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MF111988

State Lease	Control	Base File	County
MF111988	07-109773	110820	REEVES

Survey	T & P RY CO	
Block	55	
Block Name		
Township	4-S	
Section/Tract	28	
Land Part	S/2 NE/4	
Part Description	E/2 & SW/4	
Acres	480	
Depth Below	Depth Above	Depth Other
Name	CIMAREX ENERGY CO.	
Lease Date	9/1/2010	
Primary Term	5 yrs	
Bonus (\$)	\$192,000.00	
Rental (\$)	\$0.00	
Lease Royalty	0.1250	

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② Leases (A-B) & Affidavit	1/14/11	14, Min Royalty	4-16-19
③ Cover Letter for	1/14/11	scanned PJ	5-6-2019
④ Final Letter	12/6/11	Sec # 32 in M-111340 for 3rd Prod to Grisham Unit	
scanned PJ	3-27-13	scanned PJ	7-12-2019
5. Rental Payment Lease A 4 th 5 th 05/14/2013		15. DIVISION ORDER	8-28-2019
6. Rental Payment Lease B 4 th 5 th 05/14/2013		scanned SM	9/23/2019
Scanned SM	7/19/13	16. Damages Pmt	10/13/21
Sec # 26 in M-111340 for Grisham State Unit # 2741		Scanned TG	11-3-2021
Scanned PJ	7-9-14	17. Extension Requested Unit 8387	11/29/22
See # 10-24 in M-111340 for info on the Grisham-State Unit		Scanned WM	12-27-2022
See # 26 in M-111340 for the 2017 Plan of Dev. for Grisham State Unit ODA # 3		18. Surface Damages	3-14-23
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7. Ltr. From Flip Whitworth	4/10/17	19. Surface Damages	6/6/23
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Sentinal State 55-28 Unit 9/22/17		scanned WM	8-16-2023
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12. Surface damage payment	8/8/18		
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scanned PJ	1-4-2019		
13. Division Order	3-4-19		

RAL REVIEW SHEET

Transaction # 6979
Lessor: Isbell, Alice Carolyn Evans Turner
Lessee: Cimarex Energy Co.

Geologist: R. Widmayer
Lease Date: 9/1/2010 **Ut** ☐
Gross Acres: 480
Net Acres: 360

LEASE DESCRIPTION

County	PIN#	Base File No	Part	Sec.	Block	Twp	Survey	Abst#
REEVES	07-109773	110820	S/2, NE 1/4	28	55	04S	T & P RY CO	3171

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
							Last Lease
Pending	Cimarex Energy	7-1-10	5Yrs	\$800.00	\$1.00	1/4	1.5 Miles SE

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: TH 10/8/10

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: 08-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: TM Date: 10/8/10

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: RTH Date: 10/11/10

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: [Signature]

Not Approved: _____

Jerry Patterson, Commissioner Date: 10/21/10

Approved: Jerry E. Patterson

Not Approved: _____

File No. 111988

RAL Short

Date Filed: 12/9/10 10/8/10

Jerry E. Patterson, Commissioner

By GH

MF 111 988A

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 1 day of September, 2010, between the State of Texas, acting by and through its agent, Alice Carolyn Evans Turner Isbell

of 2723 Rochelle Point, Irving, TX 75062

(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

(Give Permanent Address)

hereinafter called Lessee.

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

All of the South Half (S/2) and Northeast Quarter (NE/4) of Section 28, Block 55, Township 4, T&P RR Co. Sy.

containing 480.00 acres, more or less. The bonus consideration paid for this lease is as follows:

To the State of Texas: One hundred forty four thousand dollars and 00/100

Dollars (\$144,000.00)

To the owner of the soil: One hundred forty four thousand dollars and 00/100

Dollars (\$144,000.00)

Total bonus consideration: Two Hundred Eighty Eight Thousand dollars and 00/100

Dollars (\$288,000.00)

The total bonus consideration paid represents a bonus of Eight Hundred and 00/100

Dollars (\$800.00) per acre, on 360.00 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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25. POLLUTION. In developing this area, Lessee shall use the highest degree of care and all proper safeguards to prevent pollution. Without limiting the foregoing, pollution of coastal wetlands, natural waterways, rivers and impounded water shall be prevented by the use of containment facilities sufficient to prevent spillage, seepage or ground water contamination. In the event of pollution, Lessee shall use all means at its disposal to recapture all escaped hydrocarbons or other pollutant and shall be responsible for all damage to public and private properties. Lessee shall build and maintain fences around its slush, sump, and drainage pits and tank batteries so as to protect livestock against loss, damage or injury; and upon completion or abandonment of any well or wells, Lessee shall fill and level all slush pits and cellars and completely clean up the drilling site of all rubbish thereon. Lessee shall, while conducting operations on the leased premises, keep said premises free of all rubbish, cans, bottles, paper cups or garbage, and upon completion of operations shall restore the surface of the land to as near its original condition and contours as is practicable. Tanks and equipment will be kept painted and presentable.

