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Archives and Records Staff

MF111928

#6663
#10675

State Lease	Control	Base File	County
MF111928	07-101450	114086	REEVES

Survey	H & G N R Y CO	
Block	2	
Block Name		
Township		
Section/Tract	24	
Land Part	SE/4 NE/4 NE/4 & NE/4 NW/4 NW/4	
Part Description		
Acres	20	
Depth Below	Depth Above	Depth Other

Leasing:
Analyst:
Maps:
GIS:
DocuShare:

Name	CIMAREX ENERGY CO.
Lease Date	9/8/2010
Primary Term	5 yrs
Bonus (\$)	\$8,000.00
Rental (\$)	\$0.00
Lease Royalty	0.1250

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② Lease	11/24/10
③ Cover Letter & Fees	11/24/10
④ Final Letter	11/10/11

Scanned PJ 4-1-13

5. Rental Payment 05/13/2013

Scanned sm 7/22/13

6. Deduction of Beaverhead 2-24 Unit 3/2/15

7. Ref. Fiction Packet # 6663

Beaverhead 2-24 Unit 3/2/15

Scanned PJ 6-8-15

8. Request to Gas Lift 8/9/16

9. Agree to Gas Lift 8/9/16

Scanned PJ 8-31-16

10. 2nd Amendment Unit 10675 03/31/22

Scanned TG 4/27/2022

11. Updated Acreage Buckslip

Unit 10675 8/30/2022

Scanned PJ 26 Sept 2022

12. Min. Royalty 10/24/24

Scanned WM 10-28-2024

RAL REVIEW SHEET

Transaction # 6953

Geologist: R. Widmayer

Lessor: Pigman, Reecia K.

Lease Date: 9/8/2010

UL ☐

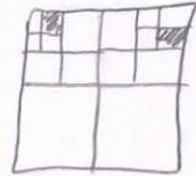
Lessee: Cimarex Energy Co.

Gross Acres: 20

Net Acres: 20

LEASE DESCRIPTION

County	PIN#	Base File No	Part	Sec.	Block	Twp	Survey	Abst#
REEVES	07-101450	114086	SE/4NE/4 NE/4, NE/4 NW/4 NW/4	24	2	00	H & G N RY CO	3491



TERMS OFFERED

Primary Term: 5 years

Bonus/Acre: \$800.00

Rental/Acre: \$1.00

Royalty: 1/4

TERMS RECOMMENDED

Primary Term: 5 years

Bonus/Acre: \$800.00

Rental/Acre: \$1.00

Royalty: 1/4

COMPARISONS

MF #	Lessee	Date	Term	Bonus/Ac.	Rental/Ac.	Royalty	Distance
MF107473	Bracero Oil Company	5/31/2006	5 years	\$600.00	\$1.00	1/4	Last Lease

Comments: Paid up rentals for the 2nd and 3rd years. 4th year rental will be \$500.00 per acre and will pay up the 5th year.

Approved: TM 10/5/10

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: 04-Oct-10

FROM: Robert Hatter, Director of Mineral Leasing
Tracey Throckmorton, Geoscience Manager

Applicant:	Cimarex Energy Co.	County:	REEVES
Prim. Term:	5 years	Bonus/Acre	\$800.00
Royalty:	1/4	Rental/Acre	\$1.00

Consideration

Recommended: TH Date: 10/5/10

Not Recommended: _____

Comments: Paid up rentals for the 2nd and 3rd years. 4th year rental will be \$500.00 per acre and will pay up the 5th year.

✓ Lease Form

Recommended: RJH Date: 10/8/10

Not Recommended: _____

Comments:

Louis Renaud, Deputy Commissioner Date: 10/15/10

Recommended: CLR

Not Recommended: _____

Bill Warnick, General Counsel Date: 10/20/10

Recommended: WFW

Not Recommended: _____

Larry Laine, Chief Clerk Date: 10/20/10

Approved: LL

Not Approved: _____

Jerry Patterson, Commissioner Date: 10/21/10

Approved: Jerry E. Patterson

Not Approved: _____

File No. 111928

RAL Sheet

Date Filed: March 10 5 10

Jerry E. Patterson, Commissioner

By GH

FILE # 4109

General Land Office
Relinquishment Act Lease Form
Revised, September 1997

The State of Texas



Austin, Texas

OIL AND GAS LEASE

THIS AGREEMENT is made and entered into this 8 day of September, 2010, between the State of Texas, acting by and through its agent, Reecia K. Pigman of 618 W.4th Pecos, Texas 79772 (Give Permanent Address) said agent herein referred to as the owner of the soil (whether one or more), and Cimarex Energy Co. of 600 N. Marienfeld, Suite 600, Midland, Texas 79701 hereinafter called Lessee. (Give Permanent Address)

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

All of the SE/4 NE/4 NE/4 and NE/4 NW/4 NW/4 of Section 24, Block 2, H&GN Survey.

containing 20.00 acres, more or less. The bonus consideration paid for this lease is as follows:

To the State of Texas: Eight thousand dollars and 00/100
Dollars (\$8,000.00)

To the owner of the soil: Eight thousand dollars and 00/100
Dollars (\$8,000.00)

Total bonus consideration: Sixteen Thousand dollars and 00/100
Dollars (\$16,000.00)

The total bonus consideration paid represents a bonus of Eight Hundred and 00/100
Dollars (\$800.00) per acre, on 20.00 net acres.

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



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

See Exhibit "A" for Rental Instructions 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: _____
Dollars (\$ _____)
To the State of Texas: _____
Dollars (\$ _____)
Total Delay Rental: _____
Dollars (\$ _____)

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

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

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

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

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

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

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



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

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

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

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

Payment of royalty on production of oil and gas shall be as provided in the rules set forth in the Texas Register. Rules currently provide that royalty on oil is due and must be received in the General Land Office on or before the 5th day of the second month succeeding the month of production, and royalty on gas is due and must be received in the General Land Office on or before the 15th day of the second month succeeding the month of production, accompanied by the affidavit of the owner, manager or other authorized agent, completed in the form and manner prescribed by the General Land Office and showing the gross amount and disposition of all oil and gas produced and the market value of the oil and gas, together with a copy of all documents, records or reports confirming the gross production, disposition and market value including gas meter readings, pipeline receipts, gas line receipts and other checks or memoranda of amount produced and put into pipelines, tanks, or pools and gas lines or gas storage, and any other reports or records which the General Land Office may require to verify the gross production, disposition and market value. In all cases the authority of a manager or agent to act for the Lessee herein must be filed in the General Land Office. Each royalty payment shall be accompanied by a check stub, schedule, summary or other remittance advice showing by the assigned General Land Office lease number the amount of royalty being paid on each lease. If Lessee pays his royalty on or before thirty (30) days after the royalty payment was due, then Lessee owes a penalty of 5% on the royalty or \$25.00, whichever is greater. A royalty payment which is over thirty (30) days late shall accrue a penalty of 10% of the royalty due or \$25.00 whichever is greater. In addition to a penalty, royalties shall accrue interest at a rate of 12% per year; such interest will begin to accrue when the royalty is sixty (60) days overdue. Affidavits and supporting documents which are not filed when due shall incur a penalty in an amount set by the General Land Office administrative rule which is effective on the date when the affidavits or supporting documents were due. The Lessee shall bear all responsibility for paying or causing royalties to be paid as prescribed by the due date provided herein. Payment of the delinquency penalty shall in no way operate to prohibit the State's right of forfeiture as provided by law nor act to postpone the date on which royalties were originally due. The above penalty provisions shall not apply in cases of title dispute as to the State's portion of the royalty or to that portion of the royalty in dispute as to fair market value.

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

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

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

11. DRY HOLE/CESSATION OF PRODUCTION DURING PRIMARY TERM. If, during the primary term hereof and prior to discovery and production of oil or gas on said land, Lessee should drill a dry hole or holes thereon, or if during the primary term hereof and after the discovery and actual production of oil or gas from the leased premises such production thereof should cease from any cause, this lease shall not terminate if on or before the expiration of sixty (60) days from date of completion of said dry hole or cessation of production Lessee commences additional drilling or reworking operations thereon, or pays or tenders the next annual delay rental in the same manner as provided in this lease. If, during the last year of the primary term or within sixty (60) days prior thereto, a dry hole be completed and abandoned, or the production of oil or gas should cease for any cause, Lessee's rights shall remain in full force and effect without further operations until the expiration of the primary term; and if Lessee has not resumed production in paying quantities at the expiration of the primary term, Lessee may maintain this lease by conducting additional drilling or reworking



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

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

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

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

15. COMPENSATORY ROYALTIES. If, during the period the lease is kept in effect by payment of the shut-in oil or gas royalty, oil or gas is sold and delivered in paying quantities from a well located within one thousand (1,000) feet of the leased premises and completed in the same producing reservoir, or in any case in which drainage is occurring, the right to continue to maintain the lease by paying the shut-in oil or gas royalty shall cease, but the lease shall remain effective for the remainder of the year for which the royalty has been paid. The Lessee may maintain the lease for four more successive years by Lessee paying compensatory royalty at the royalty rate provided in the lease of the market value of production from the well causing the drainage or which is completed in the same producing reservoir and within one thousand (1,000) feet of the leased premises. The compensatory royalty is to be paid monthly, one-half (1/2) to the Commissioner of the General Land Office and one-half (1/2) to the owner of the soil, beginning on or before the last day of the month following the month in which the oil or gas is produced from the well causing the drainage or that is completed in the same producing reservoir and located within one thousand (1,000) feet of the leased premises. If the compensatory royalty paid in any 12-month period is an amount less than the annual shut-in oil or gas royalty, Lessee shall pay an amount equal to the difference within thirty (30) days from the end of the 12-month period. Compensatory royalty payments which are not timely paid will accrue penalty and interest in accordance with Paragraph 9 of this lease. None of these provisions will relieve Lessee of the obligation of reasonable development nor the obligation to drill offset wells as provided in Texas Natural Resources Code 52.173; however, at the determination of the Commissioner, and with the Commissioner's written approval, the payment of compensatory royalties can satisfy the obligation to drill offset wells.

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

(A) VERTICAL. In the event this lease is in force and effect two (2) years after the expiration date of the primary or extended term it shall then terminate as to all of the leased premises, EXCEPT (1) 40 acres surrounding each oil well capable of producing in paying quantities and 320 acres surrounding each gas well capable of producing in paying quantities (including a shut-in oil or gas well as provided in Paragraph 14 hereof), or a well upon which Lessee is then engaged in continuous drilling or reworking operations, or (2) the number of acres included in a producing pooled unit pursuant to Texas Natural Resources Code 52.151-52.154, or (3) such greater or lesser number of acres as may then be allocated for production purposes to a proration unit for each such producing well under the rules and regulations of the Railroad Commission of Texas, or any successor agency, or other governmental authority having jurisdiction. If at any time after the effective date of the partial termination provisions hereof, the applicable field rules are changed or the well or wells located thereon are reclassified so that less acreage is thereafter allocated to said well or wells for production purposes, this lease shall thereupon terminate as to all acreage not thereafter allocated to said well or wells for production purposes. Notwithstanding the termination of this lease as to a portion of the lands covered hereby, Lessee shall nevertheless continue to have the right of ingress to and egress from the lands still subject to this lease for all purposes described in Paragraph 1 hereof, together with easements and rights-of-way for existing roads, existing pipelines and other existing facilities on, over and across all the lands described in Paragraph 1 hereof ("the retained lands"), for access to and from the retained lands and for the gathering or transportation of oil, gas and other minerals produced from the retained lands.



