BR
SHEET NO.: 1 OF 1

File No. MF111133 34.
Culberson County
Final as Drilled Plat API 109-33228
Date Filed: 01/11/2019
By George P. Bush, Commissioner
gm

55.70

MF111133
MF113604

NUML 9591

BHP

BHP
Land Administration
P.O. Box 22719
Houston, TX 77227-9927
T (877) 311-1443
F (888) 484-3189
PetroleumOwnerRelations
Request@bhpbilliton.com

STATE OF TEXAS GLO
1700 N CONGRESS AVE NO 640
AUSTIN TX 78701-1495

Division Order Instruction Sheet

We are pleased to deliver this Division Order which sets forth your share of production proceeds from the well indicated thereon and the name and address to which payments will be made. Please return one fully executed copy and retain the other copy for your records. Your Division Order contains information that will aid in your communication with BHP. When contacting us about any questions regarding your interest or Division Order, please have the Division Order in hand as it contains identifying information that will assist us in answering your questions.

WE ARE NOT ABLE TO ACCEPT ANY ALTERATIONS TO THIS DIVISION ORDER FORM.

SIGNATURES:

- Sign exactly as shown on the Division Order. If your signature is different, please enclose legal documentation authorizing the name change with your returned Division Order.
- Signatures by Agents, Attorneys-in-Fact, Guardians, or Trustees must be verified by attaching a copy of the recorded legal evidence of the rights vested in the signing party.
- In the event of multiple trustees/executors, all signatures are required unless documentation is provided evidencing authority to sign on behalf of all parties.
- An authorized official, with the name and title of the signing party printed beneath the signature, must execute for companies, corporations, or partnerships.
- All signatures must be witnessed. Notary is not required.

TAXPAYER IDENTIFICATION NUMBER OR SOCIAL SECURITY NUMBER:

Include your Tax ID or Social Security Number in the space provided on your Division Order. Failure to furnish this number will result in 24% tax withholding in accordance with Section 3406 of the Internal Revenue Service Code, and any tax withheld will not be refundable by BHP.

ADDRESS & TITLE CHANGES:

- Please note any change of address directly on your Division Order
- Subsequent address changes must be submitted in writing either by mail, fax or email (a change of address form can be found at <http://www.bhpbilliton.com/investor-centre/owner-relations>).
- If a change in title occurs, please furnish us with a copy of the recorded deed or document transferring the title.

PAYMENTS: Royalty check payments are mailed on or before the 30th of each month. Our policy is to remit checks monthly when your account reaches \$100, or once a year, whichever occurs first. We can reduce the minimum hold on your account from \$100 to \$25 upon written request.

PRIVACY: BHP respects the privacy of our owners. Please remember we are unable to release information to third parties on any ownership account without prior written authorization from the owner unless legally required. In order for us to discuss your lease, agreement, and/or royalty information with your appointed representative, we must be furnished with your written authorization.

CONTACT US: The following information will assist us in serving you: (1) name & owner number (2) county and state where well is located (3) well name and property number (4) telephone number with area code (5) nature of your inquiry

Owner Relations Call Center

Phone Number: 1-877-311-1443

Fax: 1-888-484-3189

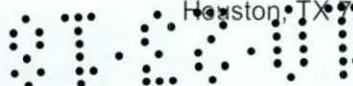
E-mail: petroleumownerrelationsrequest@bhpbilliton.com

BHP

Land Administration

P O Box 22719

Houston, TX 77227-9927



SEE EXHIBIT A FOR LIST OF PROPERTY(IES) AND DECIMAL INTEREST(S) COVERED

The undersigned severally and not jointly certifies that it is the legal owner of the interest set out herein of all products produced from the property described herein:

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

The following provisions apply to each interest owner ("owner") who executes this agreement and may not be altered as to its terms:

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

PAYMENT: From the effective date, payment is to be made monthly by payor's check or electronic funds transfer, based on this division of interest, for products run during the preceding calendar month from the property listed herein, less taxes required by law to be deducted and remitted by payor as purchaser. Payments of less than \$100 may be accrued before disbursement until the total amount equals \$100 or more, or until 12 months of proceeds accumulate, whichever occurs first. However, the payor may hold accumulated proceeds of less than \$10 until production ceases or the payor's responsibility for making payment for production ceases, whichever occurs first. Payee agrees to refund to payor any amounts attributable to an interest or part of an interest that payee does not own.

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

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

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

NOTICES: The owner agrees to notify payor in writing of any change in the division of interest, including changes of interest contingent on payment of money or expiration of time.

No change of interest is binding on payor until the recorded copy of the instrument of change or documents satisfactorily evidencing such change are furnished to payor at the time the change occurs.

Any change of interest shall be made effective on the first day of the month following receipt of such notice by payor. Any correspondence regarding this agreement shall be furnished to the addresses listed unless otherwise advised by either party.

In addition to the legal rights provided by the terms and provisions of this Division Order, an owner and payor may have certain statutory rights under the laws of this State.

10.53.10

EXHIBIT A

Date: 10/17/2018

BHP

BHP
Land Administration
P.O. Box 22719
Houston, TX 77227-9927
T (877) 311-1443
F (888) 484-3189
PetroleumOwnerRelations
Request@bhpbilliton.com

CREDIT TO

Owner # 80113945
STATE OF TEXAS GLO
1700 N CONGRESS AVE NO 640
AUSTIN TX 78701-1495

Special Clauses/Comments:

Issue Date: 10/17/2018
Property Name: HS STATE 113-9 W108H
Property #: P1N007/00501 109-33251
Production: ALL PRODUCTS
Operator: BHP BILLITON PETROLEUM (TXLA OPERATING)
Legal Description: PSL ABST/ID# 5115 Grantee J.M. COOKSEY Blk 113 Sec 16 CULBERSON COUNTY/PARISH, TEXAS (1.000 ACRES); PSL ABST/ID# 4422 Grantee M. HAYDEN Blk 113 Sec 9 CULBERSON COUNTY/PARISH, TEXAS (1.000 ACRES); PSL ABST/ID# 1989 Grantee E. PUTNAM Blk 113 Sec 9 CULBERSON COUNTY/PARISH, TEXAS (1.000 ACRES)

Decimal	Type	Status	Reason	Start Date
0.03125000	RI	PAY		9/1/2018
0.09375000	RI	PAY		9/1/2018

PLEASE KEEP THIS COPY FOR YOUR RECORDS

HANNS - 50956(P1N007_NotAmended)

01.02.07

DIVISION ORDER

Date: 10/17/2018

Special Clauses/Comments: [REDACTED]

Owner Number: 80113945

Owner Name: STATE OF TEXAS GLO

Owners Signatures: _____

Owner Tax I.D. Number: [REDACTED]

Day Time Phone Number: 800-998-4456

E-Mail Address: _____

Owners Mailing Address: 1700 N CONGRESS AVE NO 640
AUSTIN TX 78701-1495

Witness: _____

Federal Law requires you to furnish your Social Security or Taxpayer Identification Number. Failure to comply will result in 24% tax withholding and will not be refundable by Payor.



DIVO 50956 80113945

PLEASE SIGN AND RETURN THIS COPY

HANNS - 50956(P1N007_NotAmended)

01.02.01

AUTHORIZATION FOR ELECTRONIC FUNDS TRANSFER PAYMENT

The undersigned, hereinafter called "Owner", is representing that he / she is the owner of an oil, gas and / or mineral interest that is currently paid by BHP Billiton Petroleum (Fayetteville) LLC (BHPB) / Petrohawk Energy Corporation (PEC). Owner is now authorizing BHPB / PEC to make direct deposit (EFT) payments for his / her owned interest to the financial institution and owner account as designated below.

Owner agrees that electing to participate in EFT payments will not amend any lease agreements between BHPB / PEC and Owner. This agreement simply allows for EFT payments in lieu of paper royalty check payments.

Owner acknowledges they will no longer receive physical Check Stub Details via the United States Postal Service (USPS). Check Stub Details are available online to all owners via the PDS Energy website (<https://secure.pds-austin.com/bhp/login.asp>). Please visit this site and click on "Register Now" to create your User Name and Password for login purposes.

Owner agrees to give at least sixty (60) days advance written notice of any change in the payment instructions shown below. Owner agrees that any changes to their mailing address will continue to be submitted in writing.

Owner agrees that BHPB and/or PEC will not be held liable for any interest or other claim arising as the result of Owner's failure to provide written notice of any payment instruction changes. Owner also releases and agrees to indemnify and hold BHPB / PEC harmless for any loss, claim, damage, or interest incurred as the result of Owner's depository institution's failure to properly or promptly post any EFT payment and / or as a result of any error or omission in the payment instructions provided by or on behalf of Owner.

Name of Owner:	STATE OF TEXAS GLO
Owner Number on BHPB / PEC Issued Check:	80113945
Street Address or P.O. Box:	
City, State, & Zip Code:	
Daytime Phone Number (Including Area Code):	
Email Address:	

Depository Institution:	
Depository Institution Routing Number (9 Digits):	
Name on Account:	
Account Number:	
Account Type (circle one):	☐ CHECKING ☐ SAVINGS

Signature of Owner(s) or Authorized Representatives:	
TIN or SSN (Last 4 Digits):	
Date:	

Please initial below if you would like the address on your account to be updated to the address reflected above. Please note this is where all future correspondence sent by BHPB & PEC will be sent unless otherwise noted.

Owner Initials: _____

Owner understands and agrees that BHPB and/or PEC will have up to sixty (60) days after receipt of the authorization form to process the EFT request and payments will be deferred until accruals reach \$100 or annually, whichever comes first. **Owner Initials:** _____

Owner acknowledges they will no longer receive physical Check Stub Details via the USPS. Check Stub Details are available online to all owners via the PDS Energy website. **Owner Initials:** _____

PLEASE ENCLOSE A BLANK VOIDED CHECK FOR THE ACCOUNT TO WHICH PAYMENTS WILL BE DEPOSITED.



EFT 50956 80113945

01.03.07



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

January 17, 2019

Broderick Brown
Division Order Analyst
BHP Billiton Petroleum
P.O. BOX 22719
Houston, TX 77227-9927

Re: State Lease Nos. MF111133 and MF113604 HS State 113-9 W108H NUML 9591

Dear Mr. Brown:

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 Zamora
Landman, Energy Resources
512-475-0428
512-475-1404 (fax)
vivian.zamora@glo.texas.gov

File No. MF111133Culberson CountyDivision OrderDate Filed: 1-18-2019

George P. Bush, Commissioner

By VB



Texas General Land Office

Reconciliation Billing

George P. Bush, Commissioner

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

BPX Operating Company
Attn: Patty Burg
Office: WM11 6025-1
15377 Memorial Drive
Houston, TX 77079-4101

Billing Date: 6/10/2021
Billing Due Date: 7/10/2021
Customer Number: C000046383

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
21I00813	MF111133	\$3,200.18	\$0.00	\$359.40	\$228.36	\$3,787.94
Total Due		\$3,200.18	\$0.00	\$359.40	\$228.36	\$3,787.94

Penalty and interest have been calculated thru 6/30/2021. Payment remitted after 6/30/2021 will result in additional penalty and interest charges.

Charlton, Andrea M (512) 463-5190 or Andrea.Charlton@GLO.TEXAS.GOV

NOTICE

- Please update GLO1 and GLO2 production reports to correct volumes.
- Please do not update GLO3 report to include billed royalty, penalty or interest. This receivable has already been recorded.
- For questions regarding this invoice, email us at glo123@glo.texas.gov.

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

Detach and return with payment

Reconciliation Billing

BPX Operating Company

Billing Date: 6/10/2021

Billing Due Date: 7/10/2021

Customer Number: C000046383

Remit Payment To:

Texas General Land Office

PO Box 12873

Austin, TX 78711-2873

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
21I00813	MF111133	\$3,200.18	\$0.00	\$359.40	\$228.36	\$3,787.94
Total Due		\$3,200.18	\$0.00	\$359.40	\$228.36	\$3,787.94
Amt. Paid						

Customer ID: C000046383
 Invoice Number:
 GLO Lease: MF111133
 GLO Review: BPX OPERATING COMPANY
 Review Period: 201909-202008

Category: Gas
 Auditor/AE: Acharlto
 Billing Date: 6/1/2021
 P&I Calculation Date: 6/30/2021
 Royalty Rate: 12.50%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	RRC Number	Gas/Oil Volume	Tract Participa	Price	BTU	Gross Value	Royalty Due	Royalty Paid	Additional Roy	Number of Day	Interest Rate For	Penalty Rate From	Interest Rate From	Revenue Due
Sep-19	08-282866	203	1.00000000	2.678887	1.965852	\$1,069.06	\$133.63	\$0.00	\$133.63	593	6.50%	\$25.00	\$12.71	\$171.34
Oct-19	08-282866	990	1.00000000	2.623349	2.010180	\$5,220.67	\$652.58	\$0.00	\$652.58	563	6.50%	\$65.26	\$58.57	\$776.41
Nov-19	08-282866	830	1.00000000	2.762127	1.995628	\$4,575.11	\$571.89	\$0.00	\$571.89	532	5.75%	\$57.19	\$42.61	\$671.69
Dec-19	08-282866	445	1.00000000	3.422159	2.009770	\$3,060.60	\$382.57	\$0.00	\$382.57	501	5.75%	\$38.26	\$26.64	\$447.47
Jan-20	08-282866	(106)	1.00000000	3.105962	2.034536	(\$669.83)	(\$83.73)	\$0.00	(\$83.73)	472	5.75%	\$0.00	\$0.00	(\$83.73)
Feb-20	08-282866	930	1.00000000	2.260268	2.038814	\$4,275.18	\$534.40	\$0.00	\$534.40	441	5.75%	\$53.44	\$32.16	\$620.00
Mar-20	08-282866	2,181	1.00000000	1.714106	2.038285	\$7,620.06	\$952.51	\$0.00	\$952.51	411	5.75%	\$95.25	\$52.82	\$1,100.58
Apr-20	08-282866	637	1.00000000	0.349074	2.026488	\$450.61	\$56.33	\$0.00	\$56.33	380	5.75%	\$25.00	\$2.85	\$84.18
TOTALS		6,110				\$25,601.45	\$3,200.18	\$0.00	\$3,200.18			\$359.40	\$228.36	\$3,787.94

ATTN: Patty Burg
 E-MAIL: Patty.Burg@bpx.com

COMMENTS: SALES VOLUMES REPORTED TO THE GLO WERE COMPARED TO VOLUMES REPORTED TO THE RRC.
 IT HAS BEEN DETERMINED THAT THE SALES VOLUMES HAVE BEEN UNDER PAID.

COLUMN (3) RRC VOLUME - REPRESENTS UNDER REPORTED SALES VOLUMES TO THE GLO FROM RRC WELL ID# 08-282866 08-285800

COLUMN (5) PRICE - TAKEN FROM PRODUCTION ROYALTY REPORTS SUBMITTED TO THE TEXAS GENERAL LAND OFFICE

COLUMN (6) BTU - TAKEN FROM PRODUCTION ROYALTY REPORTS SUBMITTED TO THE TEXAS GENERAL LAND OFFICE

COLUMN (13)(14)(15) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENT:

<http://www.glo.texas.gov/energy-business/oil-gas/rrac/forms/penalty-interest-assessment-rules.pdf>

NOTE 1: PLEASE REMIT PAYMENT OF THIS INVOICE SEPARATELY FROM REGULAR ROYALTY PAYMENTS. THE PREFERRED METHOD OF PAYMENT IS BY CHECK ACCOMPANIED WITH THE BOTTOM HALF OF THE ATTACHED INVOICE. IF PAYMENT IS MADE THROUGH ACH DEBIT, SEND AN EMAIL TO account.services@glo.texas.gov NOTING YOUR COMPANY NAME, CUSTOMER ID, INVOICE NUMBER, REMITTANCE DATE AND AMOUNT OF PAYMENT.

File No. MF 111 133

Recon Billing County

Date Filed: 8/16/2021

George P. Bush, Commissioner

By VD



Texas General Land Office

Reconciliation Billing

George P. Bush, Commissioner

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

BPX Operating Company
Attn: Patty Burg
Office: WM11 6025-1
15377 Memorial Drive
Houston, TX 77079-4101

Billing Date: 6/10/2021
Billing Due Date: 7/10/2021
Customer Number: C000046383

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
21I00812	MF111133	\$0.00	\$1,455.73	\$248.12	\$111.88	\$1,815.73
Total Due		\$0.00	\$1,455.73	\$248.12	\$111.88	\$1,815.73

Penalty and interest have been calculated thru 6/30/2021. Payment remitted after 6/30/2021 will result in additional penalty and interest charges.

Charlton, Andrea M (512) 463-5190 or Andrea.Charlton@GLO.TEXAS.GOV

NOTICE

- Please update GLO1 and GLO2 production reports to correct volumes.
- Please do not update GLO3 report to include billed royalty, penalty or interest. This receivable has already been recorded.
- For questions regarding this invoice, email us at glo123@glo.texas.gov.

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

Detach and return with payment

Reconciliation Billing

BPX Operating Company

Billing Date: 6/10/2021

Billing Due Date: 7/10/2021

Customer Number: C000046383

Remit Payment To:

Texas General Land Office

PO Box 12873

Austin, TX 78711-2873

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
21I00812	MF111133	\$0.00	\$1,455.73	\$248.12	\$111.88	\$1,815.73
Total Due		\$0.00	\$1,455.73	\$248.12	\$111.88	\$1,815.73
Amt. Paid						

Customer ID: C000046383
 Invoice Number:
 GLO Lease: MF111133
 GLO Review: BPX OPERATING COMPANY
 Review Period: SEPT 2019 Through AUG 2020

Category: Oil
 Auditor/AE: Acharito
 Billing Date: 6/5/2021
 P&I Calculation Date: 6/30/2021
 Royalty Rate: 12.50%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	RRC Number	Gas/Oil Volume	Tract Participa	Price	BTU	Gross Value	Royalty Due	Royalty Paid	Additional Roy	Number of Day	Interest Rate For	Penalty Rate From	Interest Rate From	Revenue Due
Sep-19	08-282866	32	1.00000000	52.916960	1.000000	\$1,693.34	\$211.67	\$0.00	\$211.67	603	6.50%	\$25.00	\$20.51	\$257.18
Oct-19	08-282866	12	1.00000000	50.332310	1.000000	\$603.99	\$75.50	\$0.00	\$75.50	573	6.50%	\$25.00	\$6.91	\$107.41
Nov-19	08-282866	7	1.00000000	53.706950	1.000000	\$375.95	\$46.99	\$0.00	\$46.99	542	5.75%	\$25.00	\$3.58	\$75.57
Dec-19	08-282866	138	1.00000000	56.882080	1.000000	\$7,849.73	\$981.22	\$0.00	\$981.22	511	5.75%	\$98.12	\$69.87	\$1,149.21
Jan-20	08-282866	18	1.00000000	54.485940	1.000000	\$980.75	\$122.59	\$0.00	\$122.59	482	5.75%	\$25.00	\$8.17	\$155.76
Feb-20	08-282866	4	1.00000000	47.334520	1.000000	\$189.34	\$23.67	\$0.00	\$23.67	451	5.75%	\$25.00	\$1.46	\$50.13
Mar-20	08-282866	7	1.00000000	27.590000	1.000000	\$193.13	\$24.14	\$0.00	\$24.14	421	5.75%	\$25.00	\$1.38	\$50.52
Jun-20	08-282866	(7)	1.00000000	34.338860	1.000000	(\$240.37)	(\$30.05)	\$0.00	(\$30.05)	329	5.75%	\$0.00	\$0.00	(\$30.05)
TOTALS		211				\$11,645.85	\$1,455.73	\$0.00	\$1,455.73			\$248.12	\$111.88	\$1,815.73

ATTENTION: Patty Burg
 E-MAIL : Patty.Burg@bpx.com

COMMENTS: SALES VOLUMES REPORTED TO THE GLO WERE COMPARED TO VOLUMES REPORTED TO THE RRC.
 IT HAS BEEN DETERMINED THAT THE SALES VOLUMES HAVE BEEN UNDER PAID.

COLUMN (3) RRC VOLUME - REPRESENTS UNDER REPORTED SALES VOLUMES TO THE GLO FROM RRC WELL ID# 08-282866 08-285800 UNIT 8292

COLUMN (5) PRICE - TAKEN FROM PRODUCTION ROYALTY REPORTS SUBMITTED TO THE TEXAS GENERAL LAND OFFICE

COLUMN (5) PRICE - TAKEN FROM NYMEX PRICING 202003

COLUMN (13)(14)(15) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENT:

<http://www.glo.texas.gov/energy-business/oil-gas/rrac/forms/penalty-interest-assessment-rules.pdf>

NOTE 1 : PLEASE REMIT PAYMENT OF THIS INVOICE SEPARATELY FROM REGULAR ROYALTY PAYMENTS. THE PREFERRED METHOD OF PAYMENT IS BY CHECK
 ACCOMPANIED WITH THE BOTTOM HALF OF THE ATTACHED INVOICE. IF PAYMENT IS MADE THROUGH ACH DEBIT, SEND AN EMAIL TO account.services@glo.texas.gov
 NOTING YOUR COMPANY NAME, CUSTOMER ID, INVOICE NUMBER, REMITTANCE DATE AND AMOUNT OF PAYMENT.

File No. MF111/33 37

Recon Billing County

Date Filed: 8/16/2021

George P. Bush, Commissioner
By VD



Texas General Land Office

Reconciliation Billing

George P. Bush, Commissioner

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

BPX Operating Company
Attn: Patty Burg
Office: WM11 6025-1
15377 Memorial Drive
Houston, TX 77079-4101

Billing Date: 6/10/2021
Billing Due Date: 7/10/2021
Customer Number: C000046383

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
21I00814	MF111133	\$16,439.47	\$0.00	\$2,811.66	\$2,358.56	\$21,609.69
Total Due		\$16,439.47	\$0.00	\$2,811.66	\$2,358.56	\$21,609.69

Penalty and interest have been calculated thru 6/30/2021. Payment remitted after 6/30/2021 will result in additional penalty and interest charges.

Charlton, Andrea M (512) 463-5190 or Andrea.Charlton@GLO.TEXAS.GOV

NOTICE

- Please update GLO1 and GLO2 production reports to correct volumes.
- Please do not update GLO3 report to include billed royalty, penalty or interest. This receivable has already been recorded.
- For questions regarding this invoice, email us at glo123@glo.texas.gov.