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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



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TX

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: *Roger Alexander* *ring*
 Title: Attorney-in-Fact for Cimarex Energy Co.
 Date: 11/4/2010

STATE OF TEXAS

BY: *Alice Carolyn Evans Turner Isbell*
 Alice Carolyn Evans Turner Isbell
 Individually and as agent for the State of Texas
 Date: Sept 8 2010

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: _____



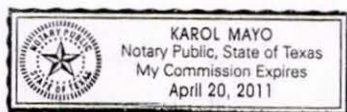
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 Clerks Office

STATE OF Texas
COUNTY OF Midland

(CORPORATION ACKNOWLEDGMENT)

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 4th day of November, 2010.



Karol Mayo
Notary Public in and for STATE OF TEXAS

STATE OF _____
COUNTY OF _____

(CORPORATION ACKNOWLEDGMENT)

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

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

Notary Public in and for _____

STATE OF TEXAS
COUNTY OF DALLAS

(INDIVIDUAL ACKNOWLEDGMENT)

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

Given under my hand and seal of office this the 8th day of Sept, 2010.

James E. Co.
Notary Public in and for STATE OF TEXAS
2-1-2012

STATE OF TEXAS
COUNTY OF DALLAS

(INDIVIDUAL ACKNOWLEDGMENT)

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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Clerks Office

EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated September 1, 2010, between the State of Texas, acting by and through its agent, Alice Carolyn Evans Turner Isbell and Cimarex Energy Co., covering All of the South Half (S/2) and Northeast Quarter (NE/4) of Section 28, Block 55, Township 4, T&P RR Co. Sy., located in Reeves County, Texas.

PAID UP RENTALS

40. 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 \$180,000.00 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 # 4673

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

FILED FOR RECORD ON THE 7TH DAY OF DECEMBER A.D. 2010 10:02 A.DULY RECORDED ON THE 16TH DAY OF DECEMBER A.D. 2010 9:00 A. M.BY: Alice H. Isbell DEPUTY

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS



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copy of
Original filed in
Reeves County
Clerks Office

5
5
5
5
5

**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. 860
PAGE 158, THRU 167 **OFFICIAL PUBLIC RECORDS**

I hereby certified on 12/20/2010



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

By Dalia Galindo DEPUTY
DALIA GALINDO

FILE # 4672

MF 1119888

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 1 day of September, 2010, between the State of Texas, acting by and through its agent, Clayton Aquilla Hill of 3710 Honey Creek Drive, Corpus Christi, TX 78410 (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. Marientfeld, 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 South Half (S/2) and Northeast Quarter (NE/4) of Section 28, Block 55, Township 4, T&P RR Co. Sy.

containing 480.00 acres, more or less. The bonus consideration paid for this lease is as follows:

To the State of Texas: Forty eight thousand dollars and 00/100
Dollars (\$48,000.00)

To the owner of the soil: Forty eight thousand dollars and 00/100
Dollars (\$48,000.00)

Total bonus consideration: Ninety six thousand dollars and 00/100
Dollars (\$96,000.00)

The total bonus consideration paid represents a bonus of Eight Hundred and 00/100

Dollars (\$800.00) per acre, on 120.00 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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25. POLLUTION. In developing this area, Lessee shall use the highest degree of care and all proper safeguards to prevent pollution. Without limiting the foregoing, pollution of coastal wetlands, natural waterways, rivers and impounded water shall be prevented by the use of containment facilities sufficient to prevent spillage, seepage or ground water contamination. In the event of pollution, Lessee shall use all means at its disposal to recapture all escaped hydrocarbons or other pollutant and shall be responsible for all damage to public and private properties. Lessee shall build and maintain fences around its slush, sump, and drainage pits and tank batteries so as to protect livestock against loss, damage or injury; and upon completion or abandonment of any well or wells, Lessee shall fill and level all slush pits and cellars and completely clean up the drilling site of all rubbish thereon. Lessee shall, while conducting operations on the leased premises, keep said premises free of all rubbish, cans, bottles, paper cups or garbage, and upon completion of operations shall restore the surface of the land to as near its original condition and contours as is practicable. Tanks and equipment will be kept painted and presentable.

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

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

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

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

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

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

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

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

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



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Original filed in
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Clerks Office

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

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

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

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

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

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



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

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

LESSEE

Cimarex Energy Co.

Rogel Alexander *RM*
By: Rogel Alexander
Title: Attorney-in-Fact for Cimarex Energy Co.
Date: 11/4/2010

STATE OF TEXAS
BY: *Clayton Aquilla Hill*
Clayton Aquilla Hill
Individually and as agent for the State of Texas
Date: 9-4-10

STATE OF TEXAS
BY: *Louisa M. Gomez*
LOUISA M. GOMEZ
Notary Public
Individually and as agent for the State of Texas
Date: 9-4-10
My Comm. Exp. 06-23-2014

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: _____



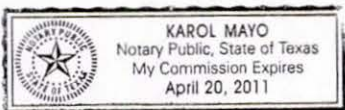
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Reeves County
Clerks Office

STATE OF Texas
COUNTY OF Midland

(CORPORATION ACKNOWLEDGMENT)

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 4th day of November, 2010.