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

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

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

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

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

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

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

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

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

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

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



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Original filed in
Reeves County
Clerks Office

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

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

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

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

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

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

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

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

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

32. FORFEITURE. If Lessee shall fail or refuse to make the payment of any sum within thirty days after it becomes due, or if Lessee or an authorized agent should knowingly make any false return or false report concerning production or drilling, or if Lessee shall fail or refuse to drill any offset well or wells in good faith as required by law and the rules and regulations adopted by the Commissioner of the General Land Office, or if Lessee should fail to file reports in the manner required by law or fail to comply with rules and regulations promulgated by the General Land Office, the School Land Board, or the Railroad Commission, or if Lessee should refuse the proper authority access to the records pertaining to operations, or if Lessee or an authorized agent should knowingly fail or refuse to give correct information to the proper authority, or knowingly fail or refuse to furnish the General Land Office a correct log of any well, or if Lessee shall knowingly violate any of the material provisions of this lease, or if this lease is assigned and the assignment is not filed in the General Land Office as required by law, the rights acquired under this lease shall be subject to forfeiture by the

Commissioner, and he shall forfeit same when sufficiently informed of the facts which authorize a forfeiture, and when forfeited the area shall again be subject to lease under the terms of the Relinquishment Act. However, nothing herein shall be construed as waiving the automatic termination of this lease by operation of law or by reason of any special limitation arising hereunder. Forfeitures may be set aside and this lease and all rights thereunder reinstated before the rights of another intervene upon satisfactory evidence to the Commissioner of the General Land Office of future compliance with the provisions of the law and of this lease and the rules and regulations that may be adopted relative hereto.

33. LIEN. In accordance with Texas Natural Resources Code 52.136, the State shall have a first lien upon all oil and gas produced from the area covered by this lease to secure payment of all unpaid royalty and other sums of money that may become due under this lease. By acceptance of this lease, Lessee grants the State, in addition to the lien provided by Texas Natural Resources Code 52.136 and any other applicable statutory lien, an express contractual lien on and security interest in all leased minerals in and extracted from the leased premises, all proceeds which may accrue to Lessee from the sale of such leased minerals, whether such proceeds are held by Lessee or by a third party, and all fixtures on and improvements to the leased premises used in connection with the production or processing of such leased minerals in order to secure the payment of all royalties or other amounts due or to become due under this lease and to secure payment of any damages or loss that Lessor may suffer by reason of Lessee's breach of any covenant or condition of this lease, whether express or implied. This lien and security interest may be foreclosed with or without court proceedings in the manner provided in the Title 1, Chap. 9 of the Texas Business and Commerce Code. Lessee agrees that the Commissioner may require Lessee to execute and record such instruments as may be reasonably necessary to acknowledge, attach or perfect this lien. Lessee hereby represents that there are no prior or superior liens arising from and relating to Lessee's activities upon the above-described property or from Lessee's acquisition of this lease. Should the Commissioner at any time determine that this representation is not true, then the Commissioner may declare this lease forfeited as provided herein.

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

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

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

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



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Original filed in
Reeves County
Clerks Office

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

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

LESSEE

Cimarex Energy Co.

By: Roder Alexander
Title: Attorney-in-Fact for Cimarex Energy Co.
Date: 10/19/10

WJ
gt rrm

STATE OF TEXAS

BY: Reecia K. Pigman
Reecia K. Pigman
Individually and as agent for the State of Texas
Date: 9-10-10

STATE OF TEXAS

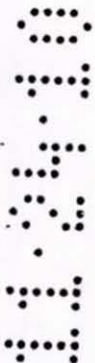
BY: _____
Individually and as agent for the State of Texas
Date: _____

STATE OF TEXAS

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

STATE OF TEXAS

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



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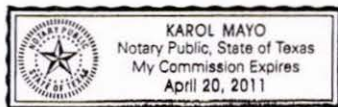
STATE OF Texas

(CORPORATION ACKNOWLEDGMENT)

COUNTY OF Midland

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

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



Karol Mayo
Notary Public in and for State of Texas

STATE OF _____

(CORPORATION ACKNOWLEDGMENT)

COUNTY OF _____

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

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

Notary Public in and for _____

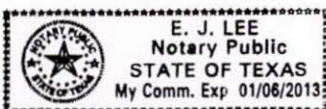
STATE OF _____

(INDIVIDUAL ACKNOWLEDGMENT)

COUNTY OF _____

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

Given under my hand and seal of office this the 10th day of September, 2010.



E. J. Lee
Notary Public in and for REEVES COUNTY,
TEXAS

STATE OF _____

(INDIVIDUAL ACKNOWLEDGMENT)

COUNTY OF _____

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

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

Notary Public in and for _____



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Reeves County
Clerks Office

EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated September 8, 2010, between the State of Texas, acting by and through its agent, Reecia K. Pigman and Cimarex Energy Co., covering All of the SE/4 NE/4 NE/4 and NE/4 NW/4 NW/4 of Section 24, Block 2, H&GN Survey, located in Reeves County, Texas.

40. PAID UP RENTALS

Rentals for years two and three of this lease have been prepaid as part of the total lease bonus consideration for the first three years of this lease. One half (1/2) of this amount has been paid to the Lessor and one half (1/2) has been paid to the State of Texas. Rental for the fourth year in the amount of \$10,000.00 has not been paid and if the fourth year rental is not paid then this lease will expire. One half (1/2) of the fourth year rental will be paid to the Lessor and one half (1/2) will be paid to the State of Texas. Rental for the fifth year is included in the fourth year rental and if the fourth year rental is paid then no additional rentals are due under this lease.

FILE # 4109FILED FOR RECORD ON THE 3RD DAY OF NOVEMBER A.D. 2010 10:45 AM.DULY RECORDED ON THE 9TH DAY OF NOVEMBER A.D. 2010 9:00 A M.BY: Dianne O. Florez, DEPUTYDIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

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



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

2
File No. 111928

Lease

Date Filed: ~~11/24/10~~ 11/24/10

Jerry E. Patterson, Commissioner

By GA

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

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the public records of my office, found in VOL. 856, PAGE 463, THRU 472. OFFICIAL PUBLIC RECORDS

I hereby certified on 11/16/2010



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

BY Dalia Galindo DEPUTY
DALIA GALINDO

11/24/10



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

Check Number 0001338361

Invoice #	Inv. Date	Description	Amount	Discount	Net Amount
REQ217091310	09/13/2010		8,000.00	0.00	8,000.00
					121
					11702706
					(P)

023492

Vendor

Check Date: 09/30/2010

Check Amount

8,000.00



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

Check Number 0001336203

Invoice #	Inv. Date	Description	Amount	Discount	Net Amount
REQ21709132010c	09/13/2010		100.00	0.00	100.00
11700748					
✓					
121					

023492

Vendor

Check Date: 09/17/2010

Check Amount

100.00

CIMAREX

PLEASE DETACH AT PERFORATION ABOVE

Invoice #	Inv. Date	Description	Amount	Discount	Net Amount
REQ21709132010b	09/13/2010		25.00	0.00	25.00

121

11702707

25.00

Cimarex Energy Co.
600 N. Marienfeld St.
Suite 600
Midland, Texas 79701
PHONE 432.571.7800



November 22, 2010

Mineral Leasing Division
Texas General Land Office
Attn: Drew Reid
P.O. Box 12873
Austin, TX 78701-1495

Certified Mail Return Receipt Requested No. 91 7108 2133 3938 4681 2085

**RE: Mineral Classified Leases
All of SE/4 NE/4 NE/4 and NE/4 NW/4 NW/4 of Section 24, Block 2, H&GN
Survey
Reeves County, TX**

Dear Mr. Reid,

Please find enclosed a certified copy of the Oil and Gas Lease filed of record in Reeves County, Texas covering the above captioned lands, along with a check representing the bonus consideration for said lease. Specifically, please find the following certified copy of the lease and corresponding check as follows:

Lessor: Reccia K. Pigman
Recorded: Book 856, P. 463-472
Check Number 0001338361- \$8,000.00 (bonus consideration)

Additionally, please find enclosed a \$25.00 check to cover the filing fee for the above lease.

Please respond with written verification of receipt of the above check, along with written verification of receipt and acceptance of the above recorded lease. If I can be of further assistance, please contact me at the number below.

Sincerely,

A handwritten signature in blue ink, appearing to read "Todd Meador", is written over the word "Sincerely,".

Todd Meador
(432) 571-7858

New
Cimarex Energy Co.
600 N. Mariefeld St.
Suite 600
Midland, Texas 79701
PHONE 432.571.7000



September 13, 2010

Mineral Leasing Division
Texas General Land Office
Attn: Drew Reid
P.O. Box 12873
Austin, TX 78701-1495

RE: Mineral Classified Leases
All of the SE/4 NE/4 NE/4 and NE/4 NW/4 NW/4 of Section 24,
Block 2. H&GN Survey
Reeves County, TX

Dear Mr. Reid,

Reecia K. Pigman, acting as agent for the State of Texas, as Lessor, and Cimarex Energy Co., as Lessee, ("The Parties") have reached an agreement to lease the above-captioned lands in Reeves County, TX. The agreed upon terms of the lease are as follows:

Primary Term:	five (5) years
Royalty:	one-fourth (1/4)
Bonus Consideration:	\$800.00 / net acre
Rentals:	Lease is paid up for years 1-3. A one-time rental payment of \$500.00 for years 4 and 5

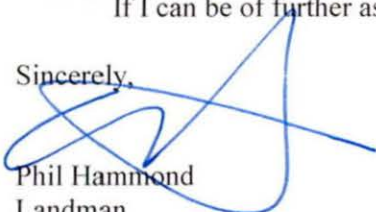
Reecia K. Pigman is the "Owner of the Soil" for an undivided 100.00% interest.

An addendum to the lease form has been attached to the lease and is enclosed for your review. Additionally, a check in the amount of \$100.00 has been included to cover the processing fee.

If the lease meets with the approval of the State of Texas, please notify me at the letterhead address or via email at pwhammond@cimarex.com, and I will send the originals to be recorded in Reeves County. A certified copy of the recorded leases will be provided to the State when available, along with the bonus consideration.

If I can be of further assistance, please contact me at the number below.

Sincerely,


Phil Hammond
Landman
(432) 571-7822

File No. 111926

Cover letter @ fees

Date Filed: 11/24/10

Jerry E. Patterson, Commissioner

By GH

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

November 10, 2011

Todd Meador
Cimarex Energy Co.
600 N. Marienfeld St., Suite 600
Midland, Texas 79701

Re: **State Lease MF 111928**

RAL Lease dated September 8, 2010 recorded in Book 856, Page 463, covering SE/4 NE/4 NE/4, And NE/4 NW/4 NW/4 Sec 24, Blk 2, H&GN Survey, Reeves Co TX, 20 ac., Cimarex Energy Co., agent for State of TX, Lessor

Dear Mr. Meador:

The certified copy of the Relinquishment Act lease covering the above referenced tract has been approved and filed in our records under the **State Lease No. MF111928**. **Please refer to this number when making rental, shut-in or any other 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 leases.**

There are several contractual and statutory responsibilities for the Lessee which are material provisions of the lease as outlined in the agreement such as Section 10(B) which requires submission of written notice for all drilling, production and related activities. When forms are filed with the Texas Railroad Commission, they are required to be submitted to the General Land Office as well. Examples are W-1, Application to Drill; W-2, Oil Well Completion Report and Log; G-1, Gas Well Completion Report and Log; W-3, Plugging Report; G-5, Gas Well Classification Report; G-10, Gas Well Status Report; W-10, Oil Well Status Report; W-12, Inclination Report; electric logs; directional surveys.

Your remittance of **\$8,000.00** have been applied to the State's portion of the cash bonus. Your checks for **\$100.00** and **\$25.00** have been applied to the processing and the filing fees.