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Detach and return with payment

Reconciliation Billing

BPX Operating Company

Billing Date: 6/10/2021

Billing Due Date: 7/10/2021

Customer Number: C000046383

Remit Payment To:

Texas General Land Office

PO Box 12873

Austin, TX 78711-2873

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
21I00814	MF111133	\$16,439.47	\$0.00	\$2,811.66	\$2,358.56	\$21,609.69
Total Due		\$16,439.47	\$0.00	\$2,811.66	\$2,358.56	\$21,609.69
Amt. Paid						

Customer ID: C000046383		Category: Gas												
Invoice Number: MF111133		Auditor/AE: Acharilo												
GLO Lease: BPX OPERATING COMPANY		Billing Date: 6/1/2021												
GLO Review: 201909-202008		P&I Calculation Date: 6/30/2021												
Review Period:		Royalty Rate: 12.50%												
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	RRC Number	Gas/Oil Volume	Tract Particip	Price	BTU	Gross Value	Royalty Due	Royalty Paid	Additional Roy	Number of Day	Interest Rate For	Penalty Rate For	Interest Rate From	Revenue Due
Sep-19	08-285128	4,180	1,000000000	2,678887	1,965852	\$22,013.11	\$2,751.64	\$0.00	\$2,751.64	593	6.50%	\$275.16	\$261.67	\$3,288.47
Oct-19	08-285128	20,591	1,000000000	2,623349	2,010180	\$108,584.66	\$13,573.08	\$0.00	\$13,573.08	563	6.50%	\$1,357.31	\$1,218.23	\$16,148.62
Nov-19	08-285128	17,114	1,000000000	2,762127	1,995628	\$94,335.41	\$11,791.93	\$0.00	\$11,791.93	532	5.75%	\$1,179.19	\$878.66	\$13,849.78
Dec-19	08-285128	(9,354)	1,000000000	3,423780	1,004885	(\$32,182.49)	(\$4,022.81)	\$0.00	(\$4,022.81)	501	5.75%	\$0.00	\$0.00	(\$4,022.81)
Jan-20	08-285128	(12,904)	1,000000000	3,105500	1,017268	(\$40,765.36)	(\$5,095.67)	\$0.00	(\$5,095.67)	472	5.75%	\$0.00	\$0.00	(\$5,095.67)
Feb-20	08-285128	(3,320)	1,000000000	2,259915	1,016907	(\$7,629.77)	(\$953.72)	\$0.00	(\$953.72)	441	5.75%	\$0.00	\$0.00	(\$953.72)
Mar-20	08-285128	(292)	1,000000000	1,714203	1,019145	(\$510.13)	(\$63.77)	\$0.00	(\$63.77)	411	5.75%	\$0.00	\$0.00	(\$63.77)
Apr-20	08-285128	(87)	1,000000000	0,348962	1,013233	(\$30.76)	(\$3.85)	\$0.00	(\$3.85)	380	5.75%	\$0.00	\$0.00	(\$3.85)
May-20	08-285128	(4,277)	1,000000000	1,513036	1,005237	(\$8,505.14)	(\$813.14)	\$0.00	(\$813.14)	350	5.75%	\$0.00	\$0.00	(\$813.14)
Jul-20	08-285128	(1,362)	1,000000000	1,343726	1,005398	(\$1,840.03)	(\$230.00)	\$0.00	(\$230.00)	288	5.75%	\$0.00	\$0.00	(\$230.00)
Aug-20	08-285128	(2,818)	1,000000000	1,386155	1,012181	(\$3,953.77)	(\$494.22)	\$0.00	(\$494.22)	258	5.75%	\$0.00	\$0.00	(\$494.22)
TOTALS		7,471				\$131,515.73	\$16,439.47	\$0.00	\$16,439.47			\$2,811.66	\$2,358.56	\$21,609.69

ATTN: Patty Burg
E-MAIL: Patty.Burg@bpx.com

COMMENTS: SALES VOLUMES REPORTED TO THE GLO WERE COMPARED TO VOLUMES REPORTED TO THE RRC.
IT HAS BEEN DETERMINED THAT THE SALES VOLUMES HAVE BEEN UNDER PAID.

COLUMN (3) RRC VOLUME - REPRESENTS UNDER REPORTED SALES VOLUMES TO THE GLO FROM RRC WELL ID# 08-285128
COLUMN (5) PRICE - TAKEN FROM PRODUCTION ROYALTY REPORTS SUBMITTED TO THE TEXAS GENERAL LAND OFFICE
COLUMN (6) BTU - TAKEN FROM PRODUCTION ROYALTY REPORTS SUBMITTED TO THE TEXAS GENERAL LAND OFFICE
COLUMN (13)(14)(15) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENT:
<http://www.glo.texas.gov/energy-business/oil-gas/rac/forms/penalty-interest-assessment-rules.pdf>

NOTE 1: PLEASE REMIT PAYMENT OF THIS INVOICE SEPARATELY FROM REGULAR ROYALTY PAYMENTS. THE PREFERRED METHOD OF PAYMENT IS BY CHECK
ACCOMPANIED WITH THE BOTTOM HALF OF THE ATTACHED INVOICE. IF PAYMENT IS MADE THROUGH ACH DEBIT, SEND AN EMAIL TO account.services@glo.texas.gov
NOTING YOUR COMPANY NAME, CUSTOMER ID, INVOICE NUMBER, REMITTANCE DATE AND AMOUNT OF PAYMENT.

File No. MF11133

County

Recon BillingDate Filed: 8/16/2021

George P. Bush, Commissioner

By VD



Texas General Land Office

Reconciliation Billing

George P. Bush, Commissioner

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

BPX Operating Company
Attn: Patty Burg
Office: WM11 6025-1
15377 Memorial Drive
Houston, TX 77079-4101

Billing Date: 6/10/2021
Billing Due Date: 7/10/2021
Customer Number: C000046383

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
21I00815	MF111133	\$0.00	\$333.49	\$150.00	\$49.96	\$533.45
Total Due		\$0.00	\$333.49	\$150.00	\$49.96	\$533.45

Penalty and interest have been calculated thru 6/30/2021. Payment remitted after 6/30/2021 will result in additional penalty and interest charges.

Charlton, Andrea M (512) 463-5190 or Andrea.Charlton@GLO.TEXAS.GOV

NOTICE

- Please update GLO1 and GLO2 production reports to correct volumes.
- Please do not update GLO3 report to include billed royalty, penalty or interest. This receivable has already been recorded.
- For questions regarding this invoice, email us at glo123@glo.texas.gov.

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

Detach and return with payment

Reconciliation Billing

BPX Operating Company

Billing Date: 6/10/2021

Billing Due Date: 7/10/2021

Customer Number: C000046383

Remit Payment To:

Texas General Land Office

PO Box 12873

Austin, TX 78711-2873

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
21I00815	MF111133	\$0.00	\$333.49	\$150.00	\$49.96	\$533.45
Total Due		\$0.00	\$333.49	\$150.00	\$49.96	\$533.45
Amt. Paid						

Customer ID: C000046383
 Invoice Number:
 GLO Lease: MF111133
 GLO Review: BPX OPERATING COMPANY
 Review Period: SEPT 2019 Through AUG 2020

Category: Oil
 Auditor/AE: Acharito
 Billing Date: 6/1/2021
 P&I Calculation Date: 6/30/2021
 Royalty Rate: 12.50%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	RRC Number	Gas/Oil Volume	Tract Participa	Price	BTU	Gross Value	Royalty Due	Royalty Paid	Additional Roy	Number of Day	Interest Rate For	Penalty Rate From	Interest Rate From	Revenue Due
Sep-19	08-285128	(50)	1.00000000	52.917000	1.000000	(\$2,645.85)	(\$330.73)	\$0.00	(\$330.73)	603	6.50%	\$0.00	\$0.00	(\$330.73)
Oct-19	08-285128	39	1.00000000	50.332300	1.000000	\$1,962.96	\$245.37	\$0.00	\$245.37	573	6.50%	\$25.00	\$22.46	\$292.83
Nov-19	08-285128	19	1.00000000	53.707000	1.000000	\$1,020.43	\$127.55	\$0.00	\$127.55	542	5.75%	\$25.00	\$9.71	\$162.26
Dec-19	08-285128	8	1.00000000	56.882000	1.000000	\$455.06	\$56.88	\$0.00	\$56.88	511	5.75%	\$25.00	\$4.05	\$85.93
Jan-20	08-285128	17	1.00000000	54.485800	1.000000	\$926.26	\$115.78	\$0.00	\$115.78	482	5.75%	\$25.00	\$7.72	\$148.50
Mar-20	08-285128	12	1.00000000	26.975400	1.000000	\$323.70	\$40.46	\$0.00	\$40.46	421	5.75%	\$25.00	\$2.31	\$67.77
May-20	08-285128	44	1.00000000	14.213700	1.000000	\$625.40	\$78.18	\$0.00	\$78.18	360	5.75%	\$25.00	\$3.71	\$106.89
TOTALS		89				\$2,667.96	\$333.49	\$0.00	\$333.49			\$150.00	\$49.96	\$533.45

ATTENTION: Patty Burg
 E-MAIL : Patty.Burg@bpx.com

COMMENTS: SALES VOLUMES REPORTED TO THE GLO WERE COMPARED TO VOLUMES REPORTED TO THE RRC.
 IT HAS BEEN DETERMINED THAT THE SALES VOLUMES HAVE BEEN UNDER PAID.

COLUMN (3) RRC VOLUME - REPRESENTS UNDER REPORTED SALES VOLUMES TO THE GLO FROM RRC WELL ID# 08-285128 UNIT 9591.

COLUMN (5) PRICE - TAKEN FROM PRODUCTION ROYALTY REPORTS SUBMITTED TO THE TEXAS GENERAL LAND OFFICE

COLUMN (13)(14)(15) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENT:

<http://www.glo.texas.gov/energy-business/oil-gas/rrac/forms/penalty-interest-assessment-rules.pdf>

NOTE 1: PLEASE REMIT PAYMENT OF THIS INVOICE SEPARATELY FROM REGULAR ROYALTY PAYMENTS. THE PREFERRED METHOD OF PAYMENT IS BY CHECK
 ACCOMPANIED WITH THE BOTTOM HALF OF THE ATTACHED INVOICE. IF PAYMENT IS MADE THROUGH ACH DEBIT, SEND AN EMAIL TO account.services@glo.texas.gov
 NOTING YOUR COMPANY NAME, CUSTOMER ID, INVOICE NUMBER, REMITTANCE DATE AND AMOUNT OF PAYMENT.

File No. MF 111 133Recon Billing CountyDate Filed: 8/16/2021

George P. Bush, Commissioner

By UD



BHP BILLITON PETROLEUM (TX GATHERING) LLC

2288

17708385

161

North America Shale - Permian Production Unit



BHP Billiton Petroleum
3800 E. 42nd Street
Suite 105
Odessa, Texas 79762
bhpbilliton.com

General Land Office State Of Texas
1700 N Congress Ave
Austin, TX 78701

RE: **Surface Damage Payment**
Duvall Lateral (Sec. 24, Blk. 113)
Culberson County, Texas

Dear Sir or Madam,

In regard to the above referenced well and in accordance with the terms of your lease with BHP Billiton Petroleum Properties (N.A.), enclosed herein, please find a check in the amount of \$4,722.80 which is made payable to the addressee above for surface damages resulting from drilling operations for the subject well.

Please note that the surface owner negotiated the price per linear foot, which was used to calculate your payment. Enclosed is a breakdown of the payments being made to all surface owners along with copies of the certified plats used to determine your payment.

The enclosed check covers damages for the pipeline. By cashing Check No. 2288 in the amount of \$4,722.80, you agree this payment is the full and final settlement for the damages listed above.

Should you have any questions regarding this matter, please do not hesitate to contact me at the telephone number listed below.

Respectfully,

Mark E. Winsett
Independent Contractor
(812) 480-1734 mobile
markewinsett@gmail.com

Duvall Lateral (Sec, 24, Blk 113)

Cocanougher Asset #2, LTD (Sec 24, Blk 113)

25% of 944.56 LF at \$10.00 per LF = \$2,361.40 (50% = \$1,180.70)

Yellow Top Ranch, Inc (Sec 24, Blk 113)

75% of 944.56 LF at \$10.00 per LF = \$7,084.20 (50% = \$3,542.10)

Plats and checks are enclosed

EXHIBIT "A", PAGE 1 OF 4
CENTERLINE DESCRIPTION FOR TWO 40' WIDE PERMITS

YELLOW TOP RANCH, INC. ET AL

"DUVALL LATERAL"

A CENTERLINE DESCRIPTION OF A PROPOSED PIPELINE IN, OVER, ACROSS, AND THROUGH A 640 ACRE TRACT RECORDED IN VOLUME 194, PAGE 502, CULBERSON COUNTY, TEXAS DEED RECORDS, BEING OUT OF ABSTRACT NUMBER 1853, L. E. MC GILVREY, ORIGINAL GRANTEE, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A IRON PIPE, BEING THE NORTHWEST CORNER OF SECTION 18, BLOCK 45, CULBERSON COUNTY, TEXAS; THENCE S 72°31'28" W A DISTANCE OF 4,901.49 FEET TO THE POINT OF BEGINNING OF A 40 FOOT WIDE PERMIT BEING 20 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE;

THENCE N 01°34'47" E A DISTANCE OF 80.36 FEET TO A POINT;
THENCE N 88°01'57" W A DISTANCE OF 700.30 FEET TO THE POINT OF TERMINATION, SAID POINT BEING LOCATED ON THE WEST LINE OF SECTION 24, BLOCK 113, CULBERSON COUNTY, TEXAS AND THE EAST LINE OF SECTION 23, BLOCK 113, CULBERSON COUNTY, TEXAS, ALSO BEING N 01°53'27" E A DISTANCE OF 2,886.38 FEET FROM A 5/8 INCH IRON REBAR AT THE SOUTHWEST CORNER OF SECTION 24, BLOCK 113, CULBERSON COUNTY, TEXAS.

THE ABOVE DESCRIBED CENTERLINE HAS A TOTAL LENGTH OF 780.66 FEET OR 47.31 RODS AND CONTAINS 0.72 ACRES OF PERMIT, MORE OR LESS. LESS AND EXCEPT ALL EASEMENTS AND RIGHTS-OF-WAY OF RECORD.

"DUVALL TO HSS STATE COMPRESSOR LATERAL"

A CENTERLINE DESCRIPTION OF A PROPOSED PIPELINE IN, OVER, ACROSS, AND THROUGH A 640 ACRE TRACT RECORDED IN VOLUME 194, PAGE 502, CULBERSON COUNTY, TEXAS DEED RECORDS, BEING OUT OF ABSTRACT NUMBER 1853, L. E. MC GILVREY, ORIGINAL GRANTEE, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A IRON PIPE, BEING THE NORTHWEST CORNER OF SECTION 18, BLOCK 45, CULBERSON COUNTY, TEXAS; THENCE S 77°15'00" W A DISTANCE OF 5,460.58 FEET TO THE POINT OF BEGINNING OF A 40 FOOT WIDE PERMIT BEING 20 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE;

THENCE S 01°58'03" W A DISTANCE OF 163.90 FEET TO THE POINT OF TERMINATION, SAID POINT BEING N 02°42'45" E A DISTANCE OF 2,886.62 FEET FROM A 5/8 INCH IRON REBAR AT THE SOUTHWEST CORNER OF SECTION 24, BLOCK 113, CULBERSON COUNTY, TEXAS.

THE ABOVE DESCRIBED CENTERLINE HAS A TOTAL LENGTH OF 163.90 FEET OR 9.93 RODS AND CONTAINS 0.15 ACRES OF PERMIT, MORE OR LESS. LESS AND EXCEPT ALL EASEMENTS AND RIGHTS-OF-WAY OF RECORD.

THE ABOVE TWO DESCRIBED CENTERLINES HAVE A TOTAL COMBINED LENGTH OF 944.56 FEET OR 57.24 RODS AND CONTAIN 0.87 ACRES OF PERMIT, MORE OR LESS. LESS AND EXCEPT ALL EASEMENTS AND RIGHTS-OF-WAY OF RECORD.

BASIS OF BEARINGS: TEXAS STATE PLANE GRID, CENTRAL ZONE, NAD83 AS DETERMINED BY GPS OBSERVATION.

ALL DISTANCES ARE GRID DISTANCES BASED ON U.S. SURVEY FEET

THIS LEGAL DESCRIPTION ACCOMPANIES A SKETCH PREPARED FOR THIS TRACT OF LAND.



Shannon D. Ozment
11/2/2016

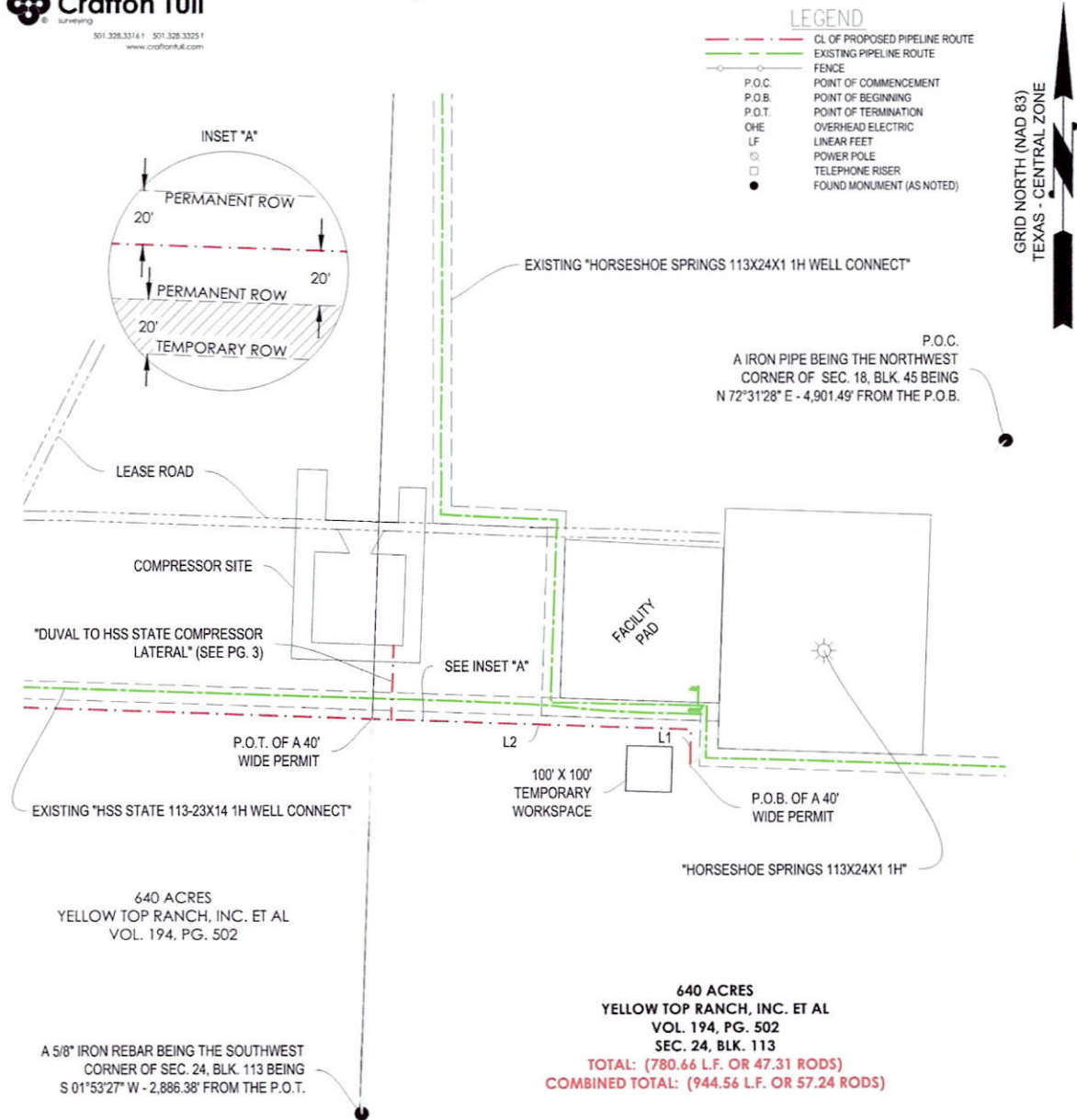
CONTACT INFORMATION:

Shannon D. Ozment
Crafton Tull (10193715)
1000 LedgeLawn Dr.
Conway, AR 72034

1000 LedgeLawn Dr.
Conway, Arkansas 72034



501.328.3316 f 501.328.3325 f
www.craftontull.com



"DUVALL LATERAL"

NUMBER	BEARING	DISTANCE
L1	N 01°34'47" E	80.36'
L2	N 88°01'57" W	700.30'

- GENERAL NOTES**
- THE LOCATIONS OF UNDERGROUND UTILITIES AS SHOWN HEREON ARE BASED ON REASONABLE VISUAL OBSERVATION. LOCATIONS OF UNDERGROUND UTILITIES/ STRUCTURES MAY VARY FROM LOCATIONS SHOWN HEREIN. ADDITIONAL BURIED UTILITIES/ STRUCTURES MAY BE ENCOUNTERED. NO EXCAVATIONS WERE MADE DURING THE PROGRESS OF THIS SURVEY TO LOCATE BURIED UTILITIES/ STRUCTURES. BEFORE EXCAVATIONS ARE BEGUN, THE OFFICES OF THE VARIOUS UTILITIES SERVICING THIS AREA SHOULD BE CONTACTED FOR THEIR UTILITY LOCATION.
 - BASIS OF BEARINGS: TEXAS STATE PLANE GRID, CENTRAL ZONE, NAD83 AS DETERMINED BY GPS OBSERVATION.
 - COMBINED SCALE FACTOR AT P.O.C. - 0.999806981
 - VERTICAL DATUM IS NAVD 88
 - AREAS, DISTANCES, AND COORDINATES ARE "GRID" BASED ON U.S. SURVEY FEET
 - THIS PLAT DOES NOT REPRESENT A BOUNDARY SURVEY.



CONTACT INFORMATION:

Shannon D. Ozment
Crafton Tull (10193715)
1000 Ledgeview Dr.
Conway, AR 72034

THIS SKETCH ACCOMPANIES A LEGAL DESCRIPTION PREPARED FOR THIS TRACT OF LAND.

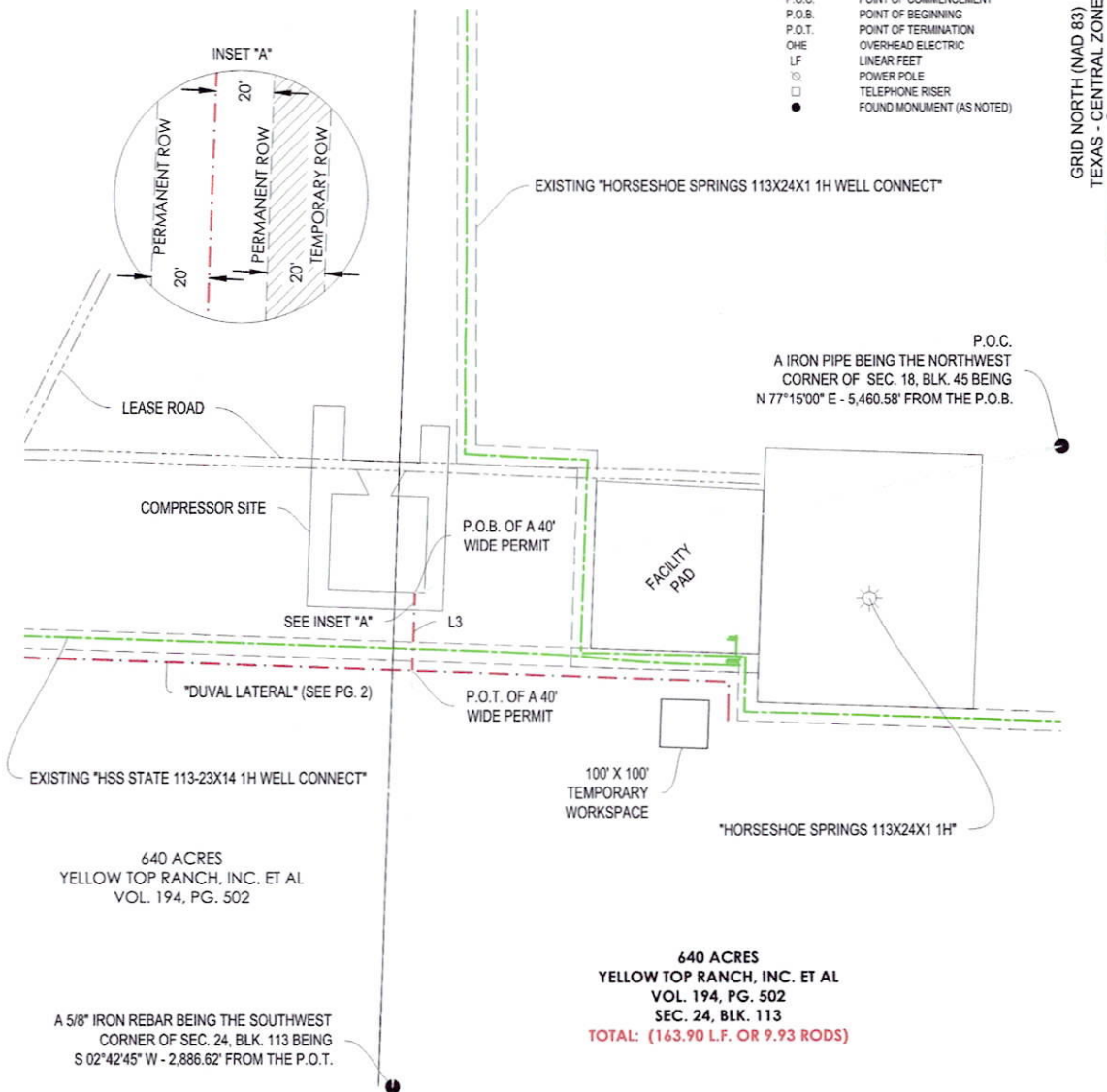


REVISION	BHP BILLITON PETROLEUM (TX GATHERING), LLC			
	"DUVALL LATERAL" YELLOW TOP RANCH, INC. ET AL SECTION 24, BLOCK 113 CULBERSON COUNTY, TEXAS TRACT NO. 01			
	SCALE: 1" = 300'	CHECKED BY:	SO	APPROVED BY: XX
	PLOT DATE: 11-02-2016	DRAWN BY:	LP	SHEET NO.: 2 OF 4

LEGEND

- CL OF PROPOSED PIPELINE ROUTE
- EXISTING PIPELINE ROUTE
- FENCE
- P.O.C. POINT OF COMMENCEMENT
- P.O.B. POINT OF BEGINNING
- P.O.T. POINT OF TERMINATION
- OHE OVERHEAD ELECTRIC
- LF LINEAR FEET
- POWER POLE
- TELEPHONE RISER
- FOUND MONUMENT (AS NOTED)

GRID NORTH (NAD 83)
TEXAS - CENTRAL ZONE



"DUVALL TO HSS STATE COMPRESSOR LATERAL"

NUMBER	BEARING	DISTANCE
L3	S 01°58'03" W	163.90'



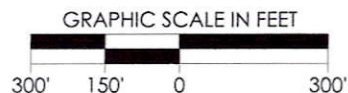
CONTACT INFORMATION:

Shannon D. Ozment
Crafton Tull (10193715)
1000 Ledgeview Dr.
Conway, AR 72034

GENERAL NOTES

- THE LOCATIONS OF UNDERGROUND UTILITIES AS SHOWN HEREON ARE BASED ON REASONABLE VISUAL OBSERVATION. LOCATIONS OF UNDERGROUND UTILITIES/STRUCTURES MAY VARY FROM LOCATIONS SHOWN HEREIN. ADDITIONAL BURIED UTILITIES/STRUCTURES MAY BE ENCOUNTERED. NO EXCAVATIONS WERE MADE DURING THE PROGRESS OF THIS SURVEY TO LOCATE BURIED UTILITIES/STRUCTURES. BEFORE EXCAVATIONS ARE BEGUN, THE OFFICES OF THE VARIOUS UTILITIES SERVICING THIS AREA SHOULD BE CONTACTED FOR THEIR UTILITY LOCATION.
- BASIS OF BEARINGS: TEXAS STATE PLANE GRID, CENTRAL ZONE, NAD83 AS DETERMINED BY GPS OBSERVATION.
- COMBINED SCALE FACTOR AT P.O.C. - 0.999809981
- VERTICAL DATUM IS NAVD 88
- AREAS, DISTANCES, AND COORDINATES ARE "GRID" BASED ON U.S. SURVEY FEET.
- THIS PLAT DOES NOT REPRESENT A BOUNDARY SURVEY.

THIS SKETCH ACCOMPANIES A LEGAL DESCRIPTION
PREPARED FOR THIS TRACT OF LAND.



REVISION



BHP BILLITON PETROLEUM (TX GATHERING), LLC

"DUVAL TO HSS STATE COMPRESSOR LATERAL"
YELLOW TOP RANCH, INC. ET AL
SECTION 24, BLOCK 113
CULBERSON COUNTY, TEXAS
TRACT NO. 01

SCALE: 1" = 300'
PLOT DATE: 11-02-2016

CHECKED BY:
DRAWN BY:

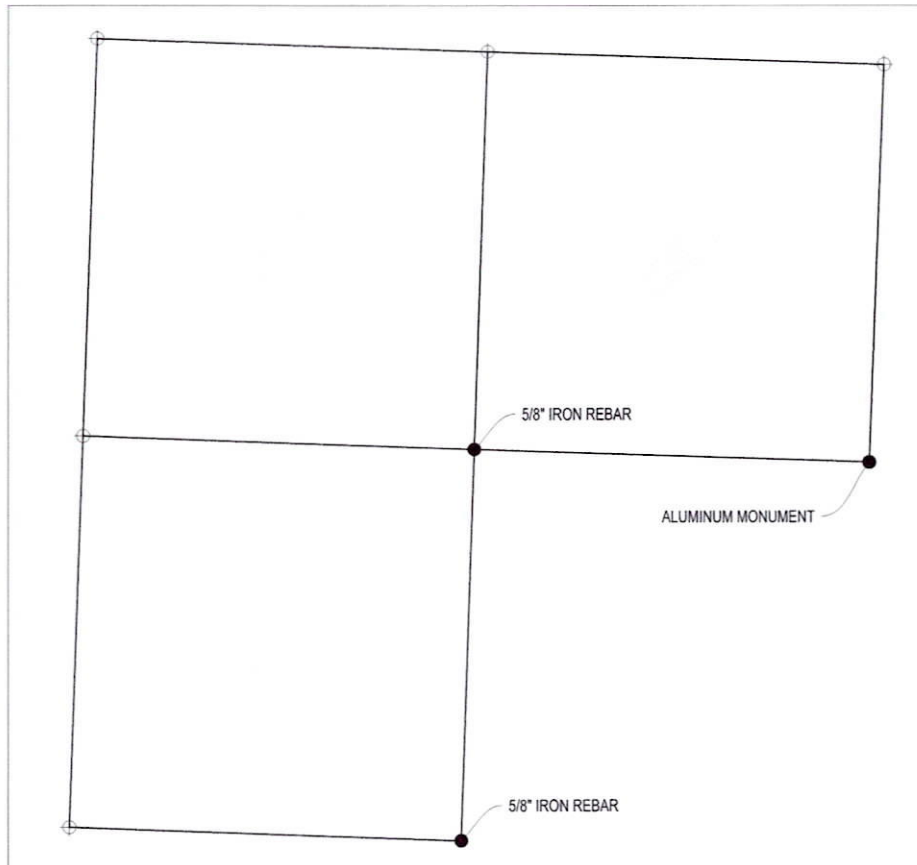
SO LP APPROVED BY:
SHEET NO.: 3 OF 4

XX

LEGEND

● FOUND MONUMENT (AS NOTED)
⊕ CALCULATED CORNER

GRID NORTH (NAD 83)
TEXAS - CENTRAL ZONE



REFERENCE CORNERS

LOCATION	DESCRIPTION	NAD83 (1986)		NAD27	
		STATE PLANE TEXAS CENTRAL (2277)	GEOGRAPHIC (4269)	STATE PLANE TEXAS CENTRAL (32039)	GEOGRAPHIC (4267)
SE CORNER 111-2	5/8" IRON REBAR	N = 10597012.60 E = 1119553.69	LAT: 31.68611172 LONG: -104.11807850	N = 754436.58 E = 823092.42	LAT: 31.68598576 LONG: -104.11760082

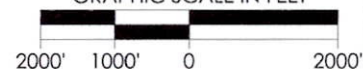
SECTION CORNERS

LOCATION	DESCRIPTION	NAD83 (1986)		NAD27	
		STATE PLANE TEXAS CENTRAL (2277)	GEOGRAPHIC (4269)	STATE PLANE TEXAS CENTRAL (32039)	GEOGRAPHIC (4267)
NE CORNER 113-24	CALCULATED CORNER	N = 10607481.09 E = 1125229.09	LAT: 31.71540258 LONG: -104.10098285	N = 764904.88 E = 828767.84	LAT: 31.71527702 LONG: -104.10050534
SE CORNER 113-24	ALUMINUM MONUMENT	N = 10602111.03 E = 1125037.75	LAT: 31.70063095 LONG: -104.10101303	N = 759534.91 E = 828576.46	LAT: 31.70050514 LONG: -104.10053572
SW CORNER 113-24	5/8" IRON REBAR	N = 10602289.69 E = 1119728.28	LAT: 31.70062642 LONG: -104.11809461	N = 823267.06 E = 759713.58	LAT: 31.70050071 LONG: -104.11761673
NW CORNER 113-24	CALCULATED CORNER	N = 10607659.78 E = 1119905.75	LAT: 31.71539685 LONG: -104.11811167	N = 765083.59 E = 823444.56	LAT: 31.71527141 LONG: -104.11763359

GENERAL NOTES

- THE LOCATIONS OF UNDERGROUND UTILITIES AS SHOWN HEREON ARE BASED ON REASONABLE VISUAL OBSERVATION. LOCATIONS OF UNDERGROUND UTILITIES/STRUCTURES MAY VARY FROM LOCATIONS SHOWN HEREIN. ADDITIONAL BURIED UTILITIES/STRUCTURES MAY BE ENCOUNTERED. NO EXCAVATIONS WERE MADE DURING THE PROGRESS OF THIS SURVEY TO LOCATE BURIED UTILITIES/STRUCTURES. BEFORE EXCAVATIONS ARE BEGUN, THE OFFICES OF THE VARIOUS UTILITIES SERVICING THIS AREA SHOULD BE CONTACTED FOR THEIR UTILITY LOCATION.
- BASIS OF BEARINGS: TEXAS STATE PLANE GRID, CENTRAL ZONE, NAD83 AS DETERMINED BY GPS OBSERVATION.
- COMBINED SCALE FACTOR AT P.O.C. = 0.999800981
- VERTICAL DATUM IS NAVD 88
- AREAS, DISTANCES, AND COORDINATES ARE "GRID" BASED ON U.S. SURVEY FEET.
- THIS PLAT DOES NOT REPRESENT A BOUNDARY SURVEY.

GRAPHIC SCALE IN FEET



REVISION



BHP BILLITON PETROLEUM (TX GATHERING), LLC

"DUVALL LATERAL"
YELLOW TOP RANCH, ET AL
SECTION 24, BLOCK 113
CULBERSON COUNTY, TEXAS
TRACT NO. 01

SCALE: 1" = 2000'
PLOT DATE: 11-02-2016

CHECKED BY:
DRAWN BY:

SO APPROVED BY: XX
ALP SHEET NO.: 4 OF 4

40

File No. ME111133

County

Damages Pmt

Date Filed: 10/8/21

George P. Bush, Commissioner

By 

33371



BPX Operating Company
Attn: BP GBS Americas - P2P Treasury
Payments
150 West Warrenville Road, Building 605, 3rd
Floor
Naperville, IL 60563

PAGE 1 OF 1

03/02/20

X01LH

COMMISSIONER OF THE TEXAS GENERAL
LAND OFFICE
1700 N CONGRESS
AUSTIN, TX 78701-1495 US

VENDOR NUMBER: 0069000251

TRACE NUMBER: 2000007628

DOCUMENT NO.	INVOICE DATE	INVOICE NO.	GROSS AMOUNT	DISCOUNT NO.	NET AMOUNT
1900011303 SURFACE DAMAGES HS STATE 113-1 Surface Damages HS State 113-16 Pad A Expansion	03/02/20	2020.107	10,000.00		10,000.00
			20707496		161
TOTALS			10,000.00		10,000.00

INQUIRIES CONCERNING THIS PAYMENT SHOULD BE
DIRECTED TO OUR OFFICE, PLEASE CALL
(800) 284-2244

IN ORDER TO AFFECT TIMELY INVOICE PAYMENT PLEASE PLACE
YOUR VENDOR NUMBER ON ALL FUTURE INVOICE TO BP.
*** YOUR VENDOR NUMBER IS 0069000251

DETACH AND RETAIN THIS STUB FOR YOUR RECORDS

CHECK NO. 8005000457 ATTACHED BELOW



BP America Production Company
BPX Energy Inc.
3800 E. 42nd Street
Suite 105
Odessa, TX 79762
T+1 432 367 4316
F+1 432 367 4320
www.bp.com

March 23rd, 2020

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

RE: **HS STATE 113-16 PAD A EXPANSION**
Section 16, Block 113
Culberson County, Texas

Dear Sir or Madam,

Enclosed herein, please find **Check No. 8005000457** in the amount of **\$10,000.00** made payable to the addressee above for damages in reference to the above listed pad expansion.

In-Unit Pad Expansion in Section 16 Block 113:

Total Paid - \$20,000

1/2 to GLO - \$10,000

75% remaining to Yellow-Top Ranch, Inc - \$7,500

25% remaining to Cocanougher Asset #2, LTD - \$2,500

Should you have any questions regarding this matter, please do not hesitate to contact me at the telephone number listed below.

Respectfully,

Jon Powers
Contractor – Hydrocarbon Acquisitions, LLC
(773) 315-6597

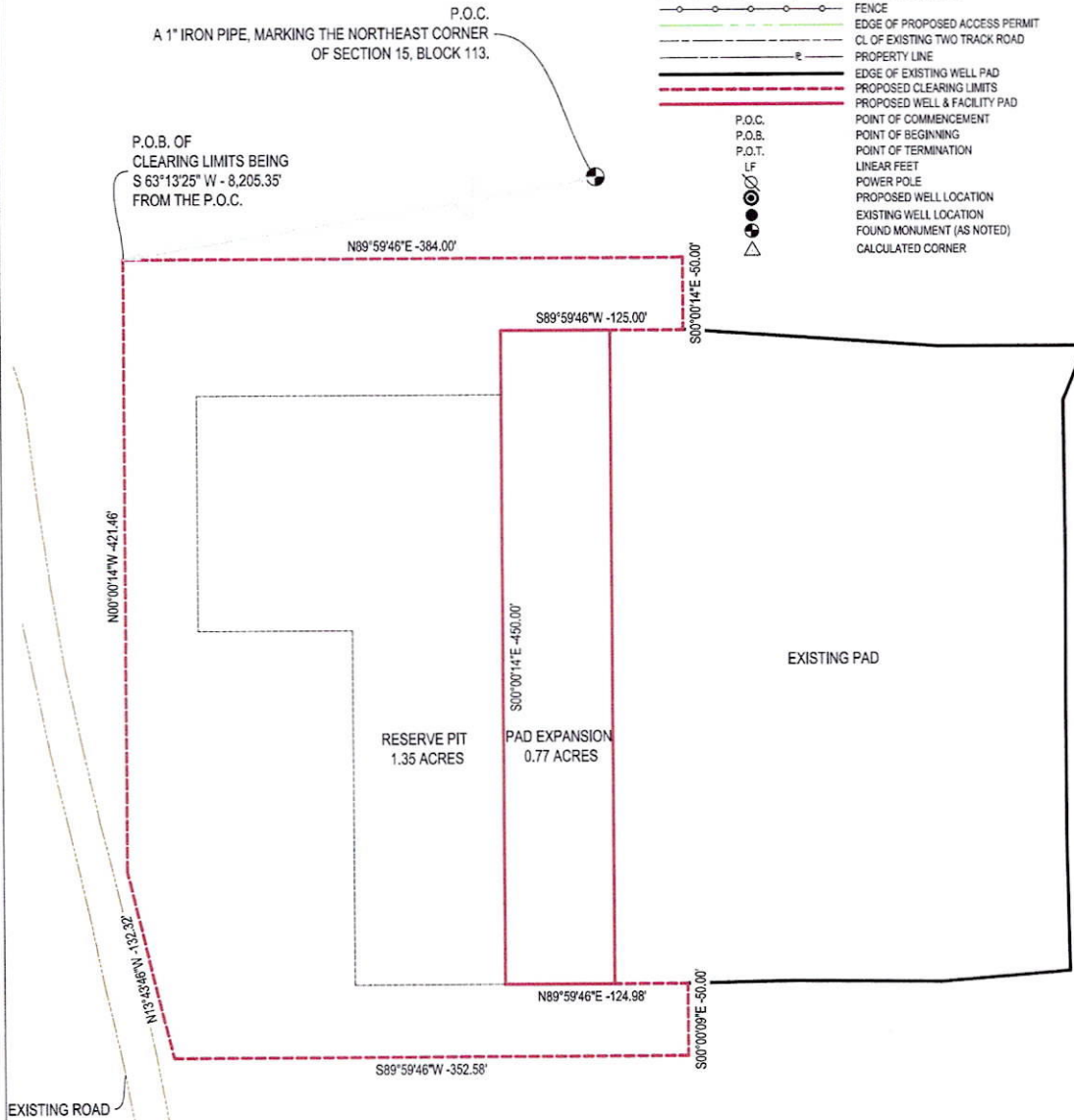
EXHIBIT "A"

CULBERSON COUNTY, TEXAS

LEGEND

- CL OF PROPOSED PIPELINE ROUTE
- SECTION LINE
- EXISTING PIPELINE ROUTE
- OVERHEAD ELECTRIC
- FENCE
- EDGE OF PROPOSED ACCESS PERMIT
- CL OF EXISTING TWO TRACK ROAD
- PROPERTY LINE
- EDGE OF EXISTING WELL PAD
- PROPOSED CLEARING LIMITS
- PROPOSED WELL & FACILITY PAD
- P.O.C.
- P.O.B.
- P.O.T.
- LF
- POINT OF COMMENCEMENT
- POINT OF BEGINNING
- POINT OF TERMINATION
- LINEAR FEET
- POWER POLE
- PROPOSED WELL LOCATION
- EXISTING WELL LOCATION
- FOUND MONUMENT (AS NOTED)
- CALCULATED CORNER

GRID NORTH (NAD 83)
TEXAS - CENTRAL ZONE

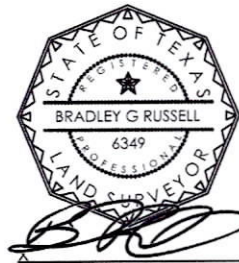


640 ACRES
YELLOW TOP RANCH, INC., ET AL
VOL. 194, PG. 502
SECTION 16, BLOCK 113
PUBLIC SCHOOL LANDS SURVEY A-5115

CLEARING LIMITS TOTAL (INCLUDING RESERVE PIT) 3.51 ACRES

GENERAL NOTES

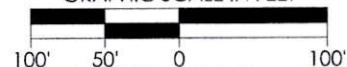
- THE LOCATIONS OF UNDERGROUND UTILITIES AS SHOWN HEREON ARE BASED ON REASONABLE VISUAL OBSERVATION. LOCATIONS OF UNDERGROUND UTILITIES/STRUCTURES MAY VARY FROM LOCATIONS SHOWN HEREIN. ADDITIONAL BURIED UTILITIES/STRUCTURES MAY BE ENCOUNTERED. NO EXCAVATIONS WERE MADE DURING THE PROGRESS OF THIS SURVEY TO LOCATE BURIED UTILITIES/STRUCTURES. BEFORE EXCAVATIONS ARE BEGUN, THE OFFICES OF THE VARIOUS UTILITIES SERVICING THIS AREA SHOULD BE CONTACTED FOR THEIR UTILITY LOCATION.
- PROJECT COORDINATE SYSTEM: TEXAS STATE PLANE, CENTRAL ZONE, NAD83. U.S. SURVEY FEET AS DETERMINED BY GPS OBSERVATION.
- VERTICAL DATUM IS NAVD 88.
- AREA, DISTANCES, AND COORDINATES ARE "GRID".
- THIS PLAT DOES NOT REPRESENT A BOUNDARY SURVEY.