Sincerely yours,

Drew Reid
Minerals Leasing
Energy Resources
(512) 475-1534
drew.reid@glo.texas.gov

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

Post Office Box 12873 • Austin, Texas 78711-2873

512-463-5001 • 800-998-4GLO

www.glo.state.tx.us

File No. 111928

Final Letter

Date Filed: " 10 "

Jerry E. Patterson, Commissioner

By GLT

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



Check Number 0001506016

Invoice #	Inv. Date	Description	Amount	Discount	Net Amount
REQ21704252013P	04/25/2013		5,000.00	0.00	5,000.00
		MF 11/928 (P)		121	X
					13710703

023492

Vendor

Check Date: 05/07/2013

Check Amount

5,000.00

CIMAREX

WELLS FARGO BANK NA

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

13710703

Present for payment within 180 days.

Vendor No.	Check No.	Check Date	Check Amount
023492	0001506016	05/07/2013	*****\$5,000.00

PAY Five Thousand Dollars and Zero Cents

TO THE
ORDER
OF

STATE OF TEXAS
1700 N CONGRESS AVE STE 840
AUSTIN TX 78701-1495

Paul Kous

Shirri M. Nitta

SIGNATURE HAS A COLORED BACKGROUND - BORDER CONTAINS MICROPRINTING

PLEASE DETACH AT PERFORATION ABOVE

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

PLEASE DETACH AT PERFORATION ABOVE

CIMAREX

Check Number 0001506016

Invoice #	Inv. Date	Description	Amount	Discount	Net Amount
REQ21704252013P	04/25/2013		5,000.00	0.00	5,000.00
				121	X
					13710703

023492 Vendor Check Date: 05/07/2013 Check Amount 5,000.00

Cimarex Energy Co.

600 N. Marienfeld

Suite 600

Midland, TX 79701

MAIN 432.571.7800

FAX 432.571.7832



State of Texas
Attn: Drew Reid
1700 N. Congress Ave, Suite 840
Austin, TX 78701-1495

Dear Mr. Reid,

Please find attached a check for \$5,000.00 exercising the rental payment for the 4th and 5th years on the current Mineral Classified Oil & Gas Lease. Your check represents 1/2 of the total rental paid (20.0 nma X \$500 = \$10,000.00).

State Lease MF 111928

Dated September 8, 2010 recorded in Book 856, Page 463

Covering SE/4NE/4NE/4 and NE/4NW/4NW/4 in Section 24, Block 2, H&GN RR Co Survey,
Reeves County, Texas

Reecia K Pigman, Agent for State of Texas, Lessors

Should you have any questions my e-mail address is, dfharris@cimarex.com.

Sincerely,

A handwritten signature in blue ink that reads "Debra".

Debra Harris
Petroleum Landman

Direct Line: 432-571-7871

File No. M F111928

Rental Payment

Date Filed: 05/13/2013

Jerry E. Patterson, Commissioner

By JEP

27273

DECLARATION OF POOLED UNIT

(Beaverhead 2-24 Unit)

STATE: TEXAS
COUNTY: REEVES

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This Declaration of Pooled Unit is executed by the undersigned parties, who are the owners in the leasehold estate created under those oil, gas and mineral leases and memorandums of oil, gas and mineral leases, all described in Exhibit "A", which exhibit is attached to and incorporated by reference into this Declaration of Pooled Unit (collectively referred to as the "Unit Leases" or "Leases").

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The pooling, unitization, and combination of the Unit Leases to form the Pooled Unit, described below, is necessary and advisable, in the judgment of the undersigned, to develop and produce oil and gas from the Unit Leases.

1. **Declaration of Unit.** In consideration of the premises the undersigned pools, unitizes, and combines the Unit Leases, including all renewals, extensions, ratifications, and amendments of the Unit Leases and the lands covered by those Leases and the mineral and/or royalty estates in the lands subject to the Leases into a unit for the exploration, development, and production of oil, gas, and associated hydrocarbons (the "Unit").

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All drilling, reworking, or other operations on the land within the Unit shall be considered as though such drilling, reworking, or other operations 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 Leases or other contracts thereon and this Declaration. Similarly, production from the Unit 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 each of the Leases or other contracts thereon and this Declaration. Production from the Unit shall be allocated proportionately among all of the tracts within the Unit in the proportion which the number of surface acres in each tract bears to the total number of surface acres in the Unit. If at any time any tract of land or interest within the Unit is not properly pooled or unitized by this Declaration, or is not otherwise committed to the Unit, such fact shall not affect, terminate, impair, or otherwise invalidate the Unit as to any interest pooled or unitized by this Declaration.

Nothing in this Declaration is intended to be construed as a cross-assignment or cross-conveyance of any interest that is subject to this Declaration.

Description of Unit Area. The Unit Area includes the Unit Leases described on Exhibit "A," is described on Exhibit "B," and is further depicted on Exhibit "C", each of which are attached to and incorporated by reference into this Declaration for all purposes, but only as to oil, gas, and associated and constituent hydrocarbons produced from a well or wells located within the Unit Area. The depths pooled under this Declaration shall be limited from the top of the Bone Spring Formation to the base of the Wolfcamp Formation. The top of the Bone Spring Formation is defined as the stratigraphic equivalent of 7481' as seen on the Schlumberger Compensated Neutron Log-Three Detector Litho-Density log in the Cimarex Energy Co., Ruby 1-39 #1H well (API# 42-389-33662), located 200' FSWL and 660' FSEL Section 39, Block 1, H&GN RR Co. Survey, Reeves County, Texas. The Base of Wolfcamp is defined as the stratigraphic equivalent of 15,722', as seen on the Schlumberger Platform Express Density/Neutron Final Composite Log in the Helmerich & Payne, Inc. Harrison State #14-1 well (API# 4238932189), located 2350' FSL and 1016' FWL Section 14, Block C-20, PSL Survey, Reeves County, Texas.

2. **Unit Name.** The Pooled Unit created by this Declaration shall be known as the Beaverhead 2-24 Unit, containing 637.08 acres, more or less.

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3. **Additional Interest Included.** In the event the undersigned, as of the effective date of this Declaration, owns any leasehold interest or mineral and/or royalty interest other than those specifically described or referred to in this Declaration which cover lands within the Unit Area, or any interest for which ratification of the Unit created by this Declaration is necessary, those interests are hereby pooled and combined into the Unit, without the necessity of specifically enumerating such interest or interests or the specific land which they cover or in which they are held.

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4. **Ratification of Unit.** This Declaration may be ratified by other parties by separate instruments in writing, referring to this Declaration. This Declaration of Pooled Unit, and each counterpart or ratification of it shall be binding on each party who executes it, without regard to whether any other party owning an interest in the Unit Leases or Unit Area may execute this Declaration, or a counterpart or ratification of it. Nothing in this paragraph shall be construed as an offer to third parties to ratify this Declaration.

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5. **Successors and Assigns.** This Declaration of Pooled Unit shall be binding on the heirs, representatives, successors and assigns, as applicable, of the undersigned.

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6. **Other Lands.** In the event the Leases cover lands in addition to those comprising the Unit, those other lands shall not be affected by this Declaration and nothing in this Declaration shall be construed in any manner as changing or affecting the rights, privileges, obligations or agreements of the Lessors and Lessee as to those other lands covered by the Leases.

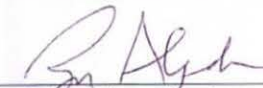
7. **Counterparts.** This Declaration may be executed by all parties or in separate counterparts. If executed in separate counterparts, all counterparts, when executed by one or more of the undersigned and delivered to and accepted by the Lessee shall constitute one and the same agreement. This Declaration (whether executed in one document or in multiple counterparts) shall be individually binding on each party who executed it without regard to whether this Declaration is executed by all parties, and shall be binding upon the heirs, successors and assigns of the parties hereto.

8. **Effective Date.** The Unit created by this Declaration shall be effective as of the date filed of record and shall remain in force as long as the pooled minerals are being produced from the Unit, or so long as the Unit Leases are maintained in force and effect by payment or tender of shut-in royalties, or by other means, in the manner provided for under the terms of the Leases.

This Declaration of Pooled Unit is executed as of the date of the acknowledgment below.

OPERATOR/LESSEE:

CIMAREX ENERGY CO.

By:  
Roger Alexander, Attorney-in-Fact

ACKNOWLEDGEMENTS

STATE OF TEXAS

COUNTY OF MIDLAND

The foregoing instrument was acknowledged before me this 16th day of DECEMBER, 2013, by Roger Alexander, Attorney-in-Fact for Cimarex Energy Co., a Delaware corporation, on behalf of said corporation.



Karolina Mayo
Notary Public in and for the State of Texas

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EXHIBIT "A"

Attached to and made a part of that certain Declaration of Pooled Unit by Cimarex Energy Co., as Operator.

OIL AND GAS LEASES SUBJECT TO THIS AGREEMENT:

1. Dated:	July 1, 2010	1
Lessor:	The State of Texas, acting by and through its agent, William Henry Oliver Harrison Jr., Michael A. Harrison and Kathryn Nell Harrison	0
Lessee:	Cimarex Energy Co.	4
Recorded:	Book 860, Page 776	7
Land Description:	All of Section 24, Block 2, H&GN RR Co. Survey, Reeves County, Texas, A-3491, less and except the SE/4 NE/4 NE/4 and the NE/4 NW/4 NW/4, containing 617.19 acres more or less	P
2. Dated:	September 8, 2010	G
Lessor:	The State of Texas, acting by and through its agent, Reecia K. Pigman	
Lessee:	Cimarex Energy Co.	0
Recorded:	Book 856, Page 463	3
Land Description:	All of the SE/4 NE/4 NE/4 and NE/4 NW/4 NW/4 in Section 24, Block 2, H&GN RR Co. Survey, Reeves County, Texas, A-3491 containing 19.89 acres more or less	3
		0

END OF EXHIBIT "A"

EXHIBIT "B"

Attached to and made a part of that certain Declaration of Pooled Unit by Cimarex Energy Co.,
as Operator.

Description of Lands

TRACT 1:

All of Section 24, Block 2, H&GN RR Co. Survey, Reeves County, Texas, A-3491, less and
except the SE/4 NE/4 NE/4 and the NE/4 NW/4 NW/4, containing 617.19 acres more or less

TRACT 2:

All of the SE/4 NE/4 NE/4 and NE/4 NW/4 NW/4 in Section 24, Block 2, H&GN RR Co.
Survey, Reeves County, Texas, A-3491, containing 19.89 acres more or less

Tracts no. 1 and no. 2 combining to total 637.08 acres, more or less.

Interval Pooled

The depths pooled under this Declaration shall be limited from the Top of the Bone Spring
Formation to the base of the Wolfcamp Formation. The top of the Bone Spring Formation is
defined as the stratigraphic equivalent of 7481' as seen on the Schlumberger Compensated
Neutron Log-Three Detector Litho-Density log in the Cimarex Energy Co., Ruby 1-39 #1H
well (API# 42-389-33662), located 200' FSWL and 660' FSEL Section 39, Block 1, H&GN
RR Co. Survey, Reeves County, Texas. The Base of Wolfcamp is defined as the stratigraphic
equivalent of 15,722', as seen on the Schlumberger Platform Express Density/Neutron Final
Composite Log in the Helmerich & Payne, Inc. Harrison State #14-1 well (API# 4238932189),
located 2350' FSL and 1016' FWL Section 14, Block C-20, PSL Survey, Reeves County,
Texas.