2/21/2020

CONTACT INFORMATION:
Bradley G. Russell
Crafton Tull (10193715)
1000 Ledgeview Dr.
Conway, AR 72034

GRAPHIC SCALE IN FEET



REVISION		BPX PROPERTIES (NA) LP	
1	11/12/19 EXPANDED CLEARING LIMITS & PITS	EXHIBIT "A" YELLOW TOP RANCH, INC., ET AL SECTION 16, BLOCK 113 PUBLIC SCHOOL LANDS SURVEY, A - 5115 CULBERSON COUNTY, TEXAS	
2	11-25-2019 UPDATE LEGEND		
3	2-21-2020 ENTITY CHANGE		
SCALE: 1" = 100'		CHECKED BY: JWB	APPROVED BY: MN
PLOT DATE: 02-21-2020		DRAWN BY: MF	SHEET NO.: 1 OF 1

41

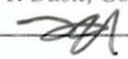
File No. MF111133

County

Damages Pmt

Date Filed: 10/8/21

George P. Bush, Commissioner

By 

2:52:50

bpX energy

BPX Operating Company
Attn: BP GBS Americas - P2P Treasury
Payments
150 West Warrenville Road, Building 605, 3rd
Floor
Naperville, IL 60563

31921

PAGE 1 OF 1

11/24/20

MF 111133

X01LH

COMMISSIONER OF THE TEXAS GENERAL
LAND OFFICE
1700 N CONGRESS
AUSTIN, TX 78701-1495 US

21706463

File

VENDOR NUMBER: 0069000251

TRACE NUMBER: 2000019979

DOCUMENT NO.	INVOICE DATE	INVOICE NO.	GROSS AMOUNT	DISCOUNT NO.	NET AMOUNT
1900046823 HSS FRAC POND 113-16 & 15 CULB HSS Frac Pond 113-16 & 15 Culberson	11/19/20	2020.444	50,000.00		50,000.00
TOTALS			50,000.00		50,000.00

INQUIRIES CONCERNING THIS PAYMENT SHOULD BE
DIRECTED TO OUR OFFICE, PLEASE CALL
(800) 284-2244

IN ORDER TO AFFECT TIMELY INVOICE PAYMENT PLEASE PLACE
YOUR VENDOR NUMBER ON ALL FUTURE INVOICE TO BP.
*** YOUR VENDOR NUMBER IS 0069000251

DETACH AND RETAIN THIS STUB FOR YOUR RECORDS

CHECK NO. 8005000950 ATTACHED BELOW

bpX energy

BPX Operating Company
Attn: BP GBS Americas - P2P Treasury Payments
150 West Warrenville Road, Building 605, 3rd Floor
Naperville, IL 60563

62-20
311

CHECK NO. 8005000950

11/24/20

21706463

PAY TO THE
ORDER OF

COMMISSIONER OF THE TEXAS GENERAL
LAND OFFICE
1700 N CONGRESS
AUSTIN, TX 78701-1495 US

*****\$50,000.00

NOT VALID AFTER 6 MONTHS

Fifty thousand and 00/100 Dollars

TRACE NUMBER: 2000019979

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

Luana N. Alen
Authorized Signature

8005000950



3.10.21



BP America Production Company
BPX Energy Inc.
Permian Development – Land Department
1700 Platte St
Denver, CO 80202

March 10, 2021

Texas General Land Office
Attn: Energy Resources
1700 North Congress Avenue
Austin, Texas 78701

RE: **Surface Damages
HSS Frac Pond
Section 16 & 15, Block 113
Culberson County, Texas**

Dear Texas General Land Office,

Enclosed herein, please find **Check No. 8005000950** in the amount of **\$50,000.00** for a frac pond pad site and access road for the subject line frac pond. The enclosed check covers payment for the frac pond, which is outlined below:

Frac Pond Site Flat Fee:	(pad site, clearing limits & road)	=	\$100,000.00
Total paid to Agent of the State:	(\$100,000.00 x 0.50)	=	\$50,000.00
Total paid to the State of Texas:	(\$100,000.00 x 0.50)	=	<u>\$50,000.00</u>

Should you have any questions or need additional assistance regarding this matter, please don't hesitate to contact me at the telephone numbers or email address listed below.

Respectfully,

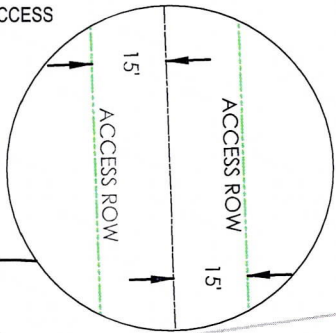
Cameron Finger
Surface Land Negotiator
Office: (303) 731-8260
Mobile: (720) 697-9363
Cameron.Finger@bpx.com

LEGEND

- CL OF PROPOSED PIPELINE ROUTE
SECTION LINE
EXISTING PIPELINE ROUTE
OVERHEAD ELECTRIC
FENCE
EDGE OF PROPOSED ACCESS PERMIT
CL OF PROPOSED ACCESS PERMIT
PROPERTY LINE
PROPOSED FRAC POND CLEARING LIMIT
POINT OF COMMENCEMENT
POINT OF BEGINNING
POINT OF TERMINATION
LINEAR FEET
POWER POLE
FOUND MONUMENT (AS NOTED)
CALCULATED CORNER
- P.O.C.
P.O.B.
P.O.T.
LF
P.O.C.
P.O.B.
P.O.T.
LF
P.O.C.
P.O.B.
P.O.T.
LF

GRID NORTH (NAD 83)
TEXAS - CENTRAL ZONE

A 1" IRON PIPE, MARKING THE NORTHWEST CORNER OF SECTION 17, BLOCK 113.
BEING N 70°27'40" W - 10278.79' FROM THE P.O.T. OF A PROPOSED 30' WIDE ACCESS PERMIT.

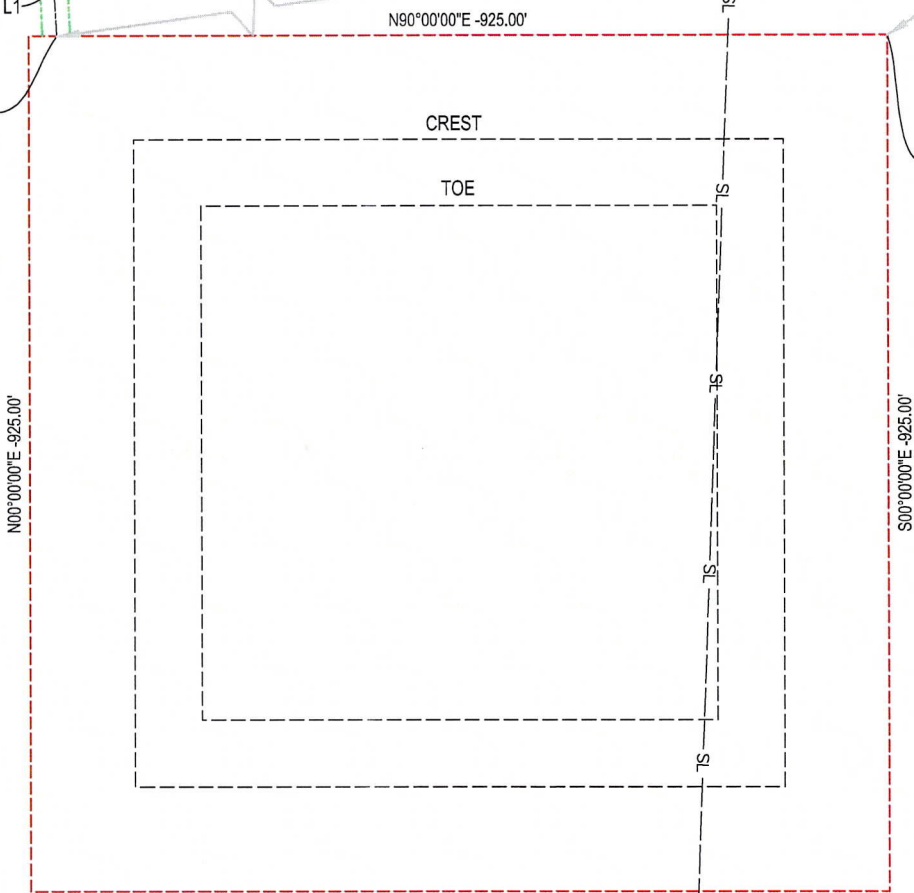


P.O.C.
A 1" IRON PIPE, MARKING THE NORTHEAST CORNER OF SECTION 15, BLOCK 113.

P.O.T. OF PROPOSED 30' WIDE ACCESS PERMIT

P.O.B. OF PROPOSED 30' WIDE ACCESS PERMIT, BEING S 63°48'22" W - 6819.22' FROM THE P.O.C.

P.O.B. OF PROPOSED FRAC POND, BEING S 60°02'56" W - 6029.09' FROM THE P.O.C.



SECTION 16, BLOCK 113
PSL SURVEY, A-5115

640 ACRES
YELLOW TOP RANCH, INC.
(75%) VOL. 194, PG. 502
COCANOUGHER ASSET #2, LTD
(25%) VOL. 16, PG. 558

TOTAL FRAC POND CLEARING LIMITS: (15.63 ACRES)
TOTAL LEASE ROAD: (104.48 L.F. OR 6.33 RODS)

SECTION 15, BLOCK 113
PSL SURVEY, A-1262

640 ACRES
YELLOW TOP RANCH, INC. (75%)
BARRON HATFIELD FAMILY LLLP #2, LTD (25%)

TOTAL FRAC POND CLEARING LIMITS: (4.01 ACRES)

"30' WIDE ACCESS PERMIT"

NUMBER	BEARING	DISTANCE
L1	N 02°43'40" W	104.48'

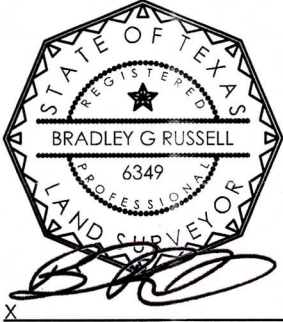
CONTACT INFORMATION:

Bradley G. Russell
Crafton Tull (10193715)
1000 Ledgelawn Dr.
Conway, AR 72034

GRAPHIC SCALE IN FEET



- GENERAL NOTES
- THE LOCATIONS OF UNDERGROUND UTILITIES AS SHOWN HEREON ARE BASED ON REASONABLE VISUAL OBSERVATION. LOCATIONS OF UNDERGROUND UTILITIES/ STRUCTURES MAY VARY FROM LOCATIONS SHOWN HEREIN. ADDITIONAL BURIED UTILITIES/ STRUCTURES MAY BE ENCOUNTERED. NO EXCAVATIONS WERE MADE DURING THE PROGRESS OF THIS SURVEY TO LOCATE BURIED UTILITIES/ STRUCTURES. BEFORE EXCAVATIONS ARE BEGUN, THE OFFICES OF THE VARIOUS UTILITIES SERVICING THIS AREA SHOULD BE CONTACTED FOR THEIR UTILITY LOCATION.
 - PROJECT COORDINATE SYSTEM: TEXAS STATE PLANE, CENTRAL ZONE, NAD'83, U.S. SURVEY FEET AS DETERMINED BY GPS OBSERVATION.
 - VERTICAL DATUM IS NAVD 88
 - AREA, DISTANCES, AND COORDINATES ARE "GRID"
 - THIS PLAT DOES NOT REPRESENT A BOUNDARY SURVEY.



11/10/2020

REVISION		BPX OPERATING COMPANY		
0	ORIGINAL PLAT 11/10/20	"HS STATE SECTIONS 16 & 15 FRAC POND" AND A "30' WIDE ACCESS PERMIT" YELLOW-TOP RANCH, INC. SECTIONS 16 & 15, BLOCK 113 CULBERSON COUNTY, TEXAS		
1	REVISED LANGUAGE 11/10/20			
		SCALE: 1" = 200'	CHECKED BY: MN	APPROVED BY: LD
		PLOT DATE: 11-10-2020	DRAWN BY: MF	SHEET NO.: 1 OF 1

File No. MF 11133 ⁴²
Surface Damage

Date Filed: 3-1-22

George P. Bush, Commissioner

By [Signature]

5
2
5
4

bpx energy

BPX Operating Company
Attn: BP GBS Americas - P2P Treasury
Payments
150 West Warrenville Road, Building 605, 3rd
Floor
Naperville, IL 60563

31021
MF11133
PAGE 1 OF 1
11/24/20
X01LH

21706461

COMMISSIONER OF THE TEXAS GENERAL
LAND OFFICE
1700 N CONGRESS
AUSTIN, TX 78701-1495 US

File

VENDOR NUMBER: 0069000251

TRACE NUMBER: 2000019981

DOCUMENT NO.	INVOICE DATE	INVOICE NO.	GROSS AMOUNT	DISCOUNT NO.	NET AMOUNT
1900046828 HS STATE PAD C 113-16 CULBERSON HS State Pad C 113-16 Culberson	11/19/20	2020.438	30,000.00		30,000.00
TOTALS			30,000.00		30,000.00

INQUIRIES CONCERNING THIS PAYMENT SHOULD BE
DIRECTED TO OUR OFFICE, PLEASE CALL
(800) 284-2244

IN ORDER TO AFFECT TIMELY INVOICE PAYMENT PLEASE PLACE
YOUR VENDOR NUMBER ON ALL FUTURE INVOICE TO BP.
*** YOUR VENDOR NUMBER IS 0069000251

DETACH AND RETAIN THIS STUB FOR YOUR RECORDS

CHECK NO. 8005000952 ATTACHED BELOW

bpx energy

BPX Operating Company
Attn: BP GBS Americas - P2P Treasury Payments
150 West Warrenville Road, Building 605, 3rd Floor
Naperville, IL 60563

62-20
311

CHECK NO. 8005000952

PAY TO THE
ORDER OF

COMMISSIONER OF THE TEXAS GENERAL
LAND OFFICE
1700 N CONGRESS
AUSTIN, TX 78701-1495 US

21706461

11/24/20

*****\$30,000.00

NOT VALID AFTER 6 MONTHS

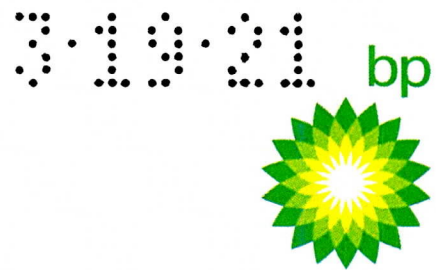
Thirty thousand and 00/100 Dollars

TRACE NUMBER: 2000019981

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

Authorized Signature

8005000952



BP America Production Company
BPX Energy Inc.
Permian Development – Land Department
1700 Platte St
Denver, CO 80202

March 10, 2021

Texas General Land Office
Attn: Energy Resources
1700 North Congress Avenue
Austin, Texas 78701

RE: **Surface Damages
HS State 113-16 Pad C
Section 16, Block 113
Culberson County, Texas**

Dear Texas General Land Office,

Enclosed herein, please find **Check No. 8005000952** in the amount of **\$30,000.00** for a well pad site and access road for the subject line well pad. The enclosed check covers payment for the well pad site and access, which is outlined below:

Well Pad Site Flat Fee: (pad site, pits, clearing limits, road & facility)	=	\$60,000.00
Total paid to Agent of the State:	(\$60,000.00 x 0.50)	= \$30,000.00
Total paid to the State of Texas:	(\$60,000.00 x 0.50)	= <u>\$30,000.00</u>

Should you have any questions or need additional assistance regarding this matter, please don't hesitate to contact me at the telephone numbers or email address listed below.

Respectfully,

Cameron Finger
Surface Land Negotiator
Office: (303) 731-8260
Mobile: (720) 697-9363
Cameron.Finger@bpx.com



1000 LedgeLawn Dr.
Conway, Arkansas 72034

501.328.3316 • 501.328.3325 f
www.craftontull.com

CULBERSON COUNTY, TEXAS

SECTION 16, BLOCK 113

PSL SURVEY, A -5115

HS STATE 113-16 PAD C

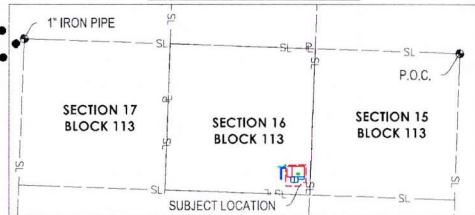
FINAL CLEARING LIMITS, WELL & PAD, & ACCESS PERMIT COVER SHEET

1" IRON PIPE
(NAD 83) LAT: 31.72991908° N
(NAD 83) LONG: 104.18585084° W
(NAD 83) NORTHING: 10613662.31
(NAD 83) EASTING: 1099037.09
(NAD 27) LAT: 31.72979436° N
(NAD 27) LONG: 104.18537026° W
(NAD 27) NORTHING: 771086.11
(NAD 27) EASTING: 802576.18

P.O.C.
(NAD 83) LAT: 31.7298255° N
(NAD 83) LONG: 104.13496881° W
(NAD 83) NORTHING: 10613130.34
(NAD 83) EASTING: 1114847.87
(NAD 27) LAT: 31.72982749° N
(NAD 27) LONG: 104.13448995° W
(NAD 27) NORTHING: 770554.09
(NAD 27) EASTING: 818386.78

GRID NORTH (NAD 83)
TEXAS - CENTRAL ZONE

CONTROLLING CORNER MAP



GENERAL NOTES:

NAVD 88 = EPSG 5703
NAD83 TEXAS CENTRAL = EPSG 2277

P.O.C.
STATE PLANE COORDINATES (SPC-4203 TXC-NAD 83(2011)) (EPOCH: 2010.0000):
NORTHING (Y): 10613130.34 (FT. U.S.)
EASTING (X): 1114847.87 (FT. U.S.)
ELEVATION (Z): 3237.02 (FT. U.S.)

BASIS OF BEARINGS: GRID BASED ON TEXAS STATE PLANE COORDINATE SYSTEM, NAD 83 (2011), CENTRAL ZONE.

VERTICAL DATUM: NAVD 88, U.S. SURVEY FEET (BASED ON GPS OBSERVATIONS)

HORIZONTAL DATUM: GRID, U.S. SURVEY FEET

LATITUDE AND LONGITUDE ARE NAD 83 (2011)

AREA, DISTANCES AND COORDINATES ARE GRID.

ALL UNITS ARE UNITED STATES SURVEY FOOT, UNLESS NOTED OTHERWISE

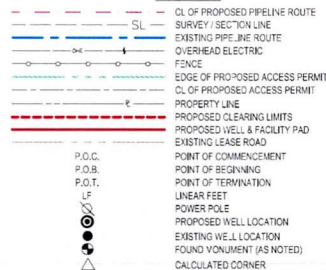
ALL LEASE AND TRACT INFORMATION SHOWN HERE ON IS DONE SO BY LIMITED DEED RECORD INFORMATION ONLY. ALL ACRES SHOWN ARE BY DEED AND LEASE CALL EXCEPT WHERE NOTED. THIS IS NOT IN ANY WAY A BOUNDARY SURVEY.

ELEVATIONS SHOWN IN LINE TABLES REPRESENT THE ELEVATION AT THE END OF THAT LINE SEGMENT IN THE DIRECTION FROM PREVIOUS POINT.

CONTRACTOR SHALL BE RESPONSIBLE FOR LOCATING ALL UNDERGROUND UTILITIES PRIOR TO CONSTRUCTION.

ALL NAD27 COORDINATES WERE DERIVED USING THE NADCON CONVERSION MODEL.

LEGEND



GRAPHIC SCALE IN FEET

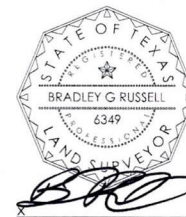


640 ACRES
YELLOW TOP RANCH, INC.
(75%) VOL. 194, PG. 502
COCANOUGH ASSET #2, LTD
(25%) VOL. 16, PG. 558

P.O.B. OF
PROPOSED CLEARING LIMITS,
BEING S 54°22'17" W - 6907.60'
FROM THE P.O.C.

CONTACT INFORMATION:

Brad G. Russell
Crafton Tull
(10193715)
1000 LedgeLawn Dr.
Conway, AR 72034



11/10/2020

THIS SKETCH ACCOMPANIES A LEGAL DESCRIPTION
PREPARED FOR THIS TRACT OF LAND.

HS STATE 113-16 PAD C

HS STATE 113-21X111-4 W107H; HS STATE 113-21X111-4 W108H
Location LAT/LONG (NAD83): 31.71742829, -104.15354281
LRE LAT/LONG (NAD83): 31.717984, -104.156761

From the intersection of I-20 Business and Hwy 285 in Pecos, go North on Hwy 285 for 40.14 miles to the city of Orla (LAT: 31.82525974, LONG: -103.90888498). Turn left onto FM 652 and travel 9.53 miles (LAT: 31.82301972, LONG: -104.06970562). Turn left onto FM 2119 and travel 9.13 miles (LAT: 31.69948189, LONG: -104.12381538). Turn right onto an existing lease road and travel 2.82 miles (LAT: 31.71645812, LONG: -104.15674239). Continue straight 0.10 miles (LAT: 31.717984, LONG: -104.156761) Turn Right on proposed access permit and travel 0.07 miles to location (LAT: 31.71742829, LONG: -104.15354281).

REV.	DATE	REVISION MADE
3	11/10/20	REVISED LANGUAGE
2	1/9/20	FINAL PLAT
1	11/9/20	REVISED PAD & PITS
0	1/4/20	ORIGINAL PLAT

BPX OPERATING COMPANY

PROPOSED CLEARING LIMITS & ACCESS ROW SURVEY
HS STATE 113-16 PAD C
SECTION 16, BLOCK 113
LOCATED IN THE PSL SURVEY, ABSTRACT 5115
CULBERSON COUNTY, TEXAS

SCALE: 1"=1500' CHECKED BY: MIA APPROVED BY: LT
DATE: 11/10/2020 DRAWN BY: MRS SHEET NO.: 1 OF 5

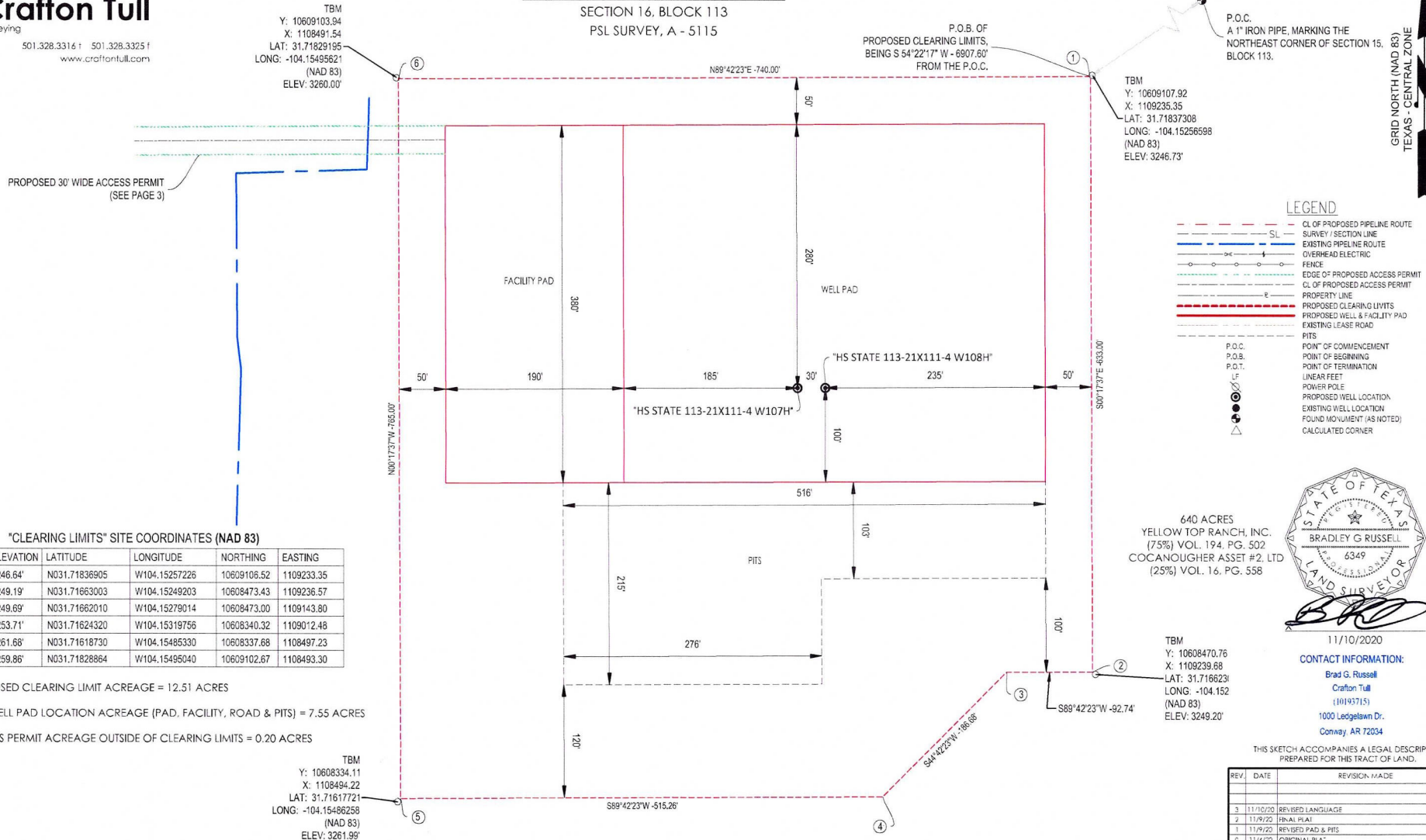


1000 Ledgeview Dr.
Conway, Arkansas 72034
501.328.3316 | 501.328.3325
www.craftontull.com

CULBERSON COUNTY, TEXAS

SECTION 16, BLOCK 113
PSL SURVEY, A - 5115

NOTE:
ALL NAD27 COORDINATES WERE DERIVED USING THE NADCON CONVERSION MODEL.