End of Exhibit "B"

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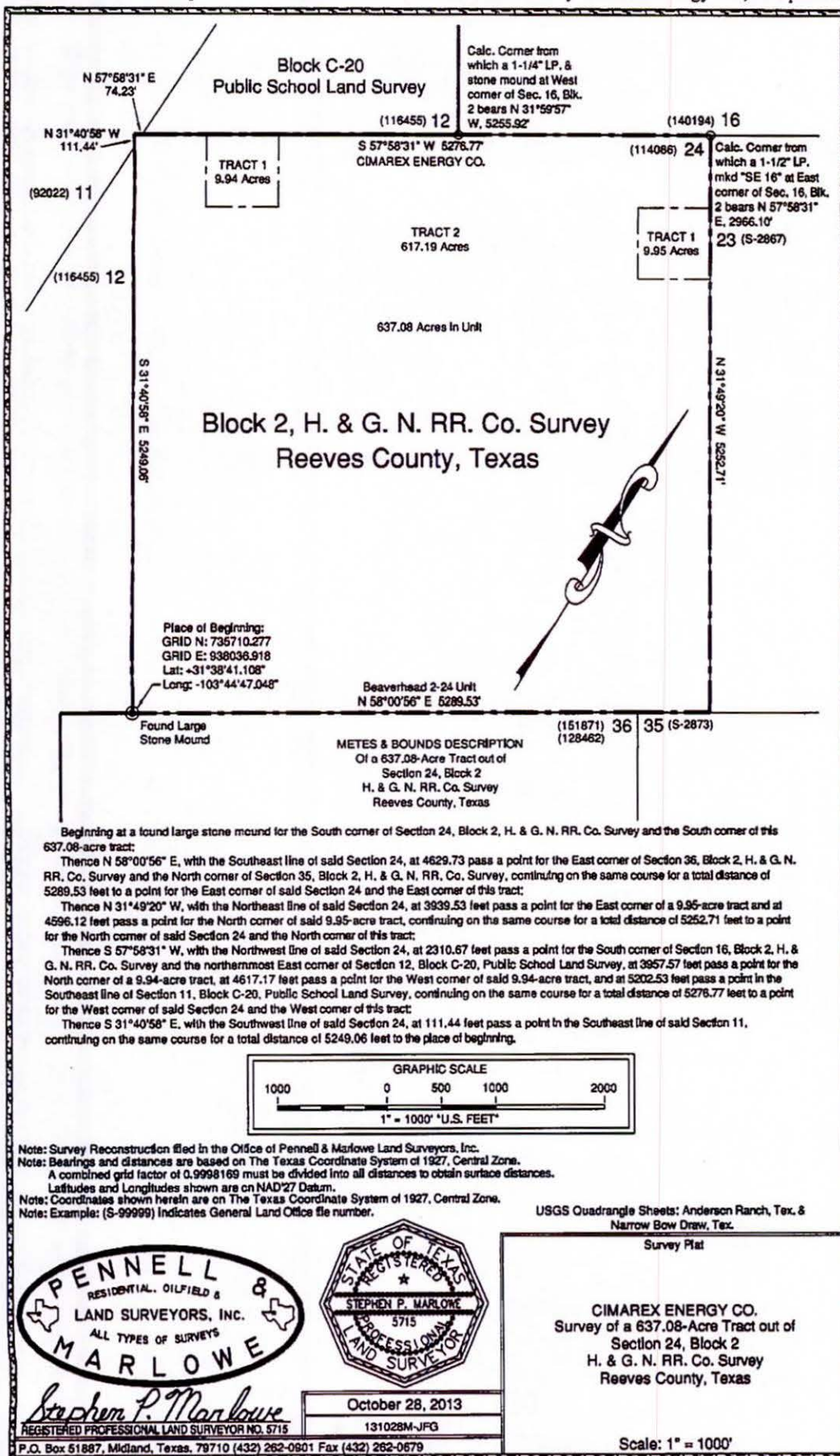
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EXHIBIT "C"

Attached to and made a part of that certain Declaration of Pooled Unit by Cimarex Energy Co., as Operator.



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File No. M-111929
Declaration of County
Denverhead 2-24 Unit
Date Filed: 3/2/15
George P. Bush, Commissioner
By [Signature]

DO NOT DESTROY



Texas General Land Office

UNIT AGREEMENT MEMO

UPA135503

Unit Number 6663
Operator Name Cimarex Energy Co.
Customer ID C-44010
Unit Name Beaverhead 2-24 Unit 1H
County 1 Reeves RRC District 1 08
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
From Depth 7481 TVD
To Depth 15722 TVD
Well Formation Top of Bone Springs to Base of Wolfcamp
Participation Basis Surface Acreage
If Exclusions Apply: See Remarks

Effective Date 1-8-2014
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	Lease Royalty	Tract Royalty Participation	Royalty Rate Reduction Clause
MF111989	1	617.19	637.08	0.968779	0.12500000	0.121097	No
MF111928	2	19.89	637.08	0.031221	0.12500000	0.003903	No

API Number n/a

Remarks:

Prepared By:

GLO Base Updated By:

RAM Approval By:

GIS By:

Well Inventory By:

Prepared Date:

GLO Base Date:

RAM Approval Date:

GIS Date:

WI Date:

Pooling Committee Report

To: School Land Board

UPA135503

Date of Board Meeting: 01/07/2014

Unit Number: 6663

Effective Date: 01/07/2014

Unit Expiration Date:

Applicant: Cimarex Energy Co.

Attorney Rep: Flip Whitworth

Operator: Cimarex Energy Co.

Unit Name: Beaverhead 2-24 Unit 1H

Field Name: Phantom (Wolfcamp)

County: Reeves

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
	MF111928	0.12500000	09/08/2015	5 years	20.000	19.890	0.00390257
	MF111989	0.12500000	07/01/2015	5 years	616.140	617.190	0.12109743

Private Acres:	0.000000
State Acres:	637.080000
Total Unit Acres:	637.080000

<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	Special rules = 704 ac

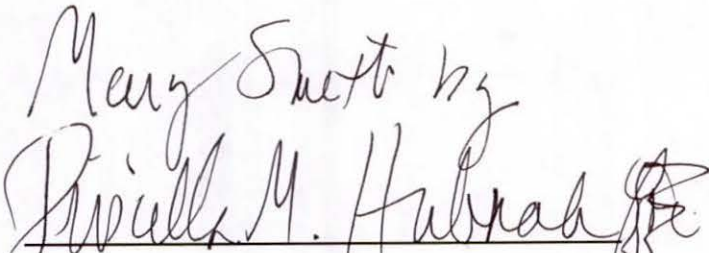
Working File Number: UPA135503

REMARKS:

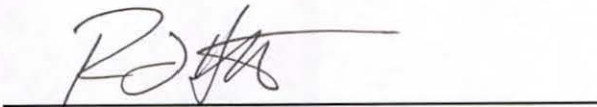
- Cimarex Energy Co. is requesting permanent oil and gas pooling from the surface to 100 feet below the deepest depth drilled.
- The applicant plans to spud the unit well by the end of March, 2014, with a proposed total depth of 13,750 feet TVD. A 4,600 foot lateral is expected to be drilled.
- With 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.

POOLING COMMITTEE RECOMMENDATION:

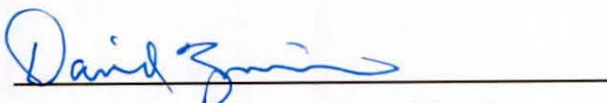
The Pooling Committee recommends Board approval of a permanent oil and gas unit under the above-stated provisions.


Mary Smith - Office of the Attorney General

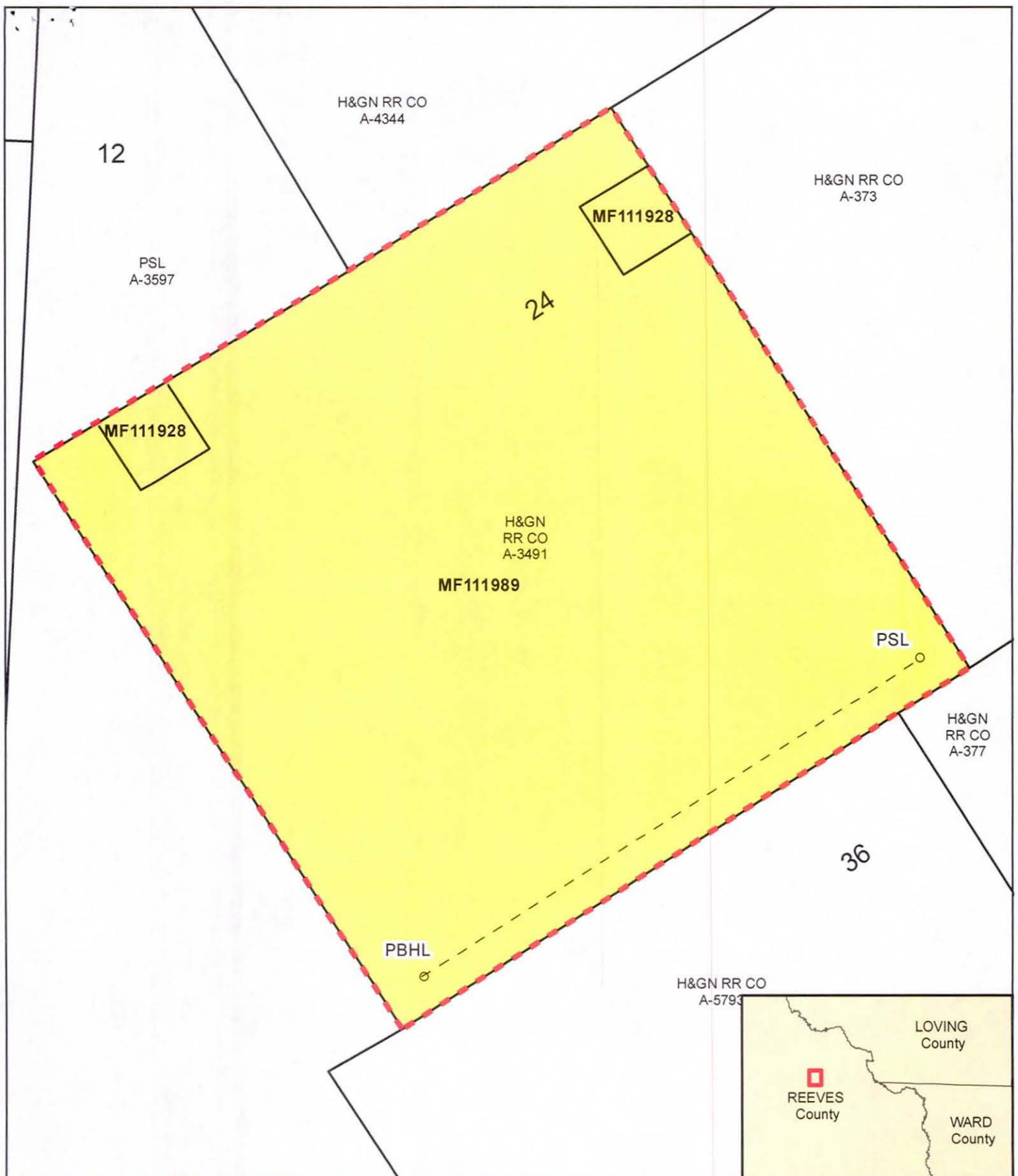
12/20/2013
Date


Robert Hatter - General Land Office

12/20/13
Date


David Zimmerman - Office of the Governor

12/20/13
Date



UPA135503 Unit #6663
Cimarex Energy Co.
Beaverhead 2-24 Unit 1H
Phantom (Wolfcamp) Field
MF111928, MF111989
Reeves County, Texas

1,000 500 0 1,000 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:
Zeke Guillen
IS/BAS/GIS
January 2014

RATIFICATION OF DECLARATION OF POOLED UNIT
BEAVERHEAD 2-24 UNIT
GLO UNIT NO. 6663
REEVES COUNTY, TEXAS

WHEREAS, a certain instrument, entitled "Declaration of Pooled Unit, Beaverhead 2-24 Unit" ("Unit Agreement"), has been executed for pooling certain leases in Reeves County, Texas, as more particularly described in said Unit Agreement filed of Record in Volume 1047, Page 327 of the Official Public Records of Reeves County, Texas; and,

WHEREAS, a person may become a party to said Unit Agreement by signing the original of said instrument, a counterpart thereof, or other instrument agreeing to be bound by the provisions thereof;

WHEREAS, the State of Texas is the owner of a Royalty Interest in the Beaverhead 2-24 Unit ("Unit or unit") and pursuant to the provisions of Subchapter E, Chapter 52 of the Natural Resources Code, the School Land Board has approved pooling the State's interest into the Unit, upon the condition, however, that the Working Interest Owners agree to the terms hereinafter set forth in consideration of the commitment of the State's Royalty Interest to said Unit, and the Commissioner of the General Land Office is authorized by said statute to commit the State's royalty interest to the Unit on behalf of the State:

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that the undersigned, the Commissioner of the General Land Office of the State of Texas, acting on behalf of the State, for and in consideration of the premises and the benefits anticipated to accrue to the State under said Unit Agreement, does hereby commit to said Unit the Royalty Interest of the State of Texas as described in said Unit Agreement, and does hereby agree that the State of Texas shall be bound by all of the provisions of said Unit Agreement, except as hereinafter set forth, the same as if the undersigned had executed the original or a counterpart of said Unit Agreement.

This instrument is executed by the undersigned upon the condition that the Working Interest Owners agree to the following terms in consideration of the commitment of the State's Royalty Interest to said Unit:

PURPOSES:

1.

This Ratification 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 Ratification to effect equitable participation within the Unit. This Ratification 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 Unit, are described in the Unit Agreement on Exhibit "A" to which leases and the records thereof reference is made for all pertinent purposes. The pooled unit consists of the 637.08 acres as described in Exhibit "B" of the Unit Agreement and is shown on a plat as Exhibit "C" to the Unit Agreement.

MINERAL POOLED:

3.

The mineral pooled and unitized ("pooled mineral") 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 over 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 top of the Bone Spring Formation to the base of the Wolfcamp Formation as further described in the Unit Agreement ("unitized interval").

POOLING AND EFFECT:

4.

The State's interest which is within the Unit area is hereby committed thereto to the extent and as above described into said Unit and do unitize and pool hereunder the State's tract described in the Unit Agreement, 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 Ratification.

(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 Ratification.

(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.

(e) A shut-in oil or gas well located upon any lease included within said Unit shall be considered as a shut-in oil or gas well located upon each 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 or otherwise diminished by reason of this Ratification.

(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 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 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 be provided in each State Lease, the area inside the surface boundaries of the 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 637 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 Ratification shall not relieve Lessee from the duty of protecting the State lease from drainage from any well situated on privately owned land outside the Unit Area or as to any mineral not pooled hereby, 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 Unit Area, nor to develop the tracts separately, as to the pooled mineral.

(j) Should the Unit 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 condition 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 the Unit 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 Unit, there shall be allocated to each tract committed to the Unit that pro rata portion of the pooled mineral produced from the 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 Ratification 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) the gross proceeds of the sale thereof, whichever is the greatest;

(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 Ratification "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 Ratification shall become effective as of January 8, 2014.

TERM:

9.

This Ratification 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 Ratification.

STATE LAND:

10.

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

DISSOLUTION:

11.

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

RATIFICATION/WAIVER:

12.

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

COUNTERPARTS:

13.

This Ratification 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 Ratification are executed, the executed pages, together with the pages necessary to show acknowledgments, may be combined with the other pages of this Ratification so as to form what shall be deemed and treated as a single original instrument showing execution by all parties hereto.

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

Date Executed 2/26/15

STATE OF TEXAS

Legal
Content
Geology
Executive

[Handwritten signatures]
mm
RSW
mm
2/26/15

By:

[Handwritten signature: George P. Bush]
George P. Bush, Commissioner
General Land Office

CERTIFICATE

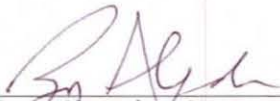
I, Stephanie Crenshaw, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 7th day of January, 2014, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, 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 27th day of February, 2015.

[Handwritten signature: Stephanie Crenshaw]
Secretary of the School Land Board

Date Executed 02/09/15

CIMAREX ENERGY CO.

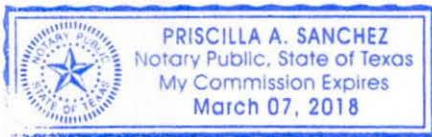
By: 
Roger Alexander, Attorney-in-Fact



STATE OF TEXAS

COUNTY OF MIDLAND

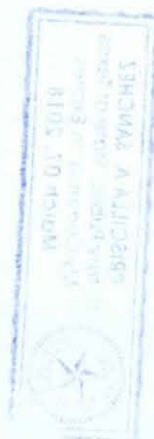
This instrument was acknowledged before me on February 9, 2015, by Roger Alexander as Attorney-in-Fact for Cimarex Energy Co., a Delaware corporation, on behalf of said corporation.




Notary Public in and for the State of Texas

7

File No. M-111928
Ref. F. cat. on Packet # 6663
Reverend Z-Z Unit
Date Filed: 3/2/15
George P. Bush, Commissioner
By [Signature]



Cimarex Energy Co.
202 S. Cheyenne Ave.
Suite 1000
Tulsa, Oklahoma 74103-4346
PHONE: 918.585.1100
FAX: 918.585.1133



June 6, 2016

Texas General Land Office
Matthew Scott
Mineral Leasing
1700 N. Congress
Austin, TX 78701

Re: State Lease No: 111989 & 111928
Gas Lift Gas Usage
Beaverhead State 2-24 Unit 1H
Reeves County, Texas

Dear Mr. Scott,

Cimarex Energy respectfully requests approval for off-lease gas lift on the above referenced General Land Office (GLO) lease. The gas lift gas will be routed through a gas lift meter located at the well head (#428085033G).

Cimarex will continuously meter the off-lease gas to be utilized for gas lift purposes. The gas BTU content and component analysis obtained at the gas lift meter shall be determined by gas sample chromatographic analysis.

Please feel free to contact me with any questions regarding the commingling at 918-585-1100.

Sincerely,


Sheli Armstrong
Regulatory Analyst

918 9

8

NF 111928

REEVES County

REQUEST TO GAS LIFT

Filed:

8/8/2016

George P. Bush, Commissioner

NT SCOTT

0. 3.70



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

June 21, 2016

Certified Mail: 7011 1150 0001 2416 7227

Ms. Sheli Armstrong
Regulatory Analyst
Cimarex Energy Co.
202 S. Cheyenne Ave.
Suite 1000
Tulsa, Oklahoma 74103-4346

RE: Your Applications Dated 06/06/2016 for Authority to Utilize Gas Produced on the Leased Premises for Gas Lift Purposes and to Use Off-Lease Gas for Gas Lift Makeup Supply as Applicable to Multiple State Lease Tracts Located in Culberson, Reeves, and Ward County, Texas.

Dear Ms. Armstrong:

General Land Office staff has reviewed your twenty-nine letters requesting permission to utilize gas lift on the leased premises and to use makeup or buy-back gas when necessary to meet gas lift system volume requirements. The primary purpose for the makeup gas is for compressor fuel gas supply, gas lift start-up, and instruments and controls.

Of the various lease types identified in the list of leases shown in the table below, typically a Free Royalty lease would not require GLO review and approval if the gas that is recycled on a lease for gas lift purposes is lease gas only. However, since off-lease gas is required to augment the on-lease gas then in effect the production of each Free Royalty lease is commingled with the gas production from other leases and thus commingling authority is required per Texas Administrative Code (TAC) Rule 9.35 for the Free Royalty leases, as it is for all of the other lease types.

Pursuant to the terms of the applicable State leases and TAC Rules, please be advised that the request to recycle gas on the leased premises and to commingle gas produced on the lease with off-lease gas for gas lift make-up supply is approved for the leases listed in the table below **subject to the following conditions:**

1. 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.

2. 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.
3. The gas BTU content and component analysis obtained at each lease/unit gas meter shall be determined by gas sample chromatographic analysis.

Mineral File Number	RRC Lease Name	Lease Type	GLO Unit No.	County
MF077782	Dixieland 10	Upland Fee		Reeves
MF100861	Darcy State 32	RAL		Reeves
MF106747	Whirlaway 38 State	RAL		Culberson
MF106748	Dust Commander 26	RAL		Culberson
MF109881	Big Sky 55-16	RAL		Reeves
MF109926	Pink Star 28 Unit	RAL	5460	Culberson
MF110709	War Emblem 30 State	Upland Fee		Culberson
MF110711	Lt Gibson 12 State	Upland Fee		Culberson
MF110729	Anaconda State 55-2	Upland Fee		Reeves
MF111341	Cleveland State 57-23	RAL		Reeves
MF111342	Tempest State 57-35	RAL		Reeves
MF111895	Eighteenmile 56-18	RAL		Reeves
MF111928	Beaverhead State 2-24 Unit	RAL	6663	Reeves
MF111989	Beaverhead State 2-24 Unit	RAL	6663	Reeves
MF111990	Judith 2-16 Unit	RAL	6665	Reeves
MF111990	Sapphire State C20-12	RAL		Reeves
MF112125	Zev 22 Unit	Free Royalty		Culberson
MF112126	Unbridled 36 A	Free Royalty	7438	Culberson
MF112127	Northdancer Unit 10	Free Royalty		Culberson
MF112130	Jet Pilot 24 Upland Fee	Free Royalty		Culberson
MF112130	Jet Pilot 24 Unit A	Free Royalty	7568	Culberson
MF114150	Pink Star 28 Unit	Free Royalty	5460	Culberson
MF114243	Flintlock 34-144	HROW 56		Ward
MF114294	Macbeth 22 Upland Fee	Free Royalty		Culberson
MF114728	Black Gold 26 Upland Fee	Free Royalty		Culberson
MF114878	Cannonade 4 Upland Fee	Free Royalty		Culberson
MF115407	Donerail 8 Upland Fee	Free Royalty		Culberson
MF115602	Lookout 18 Upland Fee	Free Royalty		Culberson
MF116113	Bridger 1-36	Free Royalty	6676	Reeves
MF116132	Bridger 1-36	River 52.076	6676	Reeves
MF116556	Worsham '6-22'	River 52.076		Reeves & Ward

Ms. Sheli Armstrong
Cimarex Energy Co.
June 21, 2016
Page 3 of 3

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

Sincerely,

A handwritten signature in cursive script, reading "Matthew T. Scott".