"CLEARING LIMITS" SITE COORDINATES (NAD 83)

REF. #	ELEVATION	LATITUDE	LONGITUDE	NORTHING	EASTING
1	3246.64'	N031.71836905	W104.15257226	10609106.52	1109233.35
2	3249.19'	N031.71863003	W104.15249203	10608473.43	1109236.57
3	3249.69'	N031.71662010	W104.15279014	10608473.00	1109143.80
4	3253.71'	N031.71624320	W104.15319756	10608340.32	1109012.48
5	3261.68'	N031.71618730	W104.15485330	10608337.68	1108497.23
6	3259.86'	N031.71828864	W104.15495040	10609102.67	1108493.30

TOTAL PROPOSED CLEARING LIMIT ACREAGE = 12.51 ACRES

PROPOSED WELL PAD LOCATION ACREAGE (PAD, FACILITY, ROAD & PITS) = 7.55 ACRES

TOTAL ACCESS PERMIT ACREAGE OUTSIDE OF CLEARING LIMITS = 0.20 ACRES

"PROPOSED WELLS" COORDINATES

WELL NAME	ELEVATION	LATITUDE (NAD 83)	LONGITUDE (NAD 83)	NORTHING (NAD 83)	EASTING (NAD 83)	LATITUDE (NAD 27)	LONGITUDE (NAD 27)	NORTHING (NAD 27)	EASTING (NAD 27)
HS STATE 113-21X111-4 W107H	3252'	31.71742829°N	104.15354281°W	10608774.86	1108919.99	31.71730312°N	104.15306351°W	766198.69	812458.93
HS STATE 113-21X111-4 W108H	3252'	31.71743154°N	104.15344640°W	10608775.01	1108949.99	31.71730638°N	104.15296711°W	766198.84	812488.93

GRAPHIC SCALE IN FEET



11/10/2020

CONTACT INFORMATION:

Brad G. Russell
Crafton Tull
(501) 971-1515
1000 Ledgeview Dr.
Conway, AR 72034

THIS SKETCH ACCOMPANIES A LEGAL DESCRIPTION
PREPARED FOR THIS TRACT OF LAND.

REV.	DATE	REVISION MADE
3	11/10/2020	REVISED LANGUAGE
2	11/9/2020	FINAL PLAN
1	11/9/2020	REVISED PAD & PITS
0	11/4/2020	ORIGINAL PLAN

BPX OPERATING COMPANY

PROPOSED CLEARING LIMITS & ACCESS ROW SURVEY
HS STATE 113-16 PAD C
SECTION 16, BLOCK 113
LOCATED IN THE PSL SURVEY, ABSTRACT 5115
CULBERSON COUNTY, TEXAS

SCALE: 1" = 100' CHECKED BY: M.A. APPROVED BY: J.D.
DATE: 11/10/2020 DRAWN BY: M.A. DATE: 11/10/2020 SHEET NO.: 2 OF 5



1000 LedgeLawn Dr.
Conway, Arkansas 72034
501.328.3316 | 501.328.3325 |
www.craftontull.com

CULBERSON COUNTY, TEXAS

SECTION 16, BLOCK 113
PSL SURVEY, A - 5115

GRID NORTH (NAD 83)
TEXAS - CENTRAL ZONE

LEGEND

- CL OF PROPOSED PIPELINE ROUTE
- SURVEY / SECTION LINE
- EXISTING PIPELINE ROUTE
- OVERHEAD ELECTRIC
- FENCE
- EDGE OF PROPOSED ACCESS PERMIT
- CL OF PROPOSED ACCESS PERMIT
- PROPERTY LINE
- PROPOSED CLEARING LIMITS
- PROPOSED WELL & FACILITY PAD
- EXISTING LEASE ROAD
- POINT OF COMMENCEMENT
- POINT OF BEGINNING
- POINT OF TERMINATION
- LINEAR FEET
- POWER POLE
- PROPOSED WELL LOCATION
- EXISTING WELL LOCATION
- FOUND MONUMENT (AS NOTED)
- CALCULATED CORNER

PROPOSED ACCESS PERMIT
TOTAL LINEAR FEET FOR A 30' PERMIT SECTION: 347.50' = 21.06 RODS
TOTAL LEASE ROAD ACREAGE = 0.24 ACRES

A 1" IRON PIPE, MARKING THE NORTHWEST
CORNER OF SECTION 17, BLOCK 113.
BEING N 63°12'07" W - 10261.07' FROM THE
P.O.T. OF A PROPOSED 30' WIDE ACCESS
PERMIT.

P.O.C.
A 1" IRON PIPE, MARKING THE NORTHEAST
CORNER OF SECTION 15, BLOCK 113.

P.O.T. OF PROPOSED 30'
WIDE ACCESS PERMIT

P.O.B. OF
PROPOSED 30' WIDE ACCESS
PERMIT, BEING S 57°00'37" W -
7516.06' FROM THE P.O.C.

640 ACRES
YELLOW TOP RANCH, INC.,
(75%) VOL. 194, PG. 502
COCANOUGH ASSET #2, LTD
(25%) VOL. 16, PG. 558



CONTACT INFORMATION:
Brad G. Russell
Crafton Tull
(101)937151
1000 LedgeLawn Dr.
Conway, AR 72034

11/10/2020

THIS SKETCH ACCOMPANIES A LEGAL DESCRIPTION
PREPARED FOR THIS TRACT OF LAND.

"ACCESS PERMIT" SITE COORDINATES (NAD 83)

REF. #	ELEVATION	LATITUDE	LONGITUDE	NORTHING	EASTING
7	3259.63'	N031.71811552	W104.15478148	10609037.91	1108543.64
8	3266.69'	N031.71807781	W104.15589817	10609036.15	1108196.14

GRAPHIC SCALE IN FEET



REV.	DATE	REVISION MADE
3	11/10/20	REVISED LANGUAGE
2	11/9/20	FINAL PLAT
1	11/9/20	REVISED PAD & PMS
0	11/4/20	ORIGINAL PLAT
BPX OPERATING COMPANY		
PROPOSED CLEARING LIMITS & ACCESS ROW SURVEY HS STATE 113-16 PAD C SECTION 16, BLOCK 113 LOCATED IN THE PSL SURVEY, ABSTRACT 5115 CULBERSON COUNTY, TEXAS		
SCALE: 1" = 30'	CHECKED BY: M	APPROVED BY: LD
DATE: 11/10/2020	DRAWN BY: M	DATE: 11/10/2020

CULBERSON COUNTY, TEXAS

NOTE:
ALL NAD27 COORDINATES WERE DERIVED USING THE NADCON CONVERSION MODEL.



LEGEND

- CL OF PROPOSED PIPELINE ROUTE
- SURVEY / SECTION LINE
- EXISTING PIPELINE ROUTE
- OVERHEAD ELECTRIC
- FENCE
- EDGE OF PROPOSED ACCESS PERMIT
- CL OF PROPOSED ACCESS PERMIT
- PROPERTY LINE
- PROPOSED CLEARING LIMITS
- PROPOSED WELL & FACILITY PAD
- EXISTING LEASE ROAD
- P.O.C.
- P.O.S.
- P.O.T.
- POINT OF BEGINNING
- POINT OF TERMINATION
- LINEAR FEET
- POWER POLE
- PROPOSED WELL LOCATION
- EXISTING WELL LOCATION
- FOUND MONUMENT (AS NOTED)
- CALCULATED CORNER



CONTACT INFORMATION:
Brad G. Russell
Craigh Tull
(10193715)
1000 Ledgeland Dr.
Conway, AR 72034

THIS SKETCH ACCOMPANIES A LEGAL DESCRIPTION
PREPARED FOR THIS TRACT OF LAND.

SECTION CORNERS

LOCATION	DESCRIPTION	LATITUDE (NAD 83)	LONGITUDE (NAD 83)	NORTHING (NAD 83)	EASTING (NAD 83)	LATITUDE (NAD 27)	LONGITUDE (NAD 27)	NORTHING (NAD 27)	EASTING (NAD 27)
NE CORNER 113-16	CALCULATED CORNER	31.72994324° N	104.15195583° W	10613307.81	1109569.42	31.72981829° N	104.15147640° W	770731.58	813108.39
SE CORNER 113-16	CALCULATED CORNER	31.71538220° N	104.15199864° W	10608014.51	1109374.32	31.71525699° N	104.15151943° W	765438.35	812913.25
SW CORNER 113-16	CALCULATED CORNER	31.71537540° N	104.16895043° W	10608193.35	1104106.07	31.71525031° N	104.16847064° W	765617.21	807645.06
NW CORNER 113-16	CALCULATED CORNER	31.72993242° N	104.16891788° W	10613485.28	1104298.74	31.72980759° N	104.16843788° W	770909.06	807837.76
NE CORNER 113-15	1" IRON PIPE	31.72995255° N	104.13496881° W	10613130.34	1114847.87	31.72982749° N	104.13448995° W	770554.09	818386.78
NW CORNER 113-17	1" IRON PIPE	31.72991906° N	104.18585084° W	10613662.31	1099037.09	31.72979436° N	104.18537026° W	771086.11	802576.18

GRAPHIC SCALE IN FEET



REV.	DATE	REVISION MADE
3	11/10/20	REVISED LANGUAGE
2	11/9/20	FINAL PLAT
1	11/9/20	REVISED PAD & PITS
0	11/4/20	ORIGINAL PLAT

BPX OPERATING COMPANY

PROPOSED CLEARING LIMITS & ACCESS ROW SURVEY
HS STATE 113-16 PAD C
SECTION 16, BLOCK 113
LOCATED IN THE PSL SURVEY, ABSTRACT 5115
CULBERSON COUNTY, TEXAS

SCALE: 1" = 2000' CHECKED BY: M.A. APPROVED BY: L.D.
DATE: 11/10/2020 DRAWN BY: M.A. SHEET NO. 4 OF 5

CULBERSON COUNTY, TEXAS

SECTION 16, BLOCK 113

PSL SURVEY, A - 5115

"HS STATE 113-16 PAD C CLEARING LIMITS"

A METES AND BOUNDS DESCRIPTION OF A 12.51 ACRE CLEARING LIMITS IN, OVER, ACROSS, AND THROUGH A 640 ACRE TRACT, GRANTED TO YELLOW TOP RANCH, INC. (75%) AS RECORDED IN VOLUME 194, PAGE 502, AND COCANOUGHER ASSET #2, LTD (25%) AS RECORDED IN VOLUME 16, PAGE 558, IN SECTION 16, BLOCK 113, CULBERSON COUNTY, TEXAS, BEING OUT OF ABSTRACT NUMBER 5115, PSL SURVEY, CULBERSON COUNTY, TEXAS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A 1 INCH IRON PIPE, MARKING THE NORTHEAST CORNER OF SECTION 15, BLOCK 113, CULBERSON COUNTY, TEXAS; THENCE S 54°22'17" W, A DISTANCE OF 6907.60 FEET TO THE POINT OF BEGINNING OF A 12.51 ACRE CLEARING LIMITS;

THENCE S 00°17'37" E, A DISTANCE OF 633.00 FEET TO A POINT;
THENCE S 89°42'23" W, A DISTANCE OF 92.74 FEET TO A POINT;
THENCE S 44°42'23" W, A DISTANCE OF 186.68 FEET TO A POINT;
THENCE S 89°42'23" W, A DISTANCE OF 515.26 FEET TO A POINT;
THENCE N 00°17'37" W, A DISTANCE OF 765.00 FEET TO A POINT;
THENCE N 89°42'23" E, A DISTANCE OF 740.00 FEET TO THE POINT OF BEGINNING.
THE ABOVE DESCRIBED CLEARING LIMITS HAS A TOTAL AREA OF 12.51 ACRES, MORE OR LESS, SUBJECT TO ALL PERMITS AND RIGHTS-OF-WAY OF RECORD.

BASIS OF BEARINGS: TEXAS STATE PLANE GRID, CENTRAL ZONE, NAD83 AS DETERMINED BY GPS OBSERVATION.

ALL DISTANCES ARE GRID DISTANCES BASED ON U.S. SURVEY FEET

"ACCESS PERMIT"

A CENTERLINE DESCRIPTION OF AN ACCESS PERMIT IN, OVER, ACROSS, AND THROUGH A 640 ACRE TRACT, GRANTED TO YELLOW TOP RANCH, INC. (75%) AS RECORDED IN VOLUME 194, PAGE 502, AND COCANOUGHER ASSET #2, LTD (25%) AS RECORDED IN VOLUME 16, PAGE 558, IN SECTION 16, BLOCK 113, CULBERSON COUNTY, TEXAS, BEING OUT OF ABSTRACT NUMBER 5115, PSL SURVEY, CULBERSON COUNTY, TEXAS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A 1 INCH IRON PIPE, MARKING THE NORTHEAST CORNER OF SECTION 15, BLOCK 113, CULBERSON COUNTY, TEXAS; THENCE S 57°00'37" W, A DISTANCE OF 7516.06 FEET TO THE POINT OF BEGINNING OF A PROPOSED 30 FOOT WIDE ACCESS PERMIT, BEING 15 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

THENCE S 89°42'23" W, A DISTANCE OF 347.50 FEET TO THE POINT OF TERMINATION; ALSO BEING S 63°12'07" E, A DISTANCE OF 10261.07 FEET FROM A 1 INCH IRON PIPE, MARKING THE NORTH-WEST CORNER OF SECTION 17, BLOCK 113, CULBERSON COUNTY, TEXAS.

THE ABOVE DESCRIBED CENTERLINE HAS A TOTAL LENGTH OF 347.50 FEET OR 21.06 RODS AND CONTAINS 0.24 ACRES, MORE OR LESS, SUBJECT TO ALL PERMITS AND RIGHTS-OF-WAY OF RECORD.

BASIS OF BEARINGS: TEXAS STATE PLANE GRID, CENTRAL ZONE, NAD83 AS DETERMINED BY GPS OBSERVATION.

ALL DISTANCES ARE GRID DISTANCES BASED ON U.S. SURVEY FEET



CONTACT INFORMATION:

Brad G. Russell
Crahton Tull
(10193715)
1000 Lodgedawn Dr.
Conway, AR 72034

REV	DATE	REVISION MADE
1	11/10/20	REVISED LANGUAGE
2	11/9/20	FINAL PLAT
3	11/9/20	REVISED PAD & PIS
4	11/4/20	ORIGINAL PLAT

BPX OPERATING COMPANY

PROPOSED CLEARING LIMITS & ACCESS ROW SURVEY
HS STATE 113-16 PAD C
SECTION 16, BLOCK 113
LOCATED IN THE PSL SURVEY, ABSTRACT 5115
CULBERSON COUNTY, TEXAS

SCALE: N/A	CHECKED BY: M. APPROVED BY: LG
DATE: 11/10/2020	DRAWN BY: M. SHEET NO.: 3 OF 3

43

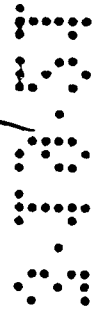
File No. MF111133

Surface Damage

Date Filed: 3-11-22

George P. Bush, Commissioner

By [Signature]



bpx energy

BPX Operating Company
Attn: BP GBS Americas - P2P Treasury
Payments
150 West Warrenville Road, Building 605, 3rd
Floor
Naperville, IL 60563

31021

PAGE 1 OF 1

11/24/20

X01LH

COMMISSIONER OF THE TEXAS GENERAL
LAND OFFICE
1700 N CONGRESS
AUSTIN, TX 78701-1495 US

MF 111133

(File)

21706462

VENDOR NUMBER: 0069000251

TRACE NUMBER: 2000019980

DOCUMENT NO.	INVOICE DATE	INVOICE NO.	GROSS AMOUNT	DISCOUNT NO.	NET AMOUNT
1900046825 HS STATE PAD A 113-20 CULBERSO HS State Pad A 113-20 Culberson	11/19/20	2020.441	25,000.00		25,000.00
TOTALS			25,000.00		25,000.00

INQUIRIES CONCERNING THIS PAYMENT SHOULD BE
DIRECTED TO OUR OFFICE, PLEASE CALL
(800) 284-2244

IN ORDER TO AFFECT TIMELY INVOICE PAYMENT PLEASE PLACE
YOUR VENDOR NUMBER ON ALL FUTURE INVOICE TO BP.
*** YOUR VENDOR NUMBER IS 0069000251

DETACH AND RETAIN THIS STUB FOR YOUR RECORDS

CHECK NO. 8005000951 ATTACHED BELOW

bpx energy

BPX Operating Company
Attn: BP GBS Americas - P2P Treasury Payments
150 West Warrenville Road, Building 605, 3rd Floor
Naperville, IL 60563

62-20
311

CHECK NO. 8005000951

11/24/20

21706462

PAY TO THE
ORDER OF

COMMISSIONER OF THE TEXAS GENERAL
LAND OFFICE
1700 N CONGRESS
AUSTIN, TX 78701-1495 US

*****\$25,000.00

NOT VALID AFTER 6 MONTHS

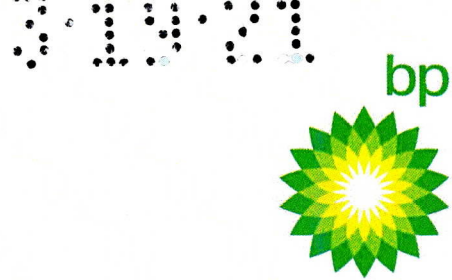
Twenty five thousand and 00/100 Dollars

TRACE NUMBER: 2000019980

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

Laura N. Allesh
Authorized Signature

8005000951



BP America Production Company
BPX Energy Inc.
Permian Development – Land Department
1700 Platte St
Denver, CO 80202

March 10, 2021

Texas General Land Office
Attn: Energy Resources
1700 North Congress Avenue
Austin, Texas 78701

RE: **Surface Damages
HS State 113-20 Pad A
Section 20, Block 113
Culberson County, Texas**

Dear Texas General Land Office,

Enclosed herein, please find **Check No. 8005000951** in the amount of **\$25,000.00** for a well pad site and access road for the subject line well pad. The enclosed check covers payment for the well pad site and access, which is outlined below:

Well Pad Site Flat Fee: (pad site, pits, clearing limits, road & facility)	=	\$50,000.00
Total paid to Agent of the State: (\$50,000.00 x 0.50)	=	\$25,000.00
Total paid to the State of Texas: (\$50,000.00 x 0.50)	=	<u>\$25,000.00</u>

Should you have any questions or need additional assistance regarding this matter, please don't hesitate to contact me at the telephone numbers or email address listed below.

Respectfully,

Cameron Finger
Surface Land Negotiator
Office: (303) 731-8260
Mobile: (720) 697-9363
Cameron.Finger@bpx.com



Crafton Tull

surveying

501.328.3316 f 501.328.3325 f
www.craftontull.com

1000 Ledgeawn Dr.
Conway, Arkansas 72034

CULBERSON COUNTY, TEXAS

SECTION 20, BLOCK 113

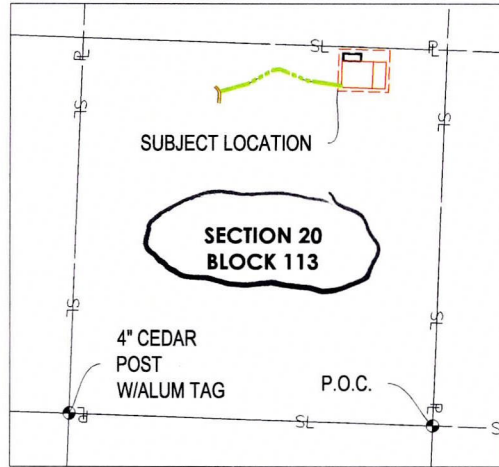
PSL SURVEY, A -1849

HS STATE 113-20 PAD A

FINAL CLEARING LIMITS, WELL & PAD, & ACCESS PERMIT COVER SHEET

GRID NORTH (NAD 83)
TEXAS - CENTRAL ZONE

CONTROLLING CORNER MAP



GENERAL NOTES:

NAVD 88 = EPSG 5703
NAD83 TEXAS CENTRAL = EPSG 2277

P.O.C.
STATE PLANE COORDINATES (SPC-4203 TXC-NAD 83(2011) (EPOCH: 2010.0000):
NORTHING (Y): 10602823.48 (FT. U.S.)
EASTING (X): 1103910.46 (FT. U.S.)
ELEVATION (Z): 3454.23' (FT. U.S.)

BASIS OF BEARINGS: GRID BASED ON TEXAS STATE PLANE COORDINATE
SYSTEM, NAD 83 (2011), CENTRAL ZONE.

VERTICAL DATUM: NAVD 88, U.S. SURVEY FEET (BASED ON GPS OBSERVATIONS)

HORIZONTAL DATUM: GRID, U.S. SURVEY FEET

LATITUDE AND LONGITUDE ARE NAD 83 (2011)

AREA, DISTANCES AND COORDINATES ARE GRID.

ALL UNITS ARE UNITED STATES SURVEY FOOT, UNLESS NOTED OTHERWISE

ALL LEASE AND TRACT INFORMATION SHOWN HERE ON IS DONE SO BY LIMITED DEED RECORD
INFORMATION ONLY. ALL ACREAGE SHOWN ARE BY DEED AND LEASE CALL EXCEPT WHERE NOTED.
THIS IS NOT IN ANY WAY A "BOUNDARY SURVEY".