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

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

File No. MF 111928

REEVES County

AGREE
~~REFUSE~~ TO GAS LIFT

Date Filed: 8/8/2016

George P. Bush, Commissioner

By MTSCOTT

DO NOT DESTROY



Texas General Land Office
UNIT AGREEMENT MEMO

UPA200047

Unit Number	10675				
Operator Name	Rio Oil and Gas (Permian) II, LLC		Effective Date	04/21/2020	
Customer ID	C000090164		Unitized For	Oil And Gas	
Unit Name	Harrison State Unit 12-24-16		Unit Term		
County 1	Reeves	RRC District 1	08	Old Unit Number	Inactive Status Date
County 2		RRC District 2			
County 3		RRC District 3			
County 4		RRC District 4			
Unit type	Permanent				
State Net Revenue Interest	Oil	0.08213873			
State Part in Unit		0.65710981			
Unit Depth	Specified Depths	Well			
From Depth		Formation	Top of Bone Springs		
To Depth	300' TVD below the deepest depth reached by the horizontal lateral between the FTP and the LTP	Participation Basis	Surface Acreage		
		If Exclusions Apply: See Remarks			

<i>Lease Number</i>	<i>Tract No</i>	<i>Lease Acres in Unit</i>	<i>Total Unit Acres</i>	<i>Tract Participation</i>	<i>O/G</i>	<i>Lease Royalty</i>	<i>NRI of Lease in Unit</i>	<i>Royalty Rate Reduction Clause</i>
MF111928		20.000000	1,841.610000	0.01086006	O/G	0.12500000	0.00135751	No
MF119123		574.000000	1,841.610000	0.31168380	O/G	0.12500000	0.03896047	No
MF119124		616.140000	1,841.610000	0.33456595	O/G	0.12500000	0.04182074	No

<i>API Number</i>
4238939654

Remarks:

Prepared By:
GLO Base Updated By:
RAM Approval By:
GIS By:
Well Inventory By:







Prepared Date:
GLO Base Date:
RAM Approval Date:
GIS Date:
WI Date:

01/04/2022
01/04/2022
01/04/2022
4/14/2022
01/04/2022

Pooling Committee Report

To: School Land Board

UPA200047

Date of Board Meeting: 01/04/2022

Unit Number: 10675

Effective Date: 04/21/2020

Unit Expiration Date:

Applicant: Rio Oil and Gas (Permian) II, LLC

Attorney Rep:

Operator: Rio Oil and Gas (Permian) II, LLC,

Unit Name: Harrison State Unit 12-24-16

Field Name: TWO GEORGES (BONE SPRING)

County:

Reeves

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
RAL	MF111928	0.12500000	09/08/2015	5 years	20.000000	20.000000	0.00135751
RAL	MF119123	0.12500000	03/01/2022	54 months	574.000000	574.000000	0.03896047
RAL	MF119124	0.12500000	03/01/2022	54 months	616.140000	616.140000	0.04182074

Private Acres: 631.470000
State Acres: 1210.140000
Total Unit Acres: 1841.610000

Participation Basis: Surface Acreage
Surface Acreage
State Acreage: 65.71%
State Net Revenue Interest: 8.21%

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

RRC Rules: Spacing Acres:
Yes

Working File Number: UPA200047

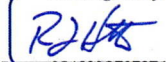
REMARKS:

- Rio Oil and Gas (Permian) II, LLC is requesting to amend the Harrison State Unit 12-24-16 Unit which was approved by the School Land Board on April 21, 2020 and amended on August 18, 2020.
- The applicant is requesting to add two ten acre tracts that were previously excluded from the unit.
- With Board approval of the amendment the State's unit royalty participation will increase from 8.12% to 8.21%.
- The State will participate on a unitized basis from the date of first production.
- All drilling obligations from the first amendment will remain the same.

POOLING COMMITTEE RECOMMENDATION:

The Pooling Committee recommends Board approval of the second amendment of the Harrison State Unit 12-24-16 under the above-stated provisions.

DocuSigned by:



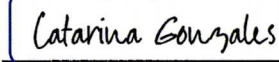
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General Land Office

12/14/2021

Date

DocuSigned by:



EE8EAT9C8EF04CC...

Office of the Governor

12/20/2021

Date

Office of the Governor

Date



-  Unit Outline
 Rio Leasehold
 Cimarex Leasehold

Exhibit "C"
Harrison - Bone Spring Unit
Pooled Unit Plat



Oil and Gas II, LLC

**SECOND AMENDMENT OF POOLING AGREEMENT
RIO OIL AND GAS (PERMIAN) II, LLC
HARRISON STATE UNIT 12-24-16
GLO UNIT NO. 10675
REEVES COUNTY, TEXAS**

WHEREAS, on April 21, 2020, the application for the Harrison State 12-24-16 Unit ("Unit"), was presented to and approved by the School Land Board of the State of Texas pursuant to the provisions of Subchapter E, Chapter 52, of the Texas Natural Resources Code; and

WHEREAS, on August 18, 2020, the application for the Amendment of Harrison State 12-24-16 Unit ("Unit"), was presented to and approved by the School Land Board of the State of Texas pursuant to the provisions of Subchapter E, Chapter 52, of the Texas Natural Resources Code; and

WHEREAS, pursuant to such approvals, Rio Oil and Gas (Permian) II, LLC ("Rio") and the Commissioner of the General Land Office of the State of Texas entered into that certain Pooling Agreement and Amendment of Pooling Agreement dated to be effective as of April 21, 2020, and August 18, 2020, respectively (collectively "Agreement"), to pool certain State lands into the Unit, which is amended to cover 1,841.61 acres in Reeves County, Texas, as more particularly described in said amended Exhibits attached to this Second Amendment to be on file in Mineral File No. M-119123 in the Archives and Records of the Texas General Land Office, Austin, Texas; and

WHEREAS, Rio is the current operator of the Unit; and

WHEREAS, Rio made application and at its regular meeting on January 4, 2022, the School Land Board approved its application to add additional acreage to the Unit that had been previously excluded, as contained and provided in attached thereto, to March 1, 2022; and

WHEREAS, the Commissioner of the General Land Office finds that amending said Agreement as approved by the School Land Board is in the best interests of the State of Texas:

NOW THEREFORE, in consideration of the premises and of the mutual agreements contained in this Agreement, it is agreed that the Agreement, as Amended, is Amended a second time to include the oil and gas leases, which are included within the pooled unit, are listed on the amended Exhibit "A" attached, to which leases and the records thereof reference is here made for all pertinent purposes. The pooled unit shall consist of all the lands described in amended Exhibit "B" attached hereto and made a part hereof. A plat of the pooled unit is attached hereto as amended Exhibit "C".

This Second Amendment shall in all other respects remain subject to the terms and provisions of the Agreement together with the Special Terms and Conditions contained in the Amended Addendum "A" attached thereto.

Nothing in this Second Amendment, nor the approval of this Amendment by the School Land Board, nor the execution of this Amendment 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; or (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.

This Second Amendment of Pooling 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 Second Amendment of Pooling



Agreement are executed, the executed pages, together with the pages necessary to show acknowledgments, may be combined with the other pages of this Second Amendment of Pooling Agreement to form what shall be deemed and treated as a single original instrument showing execution by all parties thereto.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment of Pooling Agreement upon the respective dates indicated below but effective as of April 21, 2020.

[Signature Pages Follow]



Date Executed 3/22/22

STATE OF TEXAS

Content

Min. Leasing

Legal

DBO

By:

MARK A. HAVENS, DEPUTY COMMISSIONER/CHIEF CLERK
GENERAL LAND OFFICE

CERTIFICATE

I, Linda Quintanilla, 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 4th day of January, 2022, 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 March, 2022.

Linda Quintanilla

Secretary of the School Land Board

Date Executed 2-8-2022

RIO OIL AND GAS (PERMIAN) II, LLC

By: 

DALTON F. SMITH III

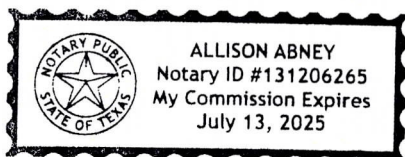
SENIOR VICE PRESIDENT —

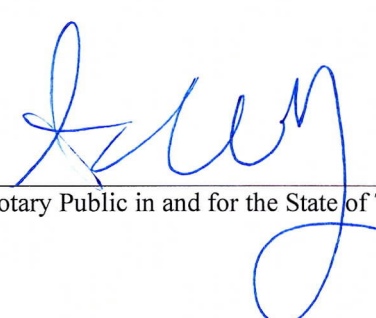
BUSINESS DEVELOPMENT & LAND

STATE OF TEXAS

COUNTY OF MONTGOMERY

This instrument was acknowledged before me on Feb 8th, 2022, by Dalton F. Smith III as Senior Vice President of Rio Oil and Gas (Permian) II, LLC, a Delaware limited liability company, on behalf of said company.




Notary Public in and for the State of Texas



Date Executed: 2-10-2022

CIMAREX ENERGY CO.

By:  cf
DLP

Name: Bradley Cantrell

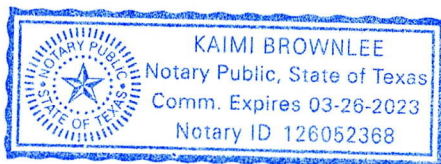
Title: Attorney-in-Fact

ACKNOWLEDGMENT

STATE OF TEXAS §

COUNTY OF MIDLAND §

This instrument was acknowledged before me on this 10th day of February, 2022, by Bradley Cantrell, acting as Attorney-in-Fact, for Cimarex Energy Co., a Delaware corporation, on behalf of said corporation.




Notary Public in and for the State of Texas

My Commission Expires: 3/26/2023

Second Amendment of Pooling Agreement
Harrison State Unit 12-24-16- GLO Unit No. 10675
Reeves County, Texas



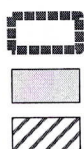
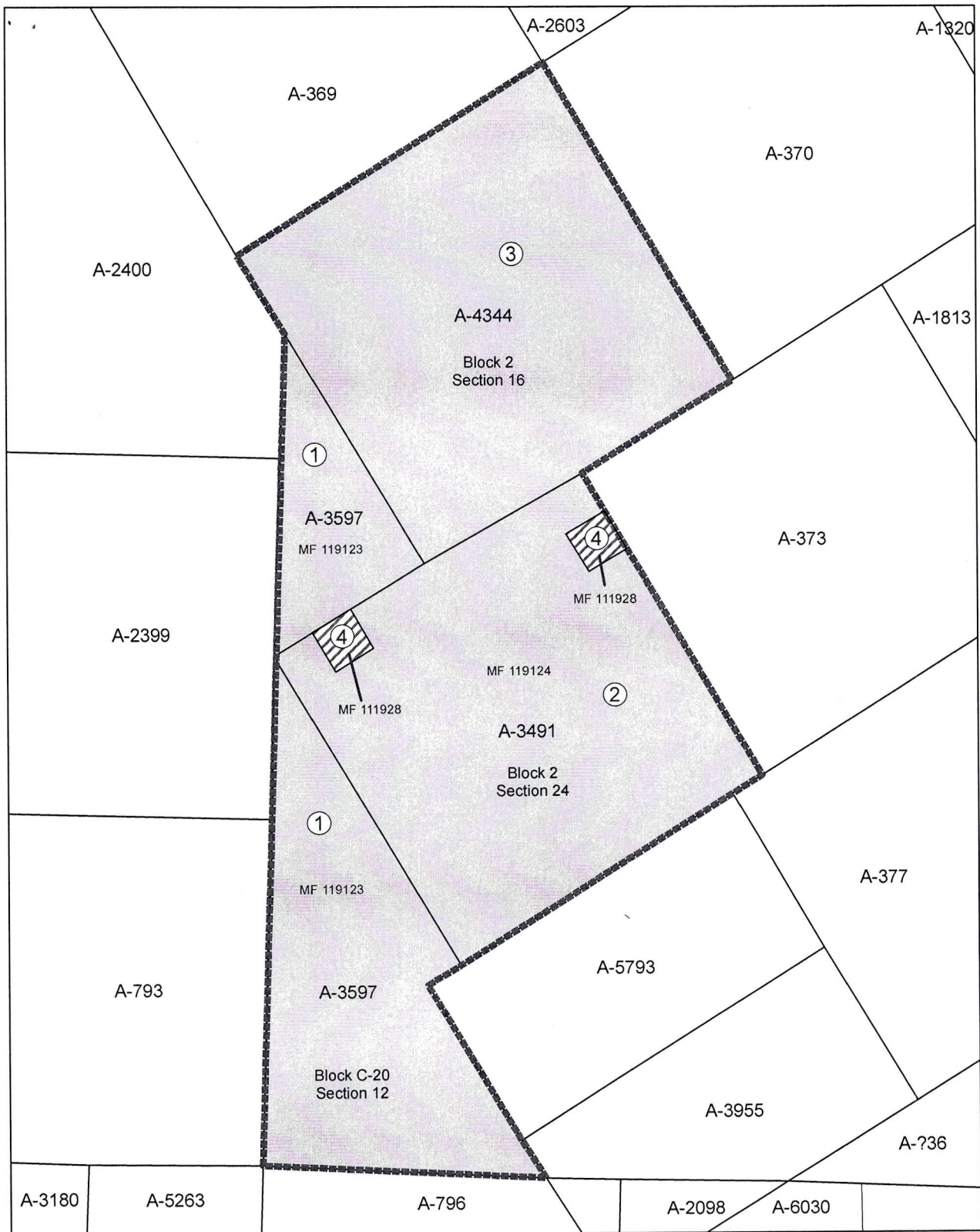
Exhibit "A"
Leases - GLO Unit No. 10675
Reeves County, Texas

Tract No.	State Lease No.	Lessor	Lessee	Lease Date	Recording Information
1	119123	The State of Texas	Rio Oil and Gas (Permian) II, LLC	9/1/2017	17-16948
2	119124	The State of Texas	Rio Oil and Gas (Permian) II, LLC	9/1/2017	17-16949
3		Michael Anderson Harrison, et al	Rio Oil and Gas (Permian) II, LLC	1/27/2017	17-02711
4	111928	The State of Texas	Cimarex Energy Company	9/8/2010	Vol 856/Page 463

Exhibit "B"
Lands - GLO Unit No. 10675
Reeves County, Texas

Tract No.	County	Survey	Section	Legal Description	Gross Acres
1	Reeves	A-3597	12, Block C-20	ALL	574
2	Reeves	A-3491	24, Block 2	Portion	616.14
3	Reeves	A-4344	16, Block 2	ALL	631.47
4	Reeves	A-3491	24, Block 2	Portion	20

Total Gross Acres in Unit: 1841.61



Unit Outline

Rio Leasehold

Cimarex Leasehold

Exhibit "C"

Harrison - Bone Spring Unit

Pooled Unit Plat

Rio

Oil and Gas II, LLC

Certificate Of Completion

Envelope Id: F04A9CCF261C4B48BD2FD8320C6B9BB1

Status: Completed

Subject: Please DocuSign - Energy Resources: Two (2) Amendment of Pooling Agreements - EOG/Rio (Texas GLO)

Source Envelope:

Document Pages: 19

Signatures: 0

Envelope Originator:

Certificate Pages: 2

Initials: 6

David Villafranca

AutoNav: Enabled

1700 Congress Ave

Envelopeld Stamping: Enabled

Austin, TX 78701

Time Zone: (UTC-06:00) Central Time (US & Canada)

david.villafranca@glo.texas.gov

IP Address: 165.225.34.60

Record Tracking

Status: Original

Holder: David Villafranca

Location: DocuSign

3/8/2022 10:10:03 AM

david.villafranca@glo.texas.gov

Signer Events**Signature****Timestamp**

Matt Bruns



Sent: 3/8/2022 10:15:35 AM

Matt.Bruns@glo.texas.gov

Viewed: 3/8/2022 10:22:39 AM

Security Level: Email, Account Authentication
(None)

Signed: 3/8/2022 11:00:07 AM

Signature Adoption: Pre-selected Style

Using IP Address: 165.225.34.69

Electronic Record and Signature Disclosure:

Not Offered via DocuSign

Dustin Oslick



Sent: 3/8/2022 11:00:08 AM

dustin.oslick@glo.texas.gov

Viewed: 3/8/2022 11:33:56 AM

Texas General Land Office

Signed: 3/8/2022 11:39:39 AM

Security Level: Email, Account Authentication
(None)

Signature Adoption: Drawn on Device

Using IP Address: 165.225.34.86

Electronic Record and Signature Disclosure:

Not Offered via DocuSign

Larry Hargrave



Sent: 3/8/2022 11:39:40 AM

larry.hargrave@glo.texas.gov

Viewed: 3/9/2022 2:41:17 PM

Texas General Land Office

Signed: 3/9/2022 2:41:48 PM

Security Level: Email, Account Authentication
(None)

Signature Adoption: Pre-selected Style

Using IP Address: 165.225.34.80

Electronic Record and Signature Disclosure:

Not Offered via DocuSign

In Person Signer Events**Signature****Timestamp****Editor Delivery Events****Status****Timestamp****Agent Delivery Events****Status****Timestamp****Intermediary Delivery Events****Status****Timestamp****Certified Delivery Events****Status****Timestamp****Carbon Copy Events****Status****Timestamp**

Witness Events	Signature	Timestamp
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Notary Events	Signature	Timestamp
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Envelope Summary Events	Status	Timestamps
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Envelope Sent	Hashed/Encrypted	3/8/2022 10:15:35 AM
Certified Delivered	Security Checked	3/9/2022 2:41:17 PM
Signing Complete	Security Checked	3/9/2022 2:41:48 PM
Completed	Security Checked	3/9/2022 2:41:48 PM

Payment Events	Status	Timestamps
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(10.)

File No. MF111928

Reeves County

2nd Amendment Unit 10675

Date Filed: 03/31/2022

By MB George P. Bush, Commissioner

DO NOT DESTROY

Updated Acreage
Per final survey



Texas General Land Office

UNIT AGREEMENT MEMO

UPA200047

Unit Number	10675	Effective Date	04/21/2020
Operator Name	Rio Oil and Gas (Permian) II, LLC	Unitized For	Oil And Gas
Customer ID	C000090164	Unit Term	
Unit Name	Harrison State Unit 12-24-16	Old Unit Number	Inactive Status Date
County 1	Reeves	RRC District 1	08
County 2		RRC District 2	
County 3		RRC District 3	
County 4		RRC District 4	
Unit type	Standard		
State Net Revenue Interest	Oil 0.08193096		
State Part in Unit	0.65544771		
Unit Depth	Specified Depths	Well	
From Depth		Formation	Top of Bone Springs
To Depth	300' TVD below the deepest depth reached by the horizontal lateral between the FTP and the LTP	Participation Basis	Surface Acreage

If Excluions Apply: See Remarks

<i>Lease Number</i>	<i>Tract No</i>	<i>Lease Acres in Unit</i>	<i>Total Unit Acres</i>	<i>Tract Participation</i>	<i>O/G</i>	<i>Lease Royalty</i>	<i>NRI of Lease in Unit</i>	<i>Royalty Rate Reduction Clause</i>
MF111928		20.000000	1,846.280000	0.01083259	O/G	0.12500000	0.00135407	No
MF119123		574.000000	1,846.280000	0.31089542	O/G	0.12500000	0.03886193	No
MF119124		616.140000	1,846.280000	0.33371970	O/G	0.12500000	0.04171496	No

API Number

4238939654

Remarks:

Prepared By:

GLO Base Updated By:

RAM Approval By:

GIS By:

Well Inventory By:

Prepared Date:

GLO Base Date:

RAM Approval Date:

GIS Date:

WI Date:

04/20/2022

04/20/2022

04/20/2022

04/20/2022

Pooling Committee Report

To: School Land Board

UPA200047

Date of Board Meeting: 08/18/2020

Unit Number: 10675

Effective Date: 04/21/2020

Unit Expiration Date:

Applicant: Rio Oil and Gas (Permian) II, LLC

Attorney Rep:

Operator: Rio Oil and Gas (Permian) II, LLC,

Unit Name: Harrison State Unit 12-24-16

Field Name: TWO GEORGES (BONE SPRING)

County: Reeves

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
RAL	MF111928	0.12500000	09/08/2015	5 years	20.000000	20.000000	0.00135407
RAL	MF119123	0.12500000	03/01/2022	54 months	574.000000	574.000000	0.03886193
RAL	MF119124	0.12500000	03/01/2022	54 months	616.140000	616.140000	0.04171496

Private Acres:	636.140000
State Acres:	1210.140000
Total Unit Acres:	1846.280000

<u>Participation Basis:</u>	Surface Acreage
Surface Acreage	
<u>State Acreage:</u>	65.54%
<u>State Net Revenue Interest:</u>	8.19%

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

<u>RRC Rules:</u>	<u>Spacing Acres:</u>
Yes	

Exhibit "B"
Lands - GLO Unit No. 10675
Reeves County, Texas

Tract No.	County	Survey	Section	Legal Description	Gross Acres
1	Reeves	A-3597	12, Block C-20	ALL	574
2	Reeves	A-3491	24, Block 2	Portion	616.14
3	Reeves	A-4344	16, Block 2	ALL	636.14
4	Reeves	A-3491	24, Block 2	Portion	20

Total Gross Acres in Unit: 1846.28

RIO OIL AND GAS (PERMIAN) II, LLC.

SHEET NO. 1 OF 1

NATURE OF WORK WELL LOCATION STAKING DATE 03-05-20 SRID NO. _____
 PROJECT HARRISON STATE UNIT 12-24-16 #1H JOB OR AFE NO. _____
 SEC. 16, 24, 12 BLK OR RANGE 2, C20 TWP _____ SURVEY H. & G.N. RR. CO., PSL CO. REEVES STATE TEXAS
 REMARKS _____ RE ☐ AS-BUILT ☒ STAKING

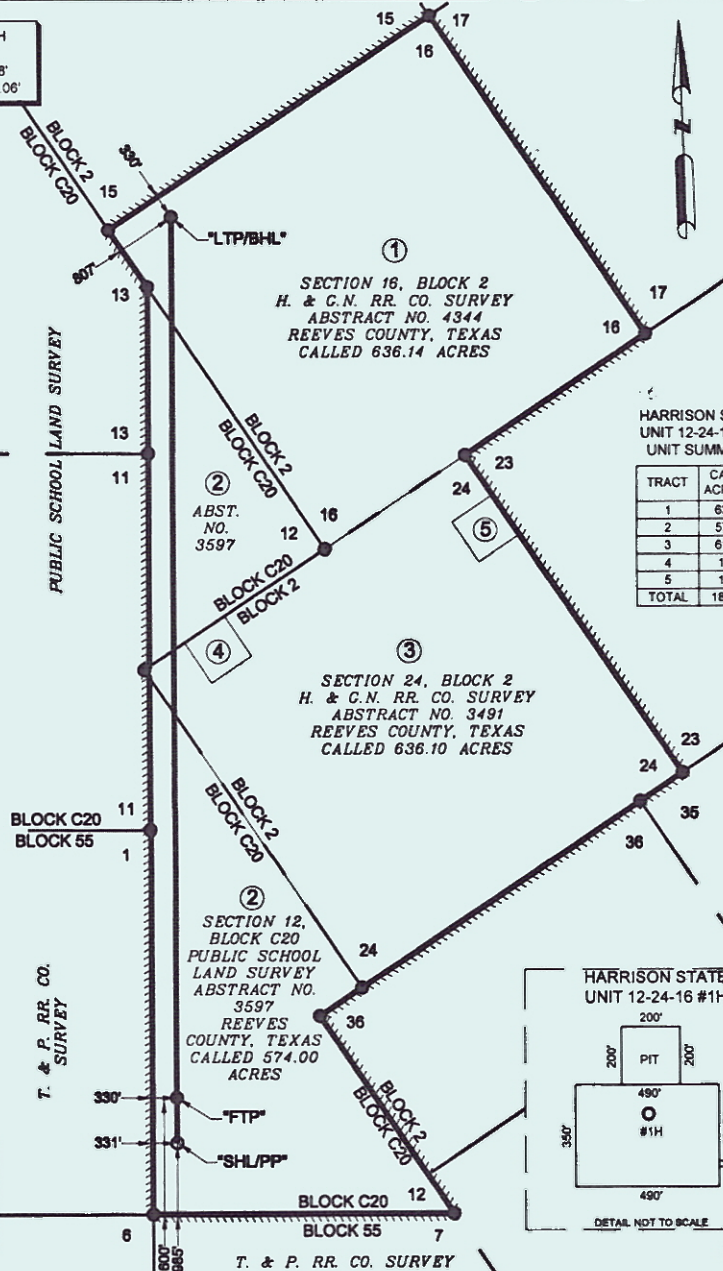
HARRISON STATE UNIT 12-24-16 #1H
 WELL BORE SUMMARY
 SHL/PP TO TTP=N 01°35'04" E, 614.88'
 TTP TO BTP/BHL=N 01°44'35" E, 13565.06'