ELEVATIONS SHOWN IN LINE TABLES REPRESENT THE ELEVATION AT THE END OF THAT LINE SEGMENT IN
THE DIRECTION FROM PREVIOUS POINT.

CONTRACTOR SHALL BE RESPONSIBLE FOR LOCATING ALL UNDERGROUND UTILITIES PRIOR TO
CONSTRUCTION.

ALL NAD27 COORDINATES WERE DERIVED USING THE NADCON CONVERSION MODEL.

4" CEDAR POST W/ALUM. TAG
(NAD 83) LAT: 31.70059086° N
(NAD 83) LONG: 104.18590973° W
(NAD 83) NORTHING: 10603000.62
(NAD 83) EASTING: 1098649.38
(NAD 27) LAT: 31.70046560° N
(NAD 27) LONG: 104.18542960° W
(NAD 27) NORTHING: 760424.58
(NAD 27) EASTING: 802188.38

(NAD 83) LAT: 31.70060388° N
(NAD 83) LONG: 104.16898381° W
(NAD 83) NORTHING: 10602823.48
(NAD 83) EASTING: 1103910.46
(NAD 27) LAT: 31.70047850° N
(NAD 27) LONG: 104.16850424° W
(NAD 27) NORTHING: 760247.42
(NAD 27) EASTING: 807449.40

4" CEDAR POST W/ALUM TAG,
MARKING THE SOUTHEAST CORNER
OF SECTION 20, BLOCK 113.

HS STATE 113-20 PAD A

TBD #1; TBD #2; TBD #3;

Location LAT/LONG (NAD83): 31.71455747, -104.17317172

LRE LAT/LONG (NAD83): 31.71344382, -104.17936018

From the intersection of I-20 Business and Hwy 285 in Pecos, go North on Hwy 285 for 40.14 miles to the city of Orla (LAT: 31.82525974, LONG: -103.90888498). Turn left onto FM 652 and travel 9.53 miles (LAT: 31.82301972, LONG: -104.06970562). Turn left onto 2119 and travel 9.13 miles (LAT: 31.69948189, LONG: -104.12381538). Turn right onto an existing lease road and travel 2.82 miles (LAT: 31.71645812, LONG: -104.15674239). Turn left onto an existing lease road and travel 0.44 miles (LAT: 31.72154803, LONG: -104.15993893). Turn left onto an existing lease road and travel 1.67 miles (LAT: 31.71344382, LONG: -104.179360187) Turn left on proposed access permit and travel 0.35 miles to location (LAT: 31.71455747, LONG: -104.17317172).

LEGEND

- CL OF PROPOSED PIPELINE ROUTE
- SURVEY / SECTION LINE
- EXISTING PIPELINE ROUTE
- OVERHEAD ELECTRIC
- FENCE
- EDGE OF PROPOSED ACCESS PERMIT
- CL OF PROPOSED ACCESS PERMIT
- PROPERTY LINE
- PROPOSED CLEARING LIMITS
- PROPOSED WELL & FACILITY PAD
- EXISTING LEASE ROAD
- P.O.C.
- P.O.B.
- P.O.T.
- LF
- POINT OF COMMENCEMENT
- POINT OF BEGINNING
- POINT OF TERMINATION
- LINEAR FEET
- POWER POLE
- PROPOSED WELL LOCATION
- EXISTING WELL LOCATION
- FOUND MONUMENT (AS NOTED)
- CALCULATED CORNER



CONTACT INFORMATION:

Brad G. Russell
Crafton Tull
(10193715)
1000 Ledgeawn Dr.
Conway, AR 72034

THIS SKETCH ACCOMPANIES A LEGAL DESCRIPTION
PREPARED FOR THIS TRACT OF LAND.

REV.	DATE	REVISION MADE
2	11/10/20	REVISED LANGUAGE
1	11/9/20	FINAL PLAT
0	11/4/20	ORIGINAL PLAT
BPX OPERATING COMPANY		
PROPOSED CLEARING LIMITS & ACCESS ROW SURVEY HS STATE 113-20 PAD A SECTION 20, BLOCK 113 LOCATED IN THE PSL SURVEY, ABSTRACT 1849 CULBERSON COUNTY, TEXAS		
SCALE: 1"= 1000'	CHECKED BY:	LD APPROVED BY: MN
DATE: 11/10/2020	DRAWN BY: MFS	SHEET NO.: 1 OF 5

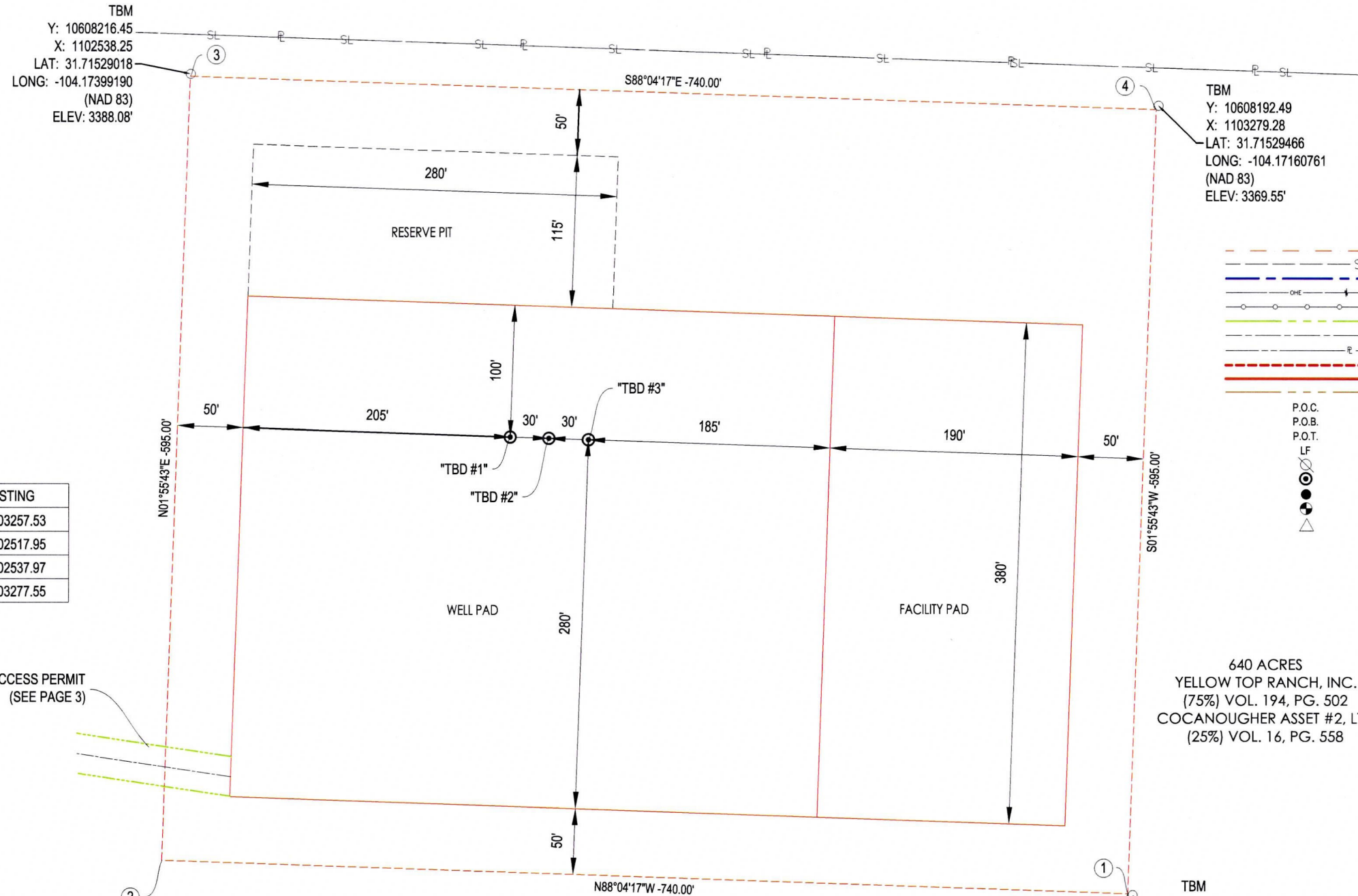
CULBERSON COUNTY, TEXAS

SECTION 20, BLOCK 113

PSL SURVEY, A - 1849

NOTE:
ALL NAD27 COORDINATES WERE DERIVED USING THE NADCON CONVERSION MODEL.

GRID NORTH (NAD 83)
TEXAS - CENTRAL ZONE



"CLEARING LIMITS" SITE COORDINATES (NAD 83)

REF. #	ELEVATION	LATITUDE	LONGITUDE	NORTHING	EASTING
1	3422.65'	N031.71365141	W104.17161124	10607595.13	1103257.53
2	3426.97'	N031.71364968	W104.17399095	10607620.03	1102517.95
3	3388.33'	N031.71528532	W104.17399260	10608214.69	1102537.97
4	3369.36'	N031.71528706	W104.17161286	10608189.79	1103277.55

PROPOSED 30' WIDE ACCESS PERMIT
(SEE PAGE 3)

TOTAL PROPOSED CLEARING LIMIT ACREAGE = 10.11 ACRES

PROPOSED WELL PAD LOCATION ACREAGE (PAD, FACILITY, ROAD & PIT) = 6.36 ACRES

TOTAL ACCESS PERMIT ACREAGE OUTSIDE OF CLEARING LIMITS = 1.22 ACRES

"PROPOSED WELLS" COORDINATES

WELL NAME	ELEVATION	LATITUDE (NAD 83)	LONGITUDE (NAD 83)	NORTHING (NAD 83)	EASTING (NAD 83)	LATITUDE (NAD 27)	LONGITUDE (NAD 27)	NORTHING (NAD 27)	EASTING (NAD 27)
TBD #1	3382.22'	31.71455747°N	104.17317172°W	10607941.27	1102783.94	31.71443239°N	104.17269181°W	765365.14	806322.94
TBD #2	3381.87'	31.71455752°N	104.17307535°W	10607940.25	1102813.89	31.71443243°N	104.17259544°W	765364.12	806352.89
TBD #3	3381.62'	31.71455761°N	104.17297888°W	10607939.25	1102843.87	31.71443252°N	104.17249897°W	765363.12	806382.87

P.O.C.
4" CEDAR POST W/ALUM TAG, MARKING THE
SOUTHEAST CORNER OF SECTION 20,
BLOCK 113.



LEGEND	
CL OF PROPOSED PIPELINE ROUTE	CL OF PROPOSED ACCESS PERMIT
SURVEY / SECTION LINE	PROPOSED CLEARING LIMITS
EXISTING PIPELINE ROUTE	PROPOSED WELL & FACILITY PAD
OVERHEAD ELECTRIC	EXISTING LEASE ROAD
FENCE	POINT OF COMMENCEMENT
EDGE OF PROPOSED ACCESS PERMIT	POINT OF BEGINNING
PROPERTY LINE	POINT OF TERMINATION
LINEAR FEET	POWER POLE
PROPOSED WELL LOCATION	EXISTING WELL LOCATION
FOUND MONUMENT (AS NOTED)	CALCULATED CORNER

640 ACRES
YELLOW TOP RANCH, INC.
(75%) VOL. 194, PG. 502
COCANOUGHER ASSET #2, LTD
(25%) VOL. 16, PG. 558



11/10/2020

CONTACT INFORMATION:

Brad G. Russell
Crafton Tull
(10193715)
1000 Ledgeawn Dr.
Conway, AR 72034

THIS SKETCH ACCOMPANIES A LEGAL DESCRIPTION
PREPARED FOR THIS TRACT OF LAND.

REV.	DATE	REVISION MADE
2	11/10/20	REVISED LANGUAGE
1	11/9/20	FINAL PLAT
0	11/4/20	ORIGINAL PLAT

BPX OPERATING COMPANY

PROPOSED CLEARING LIMITS & ACCESS ROW SURVEY
HS STATE 113-20 PAD A
SECTION 20, BLOCK 113
LOCATED IN THE PSL SURVEY, ABSTRACT 1849
CULBERSON COUNTY, TEXAS

SCALE: 1" = 100'	CHECKED BY:	LD APPROVED BY:	MN
DATE: 11/10/2020	DRAWN BY:	MFSHEET NO.:	2 OF 5

CULBERSON COUNTY, TEXAS

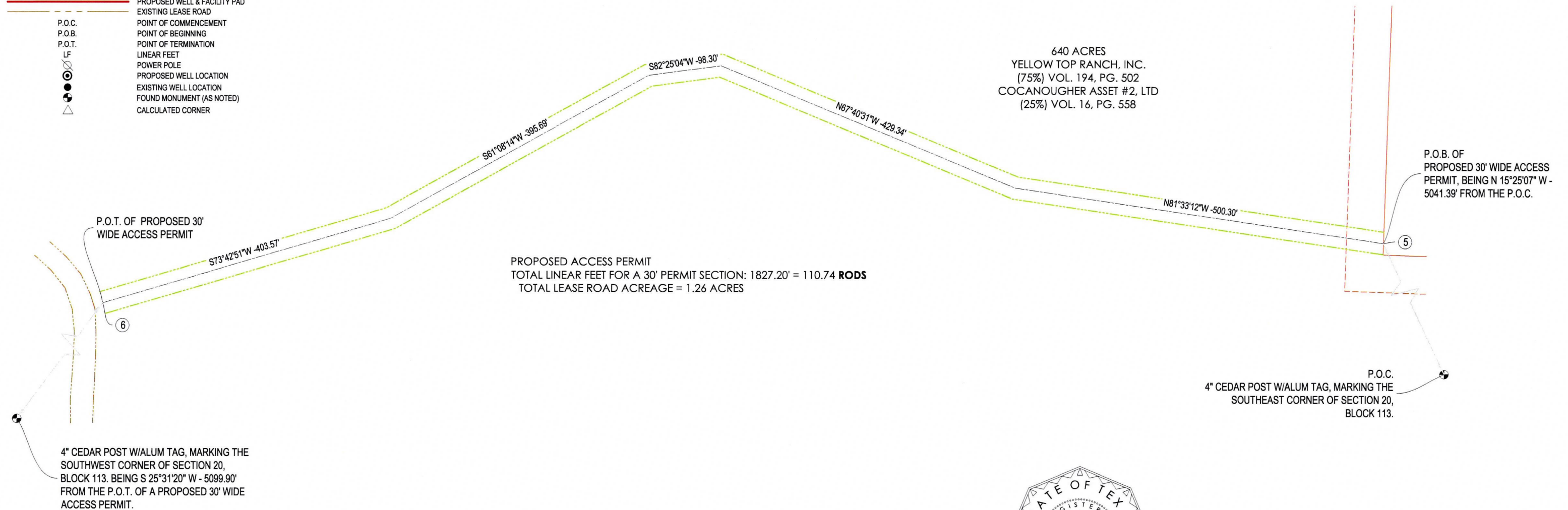
SECTION 20, BLOCK 113

PSL SURVEY, A - 1849

GRID NORTH (NAD 83)
TEXAS - CENTRAL ZONE

LEGEND

- CL OF PROPOSED PIPELINE ROUTE
- SURVEY / SECTION LINE
- EXISTING PIPELINE ROUTE
- OVERHEAD ELECTRIC
- FENCE
- EDGE OF PROPOSED ACCESS PERMIT
- CL OF PROPOSED ACCESS PERMIT
- PROPERTY LINE
- PROPOSED CLEARING LIMITS
- PROPOSED WELL & FACILITY PAD
- EXISTING LEASE ROAD
- P.O.C.
- P.O.B.
- P.O.T.
- LF
- POWER POLE
- PROPOSED WELL LOCATION
- EXISTING WELL LOCATION
- FOUND MONUMENT (AS NOTED)
- CALCULATED CORNER



PROPOSED ACCESS PERMIT
TOTAL LINEAR FEET FOR A 30' PERMIT SECTION: 1827.20' = 110.74 RODS
TOTAL LEASE ROAD ACREAGE = 1.26 ACRES

"ACCESS PERMIT" SITE COORDINATES (NAD 83)

REF. #	ELEVATION	LATITUDE	LONGITUDE	NORTHING	EASTING
5	3400.22'	N031.71382882	W104.17383034	10607683.43	1102570.11
6	3389.22'	N031.71344382	W104.17936018	10607602.86	1100846.72



11/10/2020

CONTACT INFORMATION:

Brad G. Russell
Crafton Tull
(10193715)
1000 LedgeLawn Dr.
Conway, AR 72034

REV.	DATE	REVISION MADE
2	11/10/20	REVISED LANGUAGE
1	11/9/20	FINAL PLAT
0	11/4/20	ORIGINAL PLAT

BPX OPERATING COMPANY

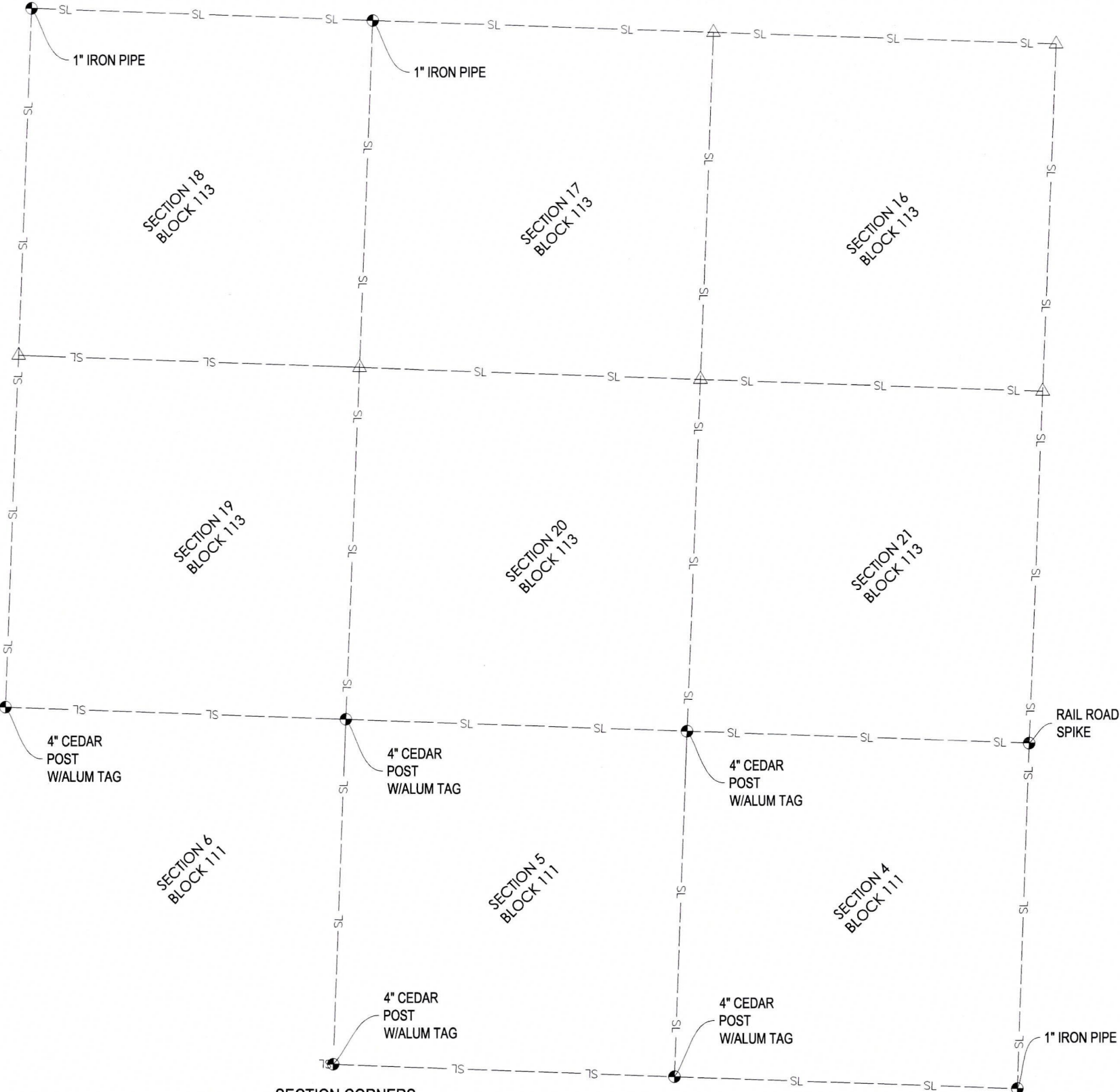
PROPOSED CLEARING LIMITS & ACCESS ROW SURVEY
HS STATE 113-20 PAD A
SECTION 20, BLOCK 113
LOCATED IN THE PSL SURVEY, ABSTRACT 1849
CULBERSON COUNTY, TEXAS

SCALE: 1" = 130'	CHECKED BY: LD	APPROVED BY: MN
DATE: 11/10/2020	DRAWN BY: MN	SHEET NO.: 3 OF 5

THIS SKETCH ACCOMPANIES A LEGAL DESCRIPTION
PREPARED FOR THIS TRACT OF LAND.

CULBERSON COUNTY, TEXAS

NOTE:
ALL NAD27 COORDINATES WERE DERIVED USING THE NADCON CONVERSION MODEL.



LEGEND

- CL OF PROPOSED PIPELINE ROUTE
- SURVEY / SECTION LINE
- EXISTING PIPELINE ROUTE
- OVERHEAD ELECTRIC
- FENCE
- EDGE OF PROPOSED ACCESS PERMIT
- CL OF PROPOSED ACCESS PERMIT
- PROPERTY LINE
- PROPOSED CLEARING LIMITS
- PROPOSED WELL & FACILITY PAD
- EXISTING LEASE ROAD
- P.O.C.
- P.O.B.
- P.O.T.
- LF
- POINT OF COMMENCEMENT
- POINT OF BEGINNING
- POINT OF TERMINATION
- LINEAR FEET
- POWER POLE
- PROPOSED WELL LOCATION
- EXISTING WELL LOCATION
- FOUND MONUMENT (AS NOTED)
- CALCULATED CORNER



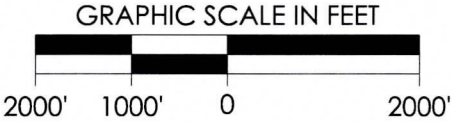
CONTACT INFORMATION:
Brad G. Russell
Crafton Tull
(10193715)
1000 LedgeLawn Dr.
Conway, AR 72034

11/10/2020

THIS SKETCH ACCOMPANIES A LEGAL DESCRIPTION
PREPARED FOR THIS TRACT OF LAND.

SECTION CORNERS

LOCATION	DESCRIPTION	LATITUDE (NAD 83)	LONGITUDE (NAD 83)	NORTHING (NAD 83)	EASTING (NAD 83)	LATITUDE (NAD 27)	LONGITUDE (NAD 27)	NORTHING (NAD 27)	EASTING (NAD 27)
NW CORNER 113-20	CALCULATED CORNER	31.71536364° N	104.18587031° W	10608370.86	1098847.70	31.71523866° N	104.18538995° W	765794.73	802386.75
NE CORNER 113-20	CALCULATED CORNER	31.71537540° N	104.16895043° W	10608193.35	1104106.07	31.71525031° N	104.16847064° W	765617.21	807645.06
SE CORNER 113-20	4" CEDAR POST W/ALUM TAG	31.70060388° N	104.16898381° W	10602823.48	1103910.46	31.70047850° N	104.16850424° W	760247.42	807449.40
SW CORNER 113-20	4" CEDAR POST W/ALUM TAG	31.70059086° N	104.18590973° W	10603000.62	1098649.38	31.70046560° N	104.18542960° W	760424.58	802188.38



REV.	DATE	REVISION MADE
2	11/10/20	REVISED LANGUAGE
1	11/9/20	FINAL PLAT
0	11/4/20	ORIGINAL PLAT
BPX OPERATING COMPANY		
PROPOSED CLEARING LIMITS & ACCESS ROW SURVEY HS STATE 113-20 PAD A SECTION 20, BLOCK 113 LOCATED IN THE PSL SURVEY, ABSTRACT 1849 CULBERSON COUNTY, TEXAS		
SCALE: 1" = 2000'	CHECKED BY: LD	APPROVED BY: MN
DATE: 11/10/2020	DRAWN BY: MF	SHEET NO.: 4 OF 5

CULBERSON COUNTY, TEXAS

SECTION 20, BLOCK 113

PSL SURVEY, A - 1849

"HS STATE 113-20 PAD A CLEARING LIMITS"

A METES AND BOUNDS DESCRIPTION OF A 10.11 ACRE CLEARING LIMITS IN, OVER, ACROSS, AND THROUGH A 640 ACRE TRACT, GRANTED TO YELLOW TOP RANCH, INC. (75%) AS RECORDED IN VOLUME 194, PAGE 502, AND COCANOUGHER ASSET #2, LTD (25%) AS RECORDED IN VOLUME 16, PAGE 558, IN SECTION 20, BLOCK 113, CULBERSON COUNTY, TEXAS. BEING OUT OF ABSTRACT NUMBER 1849, PSL SURVEY, CULBERSON COUNTY, TEXAS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A 4 INCH CEDAR POST WITH ALUMINUM TAG, MARKING THE SOUTHEAST CORNER OF SECTION 20, BLOCK 113, CULBERSON COUNTY, TEXAS; THENCE N 07°47'30" W, A DISTANCE OF 4816.11 FEET TO THE POINT OF BEGINNING OF A 10.11 ACRE CLEARING LIMITS;

THENCE N 88°04'17" W, A DISTANCE OF 740.00 FEET TO A POINT;
THENCE N 01°55'43" W, A DISTANCE OF 595.00 FEET TO A POINT;
THENCE S 88°04'17" E, A DISTANCE OF 740.00 FEET TO A POINT;
THENCE S 01°55'43" W, A DISTANCE OF 595.00 FEET TO THE POINT OF BEGINNING.

THE ABOVE DESCRIBED CLEARING LIMITS HAS A TOTAL AREA OF 10.11 ACRES, MORE OF LESS. SUBJECT TO ALL PERMITS AND RIGHTS-OF-WAY OF RECORD.

BASIS OF BEARINGS: TEXAS STATE PLANE GRID, CENTRAL ZONE, NAD83 AS DETERMINED BY GPS OBSERVATION.

ALL DISTANCES ARE GRID DISTANCES BASED ON U.S. SURVEY FEET

"ACCESS PERMIT"

A CENTERLINE DESCRIPTION OF AN ACCESS PERMIT IN, OVER, ACROSS, AND THROUGH A 640 ACRE TRACT, GRANTED TO YELLOW TOP RANCH, INC. (75%) AS RECORDED IN VOLUME 194, PAGE 502, AND COCANOUGHER ASSET #2, LTD (25%) AS RECORDED IN VOLUME 16, PAGE 558, IN SECTION 20, BLOCK 113, CULBERSON COUNTY, TEXAS. BEING OUT OF ABSTRACT NUMBER 1849, PSL SURVEY, CULBERSON COUNTY, TEXAS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A 4 INCH CEDAR POST WITH ALUMINUM TAG, MARKING THE SOUTHEAST CORNER OF SECTION 20, BLOCK 113, CULBERSON COUNTY, TEXAS; THENCE N 15°25'07" W, A DISTANCE OF 5041.39 FEET TO THE POINT OF BEGINNING OF A PROPOSED 30 FOOT WIDE ACCESS PERMIT, BEING 15 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE;

THENCE N 81°33'12" W, A DISTANCE OF 500.30 FEET TO A POINT;
THENCE N 67°40'31" W, A DISTANCE OF 429.34 FEET TO A POINT;
THENCE N 82°25'04" E, A DISTANCE OF 98.30 FEET TO A POINT;
THENCE N 61°08'14" E, A DISTANCE OF 395.69 FEET TO A POINT;
THENCE N 73°42'51" E, A DISTANCE OF 403.57 FEET TO THE POINT OF TERMINATION; ALSO BEING N 25°31'20" E, A DISTANCE OF 5099.90 FEET FROM A 4 INCH CEDAR POST WITH ALUMINUM TAG, MARKING THE SOUTHWEST CORNER OF SECTION 20, BLOCK 113, CULBERSON COUNTY, TEXAS.

THE ABOVE DESCRIBED CENTERLINE HAS A TOTAL LENGTH OF 1827.20 FEET OR 110.74 RODS AND CONTAINS 1.26 ACRES, MORE OR LESS. SUBJECT TO ALL PERMITS AND RIGHTS-OF-WAY OF RECORD.

BASIS OF BEARINGS: TEXAS STATE PLANE GRID, CENTRAL ZONE, NAD83 AS DETERMINED BY GPS OBSERVATION.

ALL DISTANCES ARE GRID DISTANCES BASED ON U.S. SURVEY FEET



CONTACT INFORMATION:

Brad G. Russell
Crafton Tull
(10193715)
1000 LedgeLawn Dr.
Conway, AR 72034

REV.	DATE	REVISION MADE
2	11/10/20	REVISED LANGUAGE
1	11/9/20	FINAL PLAT
0	11/4/20	ORIGINAL PLAT

BPX OPERATING COMPANY

PROPOSED CLEARING LIMITS & ACCESS ROW SURVEY
HS STATE 113-20 PAD A
SECTION 20, BLOCK 113
LOCATED IN THE PSL SURVEY, ABSTRACT 1849
CULBERSON COUNTY, TEXAS

SCALE: N/A	CHECKED BY:	LD	APPROVED BY:	MN
DATE: 11/10/2020	DRAWN BY:	MS	SHEET NO.:	5 OF 5

File No.

MF 1111 32 (44)
Surface Damage

Date Filed:

3-11-22

George P. Bush, Commissioner

By

CD



Information for processing an Internal Non Unit Transaction (iNut)
Length of Lateral

iNut No. 12177

GENERAL INFORMATION

Name of Well: HS State 113-20X111-5 # W107H API # 42-109-33685
Name of Operator: BPX Operating Company RRC # 08-866193
Operator Contact Person: Kevin Woods Phone: 720-412-7791
Counties: Culberson

ALLOCATION OF STATE UNITS AND/OR LEASES BASED ON LENGTH OF LATERAL

Lease Type	Unit/Lease No	Total Lateral Ft.	Unit or Lease Lateral Ft.	Unit or Lease Rylyt Decimal	Lease Royalty Decimal	RRAC Participation Factor	State Participation by Unit/Lease
RAL	MF111133	5609	1165	0.12500000	0.12500000	0.20770191	0.02596274
RAL	MF113600	5609	3495	0.12500000	0.12500000	0.62310572	0.07788822
RAL	MF113599	5609	711.75	0.12500000	0.12500000	0.12689428	0.01586178
RAL	MF111134	5609	237.25	0.12500000	0.12500000	0.04229809	0.00528726
Totals:						1.00000000	0.12500000
Effective Date: 02/01/2021							State Net Royalty Revenue in Well

Name of Production Sharing Agreement, if any:

Comments:

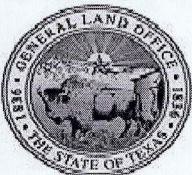
- Final as drilled plats were submitted on August 28, 2022 by Kevin Woods. These wells are being set up for accounting purposes as there is not an SLB approved PSA or Pooling Agreement in place.

Attach a plat showing the iNut well with length of laterals marked and the State lands marked.

Lease Types: Relinquishment Act Land (RAL), State Fee (SF), Free Royalty (FR), Unleased Riverbed (UR), Highway Right of Way (HROW), Unleased Highway (UH), Criminal Justice (TDCJ), Parks & Wildlife (TPW), Mineral Production Allocation (MPAA), Dept. of Aging (DADS), School for the Blind (SBVI), Stephen F. Austin (SFA), TX A&M (A&M).

Prepared by: jm Alamo updated by: jm WI updated by: jm
RAM approval by: VD GIS updated by: RL

DO NOT DESTROY



Texas General Land Office
UNIT AGREEMENT MEMO

INU220001

Unit Number 12177
Operator Name BPX Operating Company
Customer ID C000046383
Unit Name HS State 113-20X111-5 # W107H
County 1 Culberson **RRC District 1** 08
County 2 **RRC District 2**
County 3 **RRC District 3**
County 4 **RRC District 4**
Unit type iNut
State Net Revenue Interest Oil 0.12500000
State Part in Unit 1.00000000
Unit Depth Specified Depths
From Depth
To Depth
Well
Formation
Participation Basis Length of Lateral
If Exclusions Apply: See Remarks

Effective Date 02/01/2021
Unitized For Oil And Gas
Unit Term
Old Unit Number **Inactive Status Date**

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF111133		0.000000	0.000000	0.20770191	O/G	0.12500000	0.02596274	No
MF111134		0.000000	0.000000	0.04229809	O/G	0.12500000	0.00528726	No
MF113599		0.000000	0.000000	0.12689428	O/G	0.12500000	0.01586178	No
MF113600		0.000000	0.000000	0.62310572	O/G	0.12500000	0.07788822	No

API Number
4210933685

Remarks:

Prepared By:	<u>jm</u>
GLO Base Updated By:	<u>jm</u>
RAM Approval By:	<u>JD</u>
GIS By:	<u>RL</u>
Well Inventory By:	<u>jm</u>

Prepared Date:	<u>11/10/2022</u>
GLO Base Date:	<u>11/10/2022</u>
RAM Approval Date:	<u>11/10/2022</u>
GIS Date:	<u>11/21/22</u>
WI Date:	<u>11/10/2022</u>

Pooling Committee Report

To: School Land Board

INU220001

Date of Board Meeting:

Unit Number: 12177

Effective Date: 02/01/2021

Unit Expiration Date:

Applicant: BPX Operating Company

Attorney Rep:

Operator: BPX Operating Company

Unit Name: HS State 113-20X111-5 # W107H

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	MF111133	0.12500000	05/25/2015	5 years	760.000000	0.000000	0.02596274
RAL	MF111134	0.12500000	05/25/2015	5 years	293.975000	0.000000	0.00528726
RAL	MF113599	0.12500000	07/29/2014	3 years	1,067.775000	0.000000	0.01586178
RAL	MF113600	0.12500000	07/29/2014	3 years	1,254.150000	0.000000	0.07788822

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

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

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

<u>RRC Rules:</u>	<u>Spacing Acres:</u>
No	



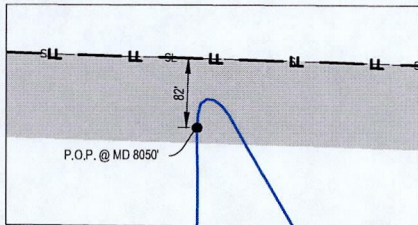
Crafton Tull
surveying

501.328.3316 f 501.328.3325 f
www.craftontull.com

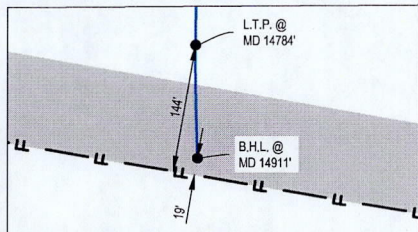
LEGEND

- LEASE LINE
- AS-DRILLED WELL PATH
- NEAREST WELL PATH
- SURVEY / SECTION LINE
- S.H.L.
- P.O.P.
- F.T.P.
- T.P.
- L.T.P.
- B.H.L.
- SURFACE HOLE LOCATION
- POINT OF PENETRATION
- FIRST TAKE POINT
- TURNING POINT
- LAST TAKE POINT
- BOTTOM HOLE LOCATION

INSET "A" (NOT TO SCALE)



INSET "B" (NOT TO SCALE)

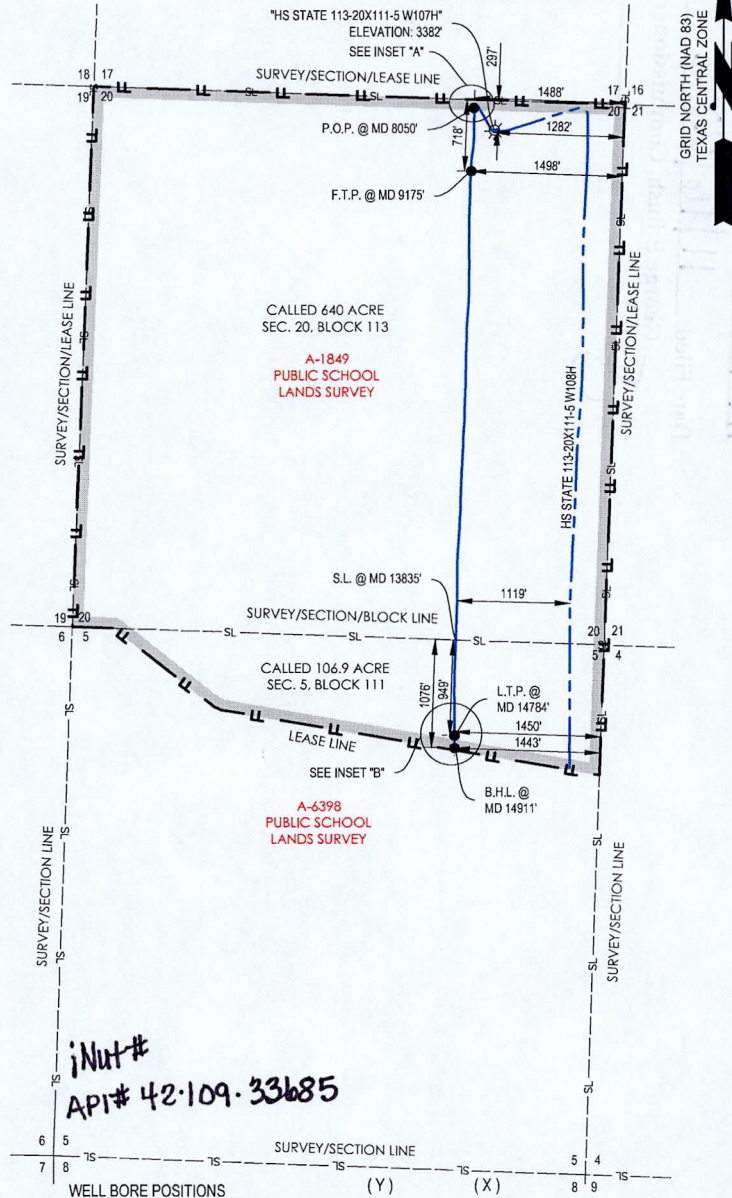


PERFORATED FOOTAGES

SECTION	FOOTAGE	PERCENTAGE
SECTION 20, BLOCK 113	4660'	83.08%
SECTION 5, BLOCK 111	949'	16.92%
TOTAL	5609'	100.00%

WELL PATH DATA

REF.	SECTION LINE CALLS (±)	LEASE LINE CALLS (±)
S.H.L.	297' FNL, 1282' FEL	297' FNL, 1282' FEL
P.O.P.	82' FNL, 1488' FEL	82' FNL, 1488' FEL
F.T.P.	718' FNL, 1498' FEL	718' FNL, 1498' FEL
L.T.P.	949' FNL, 1450' FEL	144' FSL, 1450' FEL
B.H.L.	1076' FNL, 1443' FEL	19' FSL, 1443' FEL



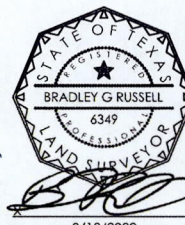
WELL BORE POSITIONS (Y) (X)

REFERENCE	LAT. (NAD 83)	LONG. (NAD 83)	NORTHING (NAD 83)	EASTING (NAD 83)	LAT. (NAD 27)	LONG. (NAD 27)	NORTHING (NAD 27)	EASTING (NAD 27)
S.H.L.	31.71455752° N	104.17307535° W	10607940.25	1102813.89	31.71443243° N	104.17259544° W	765364.12	806352.89
P.O.P.	31.71514600° N	104.17373705° W	10608161.30	1102615.64	31.71502093° N	104.17325710° W	765585.16	806154.65
F.T.P.	31.71339862° N	104.17377191° W	10607526.41	1102582.87	31.71327352° N	104.17329199° W	764950.28	806121.87
L.T.P.	31.69799191° N	104.17364548° W	10601923.91	1102428.72	31.69786652° N	104.17316580° W	759347.87	805967.67
B.H.L.	31.69764333° N	104.17362396° W	10601796.95	1102431.03	31.69751793° N	104.17314428° W	759220.91	805969.98

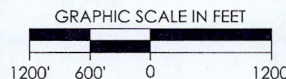
LEASE CORNERS

LOCATION	DESCRIPTION	NAD83 (1986)		NAD27	
		STATE PLANE TEXAS CENTRAL (2277)	GEOGRAPHIC (4269)	STATE PLANE TEXAS CENTRAL (2203)	GEOGRAPHIC (4267)
NW CORNER 113-20	CALCULATED CORNER	N = 10608370.86 E = 1098847.70	LAT: 31.71536364° N LONG: 104.18587031° W	N = 765794.73 E = 802386.75	LAT: 31.71523886° N LONG: 104.18538995° W
NE CORNER 113-20	CALCULATED CORNER	N = 10608193.35 E = 1104106.07	LAT: 31.71537540° N LONG: 104.16895043° W	N = 765617.21 E = 807645.06	LAT: 31.71525031° N LONG: 104.16847064° W
SE CORNER 113-20	4" CEDAR POST W/ALUM TAG	N = 10602823.48 E = 1103910.46	LAT: 31.70060388° N LONG: 104.18590973° W	N = 760247.42 E = 807449.40	LAT: 31.70047850° N LONG: 104.16850424° W
SW CORNER 113-20	4" CEDAR POST W/ALUM TAG	N = 10603000.62 E = 1098649.38	LAT: 31.70059086° N LONG: 104.18593381° W	N = 760424.58 E = 802188.38	LAT: 31.70046560° N LONG: 104.18542960° W
SE LEASE CORNER	CALCULATED CORNER	N = 10601527.32 E = 1103865.69	LAT: 31.69703860° N LONG: 104.16898398° W	N = 758951.28 E = 807404.63	LAT: 31.69691316° N LONG: 104.16850446° W
SOUTHERLY LEASE CORNER	CALCULATED CORNER	N = 10602180.40 E = 1100122.84	LAT: 31.69847758° N LONG: 104.18108362° W	N = 759804.36 E = 803661.82	LAT: 31.69835224° N LONG: 104.18060368° W
SOUTHERLY LEASE CORNER	CALCULATED CORNER	N = 10602208.01 E = 1100061.92	LAT: 31.69854765° N LONG: 104.18128246° W	N = 759631.97 E = 803600.90	LAT: 31.69842232° N LONG: 104.18080251° W
SOUTHERLY LEASE CORNER	CALCULATED CORNER	N = 10602986.80 E = 1099059.85	LAT: 31.70059196° N LONG: 104.18458917° W	N = 760410.75 E = 802598.85	LAT: 31.70046668° N LONG: 104.18410908° W

CONTACT INFORMATION
Bradley G. Russell
Crafton Tull (10193715)
1000 Ledgeview Dr.
Conway, AR 72034



NOTE: THIS IS NOT A BOUNDARY SURVEY AS DEFINED BY STATE OR LOCAL LAWS. THE BOUNDARY AND DRILLING UNIT LINES SHOWN HEREON ARE ONLY APPROXIMATE BASED ON INFORMATION SUPPLIED TO THE SURVEYOR BY THE CLIENT. ALTHOUGH THEY ARE PLACED AS ACCURATELY AS POSSIBLE BASED ON AVAILABLE INFORMATION, NO FIELD SURVEY WAS CONDUCTED BY THE SURVEYOR TO VERIFY THE ACCURACY OF THE BOUNDARY LINES SHOWN. ONLY THE SURFACE HOLE POSITIONS WERE FIELD LOCATED BY THE SURVEYOR.



GENERAL NOTES

1. THE LOCATIONS OF UNDERGROUND UTILITIES AS SHOWN HEREON ARE BASED ON REASONABLE VISUAL OBSERVATION. LOCATIONS OF UNDERGROUND UTILITIES/STRUCTURES MAY VARY FROM LOCATIONS SHOWN HEREIN. ADDITIONAL BURIED UTILITIES/STRUCTURES MAY BE ENCOUNTERED. NO EXCAVATIONS WERE MADE DURING THE PROGRESS OF THIS SURVEY TO LOCATE BURIED UTILITIES/STRUCTURES. BEFORE EXCAVATIONS ARE BEGUN, THE OFFICES OF THE VARIOUS UTILITIES SERVING THIS AREA SHOULD BE CONTACTED FOR THEIR UTILITY LOCATION.

2. PROJECT COORDINATE SYSTEM: TEXAS STATE PLANE, CENTRAL ZONE, NAD83, U.S. FEET AS DETERMINED BY GPS OBSERVATION.

3. ALL NAD27 COORDINATES WERE DERIVED USING THE NADCON CONVERSION MODEL.

REVISION

0	FINAL PLAT 1/27/22
2	ADD PERF FOOTAGE 8/10/22

BPX OPERATING COMPANY

HS STATE 113-20X111-5 W107H
S.H.L. IN PSL A-1849 & B.H.L. IN PSL A-6398
CULBERSON COUNTY, TEXAS
FINAL AS-DRILLED PLAT

SCALE: 1" = 1200'
PLOT DATE: 08/10/2022
CHECKED BY: NPE
DRAWN BY: MF
APPROVED BY: LD
SHEET NO.: 1 OF 1

File No. MF111133

Culberson County

iNt12177 - API42.109.33685

Date Filed: 11/16/2022

George P. Bush, Commissioner

By gm



Information for processing an Internal Non Unit Transaction (iNut)
Length of Lateral

iNut No. 12180

GENERAL INFORMATION

Name of Well: HS State 113-20X111-5 # W108H API # 42-109-33686
Name of Operator: BPX Operating Company RRC # 08-866194
Operator Contact Person: Kevin Woods Phone: _____
Counties: Culberson

ALLOCATION OF STATE UNITS AND/OR LEASES BASED ON LENGTH OF LATERAL

Lease Type	Unit/Lease No	Total Lateral Ft.	Unit or Lease Lateral Ft.	Unit or Lease Rylyt Decimal	Lease Royalty Decimal	RRAC Participation Factor	State Participation by Unit/Lease
RAL	MF111133	5773	1169.5	0.12500000	0.12500000	0.20258098	0.02532262
RAL	MF113600	5773	3508.5	0.12500000	0.12500000	0.60774294	0.07596787
RAL	MF113599	5773	821.25	0.12500000	0.12500000	0.14225706	0.01778213
RAL	MF111134	5773	273.75	0.12500000	0.12500000	0.04741902	0.00592738
Totals:						1.00000000	0.12500000
Effective Date: <u>02/01/2021</u>							State Net Royalty Revenue in Well

Name of Production Sharing Agreement, if any:

Comments:

- Final as drilled plats were submitted on August 28, 2022 by Kevin Woods. These wells are being set up for accounting purposes as there is not an SLB approved PSA or Pooling Agreement in place.