LAST TAKE POINT/
 BOTTOM HOLE LOCATION
 NAD 1983 TX-CENTRAL ZONE 4203
 X=1232330.25
 Y=10589932.83
 LAT =31°40'26.227" N
 LONG =-103°45'17.593" W
 NAD 1927 TX-CENTRAL ZONE 4203
 X=935967.31
 Y=746356.33
 LAT =31°40'25.762" N
 LONG =-103°45'15.922" W
 SECTION TIES SUMMARY
 330' FNL, 807' FSW-SECTION 16

TOP TAKE POINT
 NAD 1983 TX-CENTRAL ZONE 4203
 X=1231962.16
 Y=10576873.39
 LAT =31°38'26.824" N
 LONG =-103°45'17.558" W
 NAD 1927 TX-CENTRAL ZONE 4203
 X=935499.17
 Y=734297.16
 LAT =31°38'26.358" N
 LONG =-103°45'15.888" W
 SECTION TIES SUMMARY
 1600' FSL, 330' FSW-SECTION 12

SURFACE HOLE LOCATION/
 POINT OF PENETRATION
 ELEV =2887.94'
 NAD 1983 TX-CENTRAL ZONE 4203
 X=1231945.16
 Y=10576258.75
 LAT =31°38'20.739" N
 LONG =-103°45'17.536" W
 NAD 1927 TX-CENTRAL ZONE 4203
 X=935482.17
 Y=733682.53
 LAT =31°38'20.273" N
 LONG =-103°45'15.967" W
 SECTION TIES SUMMARY
 985' FSL, 331' FSW-SECTION 12

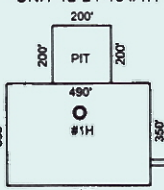
NOTE:
 HARRISON STATE UNIT 12-24-16 #1H
 LOCATION BEING
 S 33°28' E, 15.71 MILES FROM
 ORLA, REEVES COUNTY, TEXAS



HARRISON STATE
 UNIT 12-24-16 #1H
 UNIT SUMMARY

TRACT	CALLED ACREAGE
1	636.14
2	574.00
3	616.10
4	10.00
5	10.00
TOTAL	1846.24

HARRISON STATE
 UNIT 12-24-16 #1H



- Plat Notes
- 1) BEARINGS, DISTANCES, AREA AND COORDINATES SHOWN HEREON ARE GRID BASED ON THE TEXAS COORDINATE SYSTEM OF 1983, CENTRAL ZONE AS DETERMINED BY GPS OBSERVATIONS REFERENCED TO TRANSGLOBAL CONTROL POINT "TGSCHALK" (N 10875542.32, E -1232028.03) WHERE THE CONVERGENCE ANGLE IS -1° 45' 43.6" AND THE COMBINED SCALE FACTOR IS 0.99998074. ELEVATIONS ARE NAVD83 (GEOID 128). THE POSITIONAL TOLERANCE OF THIS SURVEY EXCEEDS THE REQUIREMENTS FOR A RURAL SURVEY.
 - 2) THIS EXHIBIT WAS PERFORMED WITHOUT THE BENEFIT OF A TITLE REPORT AND THE REVIEW OF THE ABSTRACT OF TITLE. THERE MAY BE EASEMENTS AND/OR COVENANTS AFFECTING THIS PROPERTY NOT SHOWN HEREON. LOCATION OF IMPROVEMENTS WERE BEYOND COMMISSIONED SCOPE OF THIS PROJECT AND HAVE BEEN SPECIFICALLY OMITTED. VESTING DOCUMENTS NOT FURNISHED FOR THIS EXHIBIT.
 - 3) SEE DOCUMENTS AND ELECTRONIC DATA FILED IN THE OFFICE OF TRANSGLOBAL SERVICES, LLC FOR COMPLETE RECONSTRUCTION OF THESE SECTIONS OR BLOCKS.

DATE: 03-05-20 DATE SURVEYED 01-22-20 DRAFT ST

JOB NO. 20-00164 FIELD BOOK V. BR-5, P. 54 REV. 1

FILE 20-00164 HARRISON STATE UNIT 12-24-16 #1H RRC PERMIT PLAT

2000' 0' 2000' 4000'



TRANSGLOBAL
 SERVICES LLC

TBPLS FIRM# 10193740
 1100 Macon Street
 Fort Worth, Texas 76102
 (817) 529-1180 ~ Fax (817) 529-1181

I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT THE WELL PLAT SHOWN HEREON REPRESENTS THE RESULTS OF A SURVEY MADE ON THE GROUND UNDER MY DIRECTION AND SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. NO WARRANTY IS MADE OR INTENDED FOR THE LOCATION OF ANY OR ALL EASEMENTS THAT MAY EXIST WITHIN THE BOUNDS OF THIS SURVEY. THE INFORMATION PRESENTED HEREON IS FOR THE PRIVATE USE OF THE PARTY NAMED IN THE "REFERENCE PORTION" OF THE TITLE BLOCK AND DOES NOT CONSTITUTE A COMPLETE BOUNDARY SURVEY AS DEFINED BY THE PROFESSIONAL LAND SURVEYING PRACTICES ACT.

TIMOTHY A. NOLD TEXAS R.P.L.S. NO. 5658

DATE

Joy McCauley

From: Dalton Smith <dsmith@rioog.com>
Sent: Wednesday, April 13, 2022 3:27 PM
To: Joy McCauley
Cc: Robert Hatter; Matt Bruns
Subject: [EXTERNAL] RE: Harrison State Unit 12-24-16 (GLO Unit No. 10675)
Attachments: HARRISON STATE UNIT 12-24-16 #1H RRC PERMIT PLAT REV 1 FINAL (3-6-20).pdf; Revised Exhibit B for Harrison State Unit 12-24-16 (#10675) - Second Amendment Correction.pdf; Second Amendment to Pooling Agreement (Fully executed).PDF

Joy –
The only survey reference we have is the plat I had attached which was part of our RRC drilling application for the #1H Well. I'm attaching it here again for reference. The Unit boundaries are shown in the dark hatched outline. I'm also attaching what would be the corrected/replacement Exhibit B for the Second Amendment of Pooling Agreement showing the correct acreage allocation to Tract #3. Current Exhibits "A" and "C" for the Second Amendment (attached here for quick reference) would remain unchanged.

Does this suffice for you to make the noted changes?

Thanks,
Dalton

From: Joy McCauley <Joy.McCauley@GLO.TEXAS.GOV>
Sent: Wednesday, April 13, 2022 2:53 PM
To: Dalton Smith <dsmith@rioog.com>
Cc: Robert Hatter <Robert.Hatter@GLO.TEXAS.GOV>; Matt Bruns <Matt.Bruns@glo.texas.gov>
Subject: RE: Harrison State Unit 12-24-16 (GLO Unit No. 10675)

Good afternoon, Dalton.

I need the updated survey plat and I will make the adjustments to the buckslip and forward to royalty reporting. This falls into the +/- category. I'll get it done as quickly as I can once the plat is submitted.

Thank you,
Joy
Joy McCauley
Energy Resources
Texas General Land Office
512-658-8823

From: Dalton Smith <dsmith@rioog.com>
Sent: Wednesday, April 13, 2022 2:46 PM
To: Joy McCauley <Joy.McCauley@GLO.TEXAS.GOV>
Cc: Robert Hatter <Robert.Hatter@GLO.TEXAS.GOV>; Matt Bruns <Matt.Bruns@glo.texas.gov>
Subject: [EXTERNAL] Harrison State Unit 12-24-16 (GLO Unit No. 10675)

Joy –

I'm writing to look for some guidance on a Pooling Agreement correction we need to make. When we originally formed the subject unit, we incorrectly assumed the acreage contribution for the only non-GLO tract (Tract #3 in the Pooling Agreement) to be 631.47 net acres. When surveyed and after receipt of our title opinion, Tract #3 in fact contains **636.14** net acres (see the attached drilling application plat.....denoted as Tract No. 1 in the survey plat). This results in an increase of the unit size from 1,841.61 acres to **1,846.28** (4.67 acre increase). Accordingly, this would result in a very slight tract participation factor change for each of the unit tracts. It will also result in the need for a revised Unit Memo to be issued.

We have been working with Susan Wauer at the GLO in reporting our Feb-22 GLO royalties and this issue has been highlighted. Can you tell me what we need to do and/or provide to get the Unit formally amended to reflect the correct unit size and the associated record modifications? I apologize in advance for the error. We are ready to do what is needed to correct it.

Thanks, Dalton



Oil and Gas II, LLC

Dalton F. Smith III

Senior Vice President – Business Development & Land

Rio Oil and Gas II, LLC

8000 Research Forest Dr., STE 115 PMB 192

The Woodlands, Texas 77382-1506

(337) 278-9614 mobile

dsmith@rioog.com

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

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

File No. MF111928

Reeves County

Updated Acreage Buckslip Unit 10675

Date Filed: 8/30/2022

By Jm George P. Bush, Commissioner

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

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

PAYMENT TYPE: MINIMUM ROYALTY
RIGHTS HELD: OIL & GAS

Page 1 of 1

DATE 08/15/2024

CHECK NO. 513498

		RENTAL PERIOD			
COUNTY	STATE	DATE OF LEASE	MONTHS	FROM	TO
REEVES	TX	09/08/2010	12	09/08/2024	09/08/2025
LEASE NUMBER	PAYEE NUMBER	ORIGINAL LESSOR IDENTIFICATION OR LEASE SERIAL NUMBER			PAY EXACTLY
42-0008241	704630-08	THE STATE OF TEXAS ACTING BY AND THROUGH			\$****5,000.00

TO
THE
ORDER
OF

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

RECORDED: REEVES Book :856 Page :463 Reception # :004109

MF111928

24710195

PAYEE: DETACH THIS STATEMENT BEFORE DEPOSITING

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



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

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

No. **513498**

56-1544/441

VOID AFTER 90 DAYS

\$5,000dols00cts

Five Thousand Dollars and Zero Cents

24710195

CHECK NUMBER	DATE	PAY EXACTLY
513498	Aug-15-2024	\$****5,000.00

PAY
TO
THE
ORDER
OF

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

704630-08

Shawn Yez



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

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

August 15, 2024

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

RE: Minimum Royalty not met for September 2024

To whom it may concern:

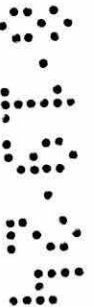
Please find enclosed Cimarex Energy Co check totaling \$5,000.00 This check is minimum royalty, not met for the Beaverhead State 2-24 Unit 1H well for the following lease: The State of Texas acting by and through its agent Reecia K Pigman.

CHECK NUMBER	AMOUNT
513498	\$5,000.00

Should you need anything further, please contact me by email at angela.ng@coterra.com or phone 281-848-2706

Thank you,

Angela Ng
Lease Analyst



AS-01-0

(12)

File No. ME-111928

County

Min. Royalty

Date Filed: 8/21/24
Commissioner Dawn Buckingham, M.D.

By: AC