Attach a plat showing the iNut well with length of laterals marked and the State lands marked.

Lease Types: Relinquishment Act Land (RAL), State Fee (SF), Free Royalty (FR), Unleased Riverbed (UR), Highway Right of Way (HROW), Unleased Highway (UH), Criminal Justice (TDCJ), Parks & Wildlife (TPW), Mineral Production Allocation (MPAA), Dept. of Aging (DADS), School for the Blind (SBVI), Stephen F. Austin (SFA), TX A&M (A&M).

Prepared by: Jm Alamo updated by: Jm WI updated by: Jm
RAM approval by: VD GIS updated by: PL

DO NOT DESTROY



Texas General Land Office
UNIT AGREEMENT MEMO

INU220001

Unit Number 12180
Operator Name BPX Operating Company
Customer ID C000046383
Unit Name HS State 113-20X111-5 # W108H
County 1 Culberson **RRC District 1** 08
County 2 **RRC District 2**
County 3 **RRC District 3**
County 4 **RRC District 4**
Unit type iNut
State Net Revenue Interest Oil 0.12500000
State Part in Unit 1.00000000
Unit Depth Specified Depths
From Depth Well
To Depth Formation
Participation Basis Length of Lateral
If Exclusions Apply: See Remarks

Effective Date 02/01/2021
Unitized For Oil And Gas
Unit Term
Old Unit Number **Inactive Status Date**

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF111133		0.000000	0.000000	0.20258098	O/G	0.12500000	0.02532262	No
MF111134		0.000000	0.000000	0.04741902	O/G	0.12500000	0.00592738	No
MF113599		0.000000	0.000000	0.14225706	O/G	0.12500000	0.01778213	No
MF113600		0.000000	0.000000	0.60774294	O/G	0.12500000	0.07596787	No

API Number

4210933686

Remarks:

Final as drilled plats were submitted on August 28, 2022 by Kevin Woods. These wells are being set up for accounting purposes as there is not an SLB approved PSA or Pooling Agreement in place.

Prepared By:	<u> Jm </u>	Prepared Date:	<u> 11/10/2022 </u>
GLO Base Updated By:	<u> Jm </u>	GLO Base Date:	<u> 11/10/2022 </u>
RAM Approval By:	<u> JD </u>	RAM Approval Date:	<u> 11/10/2022 </u>
GIS By:	<u> RL </u>	GIS Date:	<u> 11/21/22 </u>
Well Inventory By:	<u> Jm </u>	WI Date:	<u> 11/10/2022 </u>

Pooling Committee Report

To: School Land Board

INU220001

Date of Board Meeting:

Unit Number: 12180

Effective Date: 02/01/2021

Unit Expiration Date:

Applicant: BPX Operating Company

Attorney Rep:

Operator: BPX Operating Company

Unit Name: HS State 113-20X111-5 # W108H

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	MF111133	0.12500000	05/25/2015	5 years	760.000000	0.000000	0.02532262
RAL	MF111134	0.12500000	05/25/2015	5 years	293.975000	0.000000	0.00592738
RAL	MF113599	0.12500000	07/29/2014	3 years	1,067.775000	0.000000	0.01778213
RAL	MF113600	0.12500000	07/29/2014	3 years	1,254.150000	0.000000	0.07596787

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

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

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

<u>RRC Rules:</u>	<u>Spacing Acres:</u>
No	



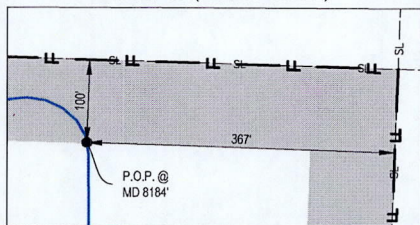
Crafton Tull
surveying

501.328.3316 | 501.328.3325 f
www.craftontull.com

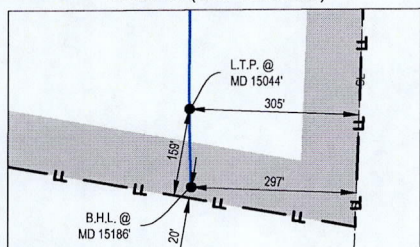
LEGEND

—	LEASE LINE
—	AS-DRILLED WELL PATH
—	NEAREST WELL PATH
—	SURVEY / SECTION LINE
S.H.L.	SURFACE HOLE LOCATION
P.O.P.	POINT OF PENETRATION
F.T.P.	FIRST TAKE POINT
T.P.	TURNING POINT
L.T.P.	LAST TAKE POINT
B.H.L.	BOTTOM HOLE LOCATION

INSET "A" (NOT TO SCALE)



INSET "B" (NOT TO SCALE)



PERFORATED FOOTAGES

SECTION	FOOTAGE	PERCENTAGE
SECTION 20, BLOCK 113	4678'	81.03%
SECTION 5, BLOCK 111	1095'	18.97%
TOTAL	5773'	100.00%

WELL PATH DATA

REF.	SECTION LINE CALLS (±)	LEASE LINE CALLS (±)
S.H.L.	297' FNL, 1252' FEL	297' FNL, 1252' FEL
P.O.P.	100' FNL, 367' FEL	100' FNL, 367' FEL
F.T.P.	699' FNL, 351' FEL	699' FNL, 351' FEL
L.T.P.	1094' FNL, 305' FEL	159' FSL, 305' FEL
B.H.L.	1236' FNL, 297' FEL	20' FSL, 297' FEL

REFERENCE	LAT. (NAD 83)	LONG. (NAD 83)	NORTHING (NAD 83)	EASTING (NAD 83)	LAT. (NAD 27)	LONG. (NAD 27)	NORTHING (NAD 27)	EASTING (NAD 27)
S.H.L.	31.71455759° N	104.17297888° W	10607939.24	1102843.87	31.71443250° N	104.17249896° W	765363.11	806382.87
P.O.P.	31.71510087° N	104.17013059° W	10608106.20	1103735.87	31.71497578° N	104.16965076° W	765530.06	807274.86
F.T.P.	31.71345252° N	104.17008405° W	10607506.44	1103729.65	31.71332740° N	104.16960426° W	764930.31	807268.64
L.T.P.	31.69759602° N	104.16993655° W	10601740.48	1103568.17	31.69747060° N	104.16948409° W	759164.43	807107.11
B.H.L.	31.69720669° N	104.16993800° W	10601598.66	1103571.26	31.69708125° N	104.16945845° W	759022.62	807110.20

LOCATION		DESCRIPTION		NAD83 (1986)		NAD27	
				STATE PLANE TEXAS CENTRAL (2277)	GEOGRAPHIC (4269)	STATE PLANE TEXAS CENTRAL (2209)	GEOGRAPHIC (4267)
NW CORNER 113-20	CALCULATED CORNER	N = 10608370.86 E = 1098847.70		LAT: 31.71536364° N LONG: 104.18587031° W	N = 765794.73 E = 802386.75	LAT: 31.71523866° N LONG: 104.18538995° W	
NE CORNER 113-20	CALCULATED CORNER	N = 10608193.35 E = 1104106.07		LAT: 31.71537540° N LONG: 104.16895043° W	N = 765617.21 E = 807645.06	LAT: 31.71525031° N LONG: 104.16847064° W	
SE CORNER 113-20	4" CEDAR POST W/ALUM TAG	N = 10602823.48 E = 1103910.46		LAT: 31.70060388° N LONG: 104.16898381° W	N = 760247.42 E = 807449.40	LAT: 31.70047850° N LONG: 104.16850424° W	
SW CORNER 113-20	4" CEDAR POST W/ALUM TAG	N = 10603000.62 E = 1098649.38		LAT: 31.70059096° N LONG: 104.18590973° W	N = 760424.58 E = 802188.38	LAT: 31.70046560° N LONG: 104.18542960° W	
SE LEASE CORNER	CALCULATED CORNER	N = 10601527.32 E = 1103865.69		LAT: 31.69703860° N LONG: 104.16898398° W	N = 759951.28 E = 807404.63	LAT: 31.69691316° N LONG: 104.16850446° W	
SOUTHERLY LEASE CORNER	CALCULATED CORNER	N = 10602180.40 E = 1100122.84		LAT: 31.69847758° N LONG: 104.18108362° W	N = 759804.36 E = 803661.82	LAT: 31.69835224° N LONG: 104.18060368° W	
SOUTHERLY LEASE CORNER	CALCULATED CORNER	N = 10602208.01 E = 1100061.92		LAT: 31.69854765° N LONG: 104.18128246° W	N = 759631.97 E = 803600.90	LAT: 31.69842232° N LONG: 104.18090251° W	
SOUTHERLY LEASE CORNER	CALCULATED CORNER	N = 10602986.80 E = 1099059.85		LAT: 31.70059196° N LONG: 104.18458917° W	N = 760410.75 E = 802598.85	LAT: 31.70046668° N LONG: 104.18410908° W	

GENERAL NOTES

1. THE LOCATIONS OF UNDERGROUND UTILITIES AS SHOWN HEREON ARE BASED ON REASONABLE VISUAL OBSERVATION. LOCATIONS OF UNDERGROUND UTILITIES STRUCTURES MAY VARY FROM LOCATIONS SHOWN HEREIN. ADDITIONAL BURIED UTILITIES STRUCTURES MAY BE ENCOUNTERED. NO EXCAVATIONS WERE MADE DURING THE PROGRESS OF THIS SURVEY TO LOCATE BURIED UTILITIES/STRUCTURES. BEFORE EXCAVATIONS ARE BEGUN, THE OFFICES OF THE VARIOUS UTILITIES SERVICING THIS AREA SHOULD BE CONTACTED FOR THEIR UTILITY LOCATION.

2. PROJECT COORDINATE SYSTEM: TEXAS STATE PLANE, CENTRAL ZONE, NAD83, U.S. FEET AS DETERMINED BY GPS OBSERVATION.

3. ALL NAD27 COORDINATES WERE DERIVED USING THE NADCON CONVERSION MODEL.

REVISION

0	FINAL PLAT 1/27/22
1	REVISED FTP 3/15/22
2	ADD PERF FOOTAGE 8/10/22

BPX OPERATING COMPANY

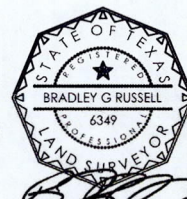
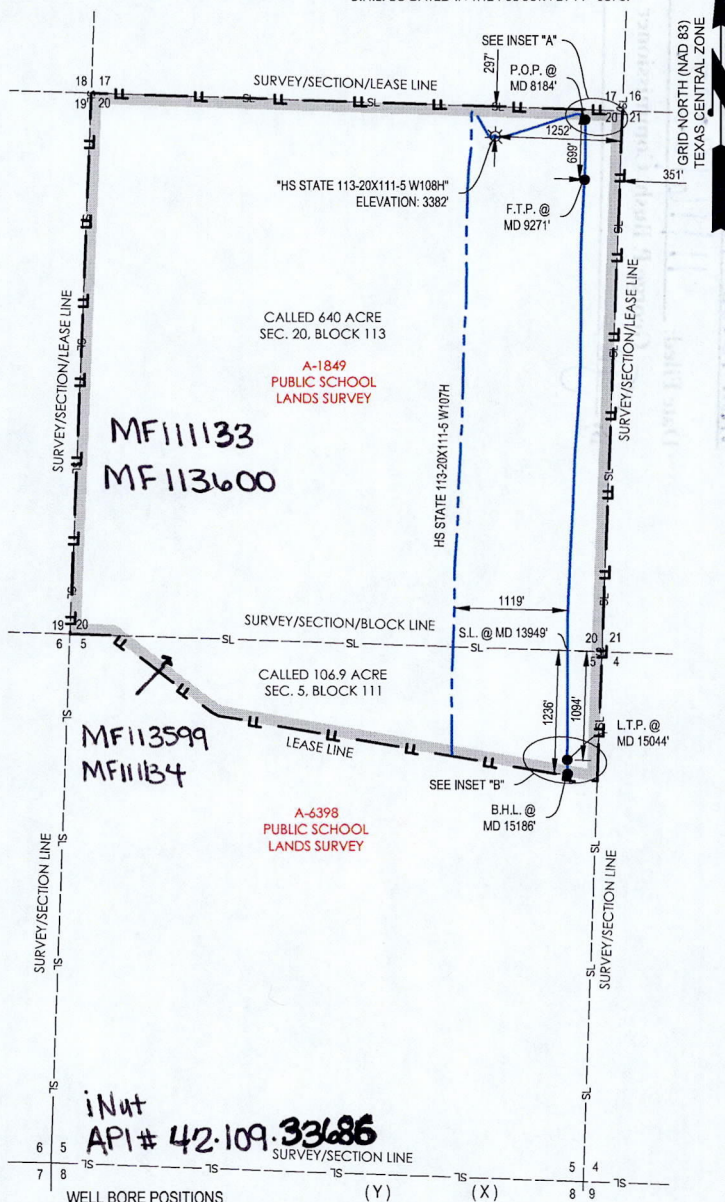
HS STATE 113-20X111-5 W108H
S.H.L. IN PSL A-1849 & B.H.L. IN PSL A-6398
CULBERSON COUNTY, TEXAS
FINAL AS-DRILLED PLAT

SCALE: 1" = 1200'
PLOT DATE: 08/10/2022

CHECKED BY: NPE
DRAWN BY: MF
APPROVED BY: LD
SHEET NO.: 1 OF 1

CULBERSON COUNTY, TEXAS

NOTE: S.H.L. APPROXIMATE LOCATION IS S 65°47' W,
17.3 MILES FROM ORLA, TEXAS.
S.H.L. LOCATED IN THE PSL SURVEY A - 1849.
B.H.L. LOCATED IN THE PSL SURVEY A - 6398.

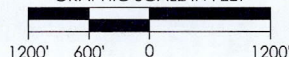


CONTACT INFORMATION:

Bradley G. Russell
Crafton Tull (10193715)
1000 Ledgeview Dr.
Conway, AR 72034

NOTE: THIS IS NOT A BOUNDARY SURVEY AS DEFINED BY STATE OR LOCAL LAWS. THE BOUNDARY AND DRILLING UNIT LINES SHOWN HEREON ARE ONLY APPROXIMATE BASED ON INFORMATION SUPPLIED TO THE SURVEYOR BY THE CLIENT. ALTHOUGH THEY ARE PLACED AS ACCURATELY AS POSSIBLE BASED ON AVAILABLE INFORMATION, NO FIELD SURVEY WAS CONDUCTED BY THE SURVEYOR TO VERIFY THE ACCURACY OF THE BOUNDARY LINES SHOWN. ONLY THE SURFACE HOLE POSITIONS WERE FIELD LOCATED BY THE SURVEYOR.

GRAPHIC SCALE IN FEET



File No. MF111133
Culberson County
iNwt 12180-AP142-109-33686
Date Filed: 11/16/2022
By George P. Bush, Commissioner
gm

38.66.001.00.0000

11/16/2022

11/16/2022



MF111133 et al
DIVISION ORDER

To: BPX Operating Company
PO Box 941180
Houston, TX 77094

Date: 10/07/2021

Effective Date: 10/07/2021

Property Name: Various Properties (see exhibit A)
Property Number: Various (see exhibit A)
Operator: BPX Operating Company
County/State: Various (see exhibit A)
Description: See Exhibit A

Production: Oil: X Gas: X Other: X

Owner Number: 60468207	Type of Interest: See Exhibit A
Owner Name: STATE OF TEXAS GLO	Interest Sequence: See Exhibit A
Owner Address: 1700 N CONGRESS AVE NO 640	Tract Factor: See Exhibit A
AUSTIN, TX 78701-1495 US	Tract Interest: See Exhibit A
	Unit Interest: See Exhibit A

The undersigned severally and not jointly certifies it is the legal owner of the interest set out in this Division Order of all the oil and related liquid hydrocarbons and gas produced from the property described.

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

TERMS OF SALE: The undersigned will be paid in accordance with the division of interests set out in this Division Order. The payor shall pay all parties at the price for the oil and gas produced and sold hereunder as calculated under the terms of the oil and gas lease.

PAYMENT: Payment is to be made, based on this division of interest, as prescribed by the oil and gas lease or by law. Payments of less than \$100 may be accrued before disbursement until the total amount equals \$100 or more, or until 12 months' proceeds accumulate, whichever occurs first. However, the payor may hold accumulated proceeds of less than \$10 until production ceases or the payor's responsibility for making payment for production ceases, whichever occurs first. Payee agrees to refund to payor any amounts attributable to an interest or part of an interest that payee does not own.

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

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

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

NOTICES: The owner agrees to notify payor in writing of any change in the division of interest, including changes of interest contingent on payment of money or expiration of time. No change of interest is binding on payor until the recorded copy of the instrument of change or documents satisfactorily evidencing such change are furnished to payor at the time the change occurs.

Any change of interest shall be made effective on the first day of the month following receipt of such notice by payor.

Any correspondence regarding this agreement shall be furnished to the addresses listed unless otherwise advised by either party.

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

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

Failure to furnish your proper Social Security/Tax I.D. Number on IRS Form W-9 will result in income tax withholding in accordance with federal law, and any tax withheld will not be refundable by Payor.

To: BPX Operating Company

Verified

DIVISION ORDER EXHIBIT "A"

Dated: 10/07/2021

Page: 1

OWNER: 60468207

STATE OF TEXAS GLO
1700 N CONGRESS AVE NO 640
AUSTIN TX 78701-1495

Property Name							
HS State 113-21x111-4 W107H							
Operator							
BPX Operating Company							
Legal Description							
County or Parish: CULBERSON State: TEXAS ALL OF SECTION 21, BLOCK 113 & 335 ACRES OF SECTION 4, BLOCK 111, PSL SURVEY							
DOI/ PROPERTY CODE	DOI SUFFIX	TRACT FACTOR	TRACT INTEREST	INTEREST TYPE	PRODUCT CODE	UNIT INTEREST	ACCOUNT STATUS
130403	2	1.00000000	0.02051282	Royalty Interest	All Products	0.02051282	Pay
130403	2	1.00000000	0.09375000	Royalty Interest	All Products	0.09375000	Pay
130403	2	1.00000000	0.01073718	Royalty Interest	All Products	0.01073718	Pay

total = 0.125 ✓

Property Name							
HS State 113-21x111-4 W108H							
Operator							
BPX Operating Company							
Legal Description							
County or Parish: CULBERSON State: TEXAS ALL OF SECTION 21, BLOCK 113 & 335 ACRES OF SECTION 4, BLOCK 111, PSL SURVEY							
DOI/ PROPERTY CODE	DOI SUFFIX	TRACT FACTOR	TRACT INTEREST	INTEREST TYPE	PRODUCT CODE	UNIT INTEREST	ACCOUNT STATUS
130403	3	1.00000000	0.02051282	Royalty Interest	All Products	0.02051282	Pay
130403	3	1.00000000	0.09375000	Royalty Interest	All Products	0.09375000	Pay
130403	3	1.00000000	0.01073718	Royalty Interest	All Products	0.01073718	Pay

total = 0.125 ✓

Property Name							
HS STATE 113-20X111-5 W107H							
Operator							
BPX Operating Company							
Legal Description							
County or Parish: CULBERSON State: TEXAS ALL OF SECTION 20, BLOCK 113 & 106.9 ACRES OF SECTION 5, BLOCK 111, PSL							
DOI/ PROPERTY CODE	DOI SUFFIX	TRACT FACTOR	TRACT INTEREST	INTEREST TYPE	PRODUCT CODE	UNIT INTEREST	ACCOUNT STATUS
130403	4	1.00000000	0.00447265	Royalty Interest	All Products	0.00447265	Pay
130403	4	1.00000000	0.01341796	Royalty Interest	All Products	0.01341796	Pay
130403	4	1.00000000	0.02677735	Royalty Interest	All Products	0.02677735	Pay
130403	4	1.00000000	0.08033204	Royalty Interest	All Products	0.08033204	Pay

total = 0.125

To: BPX Operating Company

DIVISION ORDER EXHIBIT "A"

Dated: 10/07/2021

Page: 2

OWNER: 60468207

STATE OF TEXAS GLO
1700 N CONGRESS AVE NO 640
AUSTIN TX 78701-1495

Verified

Property Name							
HS STATE 113-20X111-5 W108H							
Operator							
BPX Operating Company							
Legal Description							
County or Parish: CULBERSON State: TEXAS							
ALL OF SECTION 20, BLOCK 113 &							
106.9 ACRES OF SECTION 5,							
BLOCK 111, PSL							
DOI/ PROPERTY CODE	DOI SUFFIX	TRACT FACTOR	TRACT INTEREST	INTEREST TYPE	PRODUCT CODE	UNIT INTEREST	ACCOUNT STATUS
130403	5	1.00000000	0.00447265	Royalty Interest	All Products	0.00447265	Pay
130403	5	1.00000000	0.01341796	Royalty Interest	All Products	0.01341796	Pay
130403	5	1.00000000	0.02677735	Royalty Interest	All Products	0.02677735	Pay
130403	5	1.00000000	0.08033204	Royalty Interest	All Products	0.08033204	Pay

Net 12180

total = 0.125 ✓

12.07.07



TEXAS GENERAL LAND OFFICE
COMMISSIONER DAWN BUCKINGHAM, M.D.

January 20, 2023

Anne Patton
Division Order Analyst
BPX Operating Company
PO Box 941180
Houston, TX 77094

Re: State Lease Nos. MF113600, MF113601; MF111134 HS State 113-21x111-4 W107H
iNut 12182 and W108H iNut 12183; and
MF111133, MF113600, MF113599 and MF111134 HS State
113-20X111-5 W107H iNut 12177 and W108H iNut 12180

Dear Mrs. Patton:

The Texas General Land Office (GLO) has received your Division Order for the referenced iNut(s). 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 Zamora
Landman, Energy Resources
512-475-0428
512-475-1404 (fax)
vivian.zamora@glo.texas.gov

File No. ME111133

Culberson County

DIVISION ORDER

Date Filed: 11/25/2023

Commissioner Dawn Buckingham, M.D.

By: JD