Karol Mayo
Notary Public in and for STATE OF TEXAS

STATE OF _____
COUNTY OF _____

(CORPORATION ACKNOWLEDGMENT)

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

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

Notary Public in and for _____

STATE OF Texas
COUNTY OF Nueces

(INDIVIDUAL ACKNOWLEDGMENT)

BEFORE ME, the undersigned authority, on this day personally appeared Clayton Aquilla Hill
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 4 day of September

Louisa
Notary Public in and for _____
A circular notary seal stamp for Louisa M. Gomez, Notary Public, State of Texas. It includes the text "My Comm. Exp. 06-23-2014".

STATE OF _____
COUNTY OF _____

(INDIVIDUAL ACKNOWLEDGMENT)

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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Original filed in
Reeves County
Clerks Office

EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated September 1, 2010, between the State of Texas, acting by and through its agent, Clayton Aquilla Hill and Cimarex Energy Co., covering All of the South Half (S/2) and Northeast Quarter (NE/4) of Section 28, Block 55, Township 4, T&P RR Co. Sy., located in Reeves County, Texas.

PAID UP RENTALS

40. 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 \$60,000.00 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.

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

FILE # 4672FILED FOR RECORD ON THE 7TH DAY OF DECEMBER A.D. 2010 10:02 A.M.DULY RECORDED ON THE 16TH DAY OF DECEMBER A.D. 2010 9:00 A.M.BY: Dalia Akhund DEPUTYDIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

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copy of
Original filed in
Reeves County
Clerks Office

5
3
4

**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 860,
PAGE 148 THRU 157

**OFFICIAL PUBLIC
RECORDS**

I hereby certified on 12/20/2010



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

BY Dalia Galindo DEPUTY
DALIA GALINDO

FILE # 4671

AFFIDAVIT

STATE OF TEXAS

COUNTY OF TRAVIS

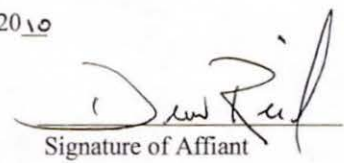
PERSONALLY came and appeared before me, the undersigned Notary, the within named Drew Reid who is a resident of Travis County, State of Texas, and makes this his statement and Affidavit upon oath and affirmation of belief and personal knowledge that the following matters, facts and things set forth are true and correct to the best of his knowledge:

In 2007, Chalfant Properties, as lessor, submitted for General Land Office (GLO) approval two Oil and Gas Leases, each covering the South half (S/2) and Northeast quarter (NE/4) of Section 28, Block 55, T4, Texas and Pacific RR Co. Sy., Reeves County, Texas, such described lands being referred to herein as the "Subject Property." The Subject Property was originally sold with a mineral classification or mineral reservation and is accordingly subject to the Relinquishment Act, Subchapter F, Texas Natural Resources Code. Under this statute, the State of Texas owns the oil and gas under the Subject Property with the surface owner acting as the State's leasing agent. The State and agent split the lease bonus, rental and royalty equally and any lease covering such State lands must be filed with and approved by the GLO before it may become effective.

The first lease covering the Subject Property was from Alice Carolyn Evans Turner Isbell, acting as agent for the State of Texas, dated August 14, 2007, recorded in volume 774, page 637, Official Public Records of the Reeves County Clerk's Office. The second lease covering the Subject Property was from Clayton Aquilla Hill, acting as agent for the State of Texas, dated April 15, 2007, recorded in volume 765, page 400 Official Public Records of the Reeves County Clerk's Office. Chalfant Properties submitted these leases for approval with the GLO. The GLO denied approval of these leases on the grounds that the terms were unacceptable.

It is a requirement of the GLO that for a lease covering Relinquishment Act lands to be valid, the terms must be approved by the GLO and a certified copy of the recorded lease must be filed of record with the GLO. The terms of the Alice Carolyn Evans Turner Isbell Lease and the Clayton Aquilla Hill Lease were never approved by the General Land Office. Accordingly, the Alice Carolyn Evans Turner Isbell and Clayton Aquilla Hill leases covering the South half (S/2) and Northeast quarter (NE/4) of Section 28, Block 55, T4, Texas and Pacific RR Co. Sy., Reeves County, Texas are invalid and of no force and effect.

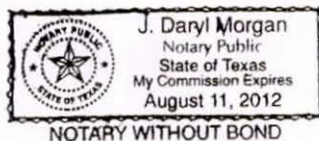
DATED this the 27 day of September, 2010


Signature of Affiant

SWORN to subscribed before me, this 27 day September, 2010


NOTARY PUBLIC

My Commission Expires: 8/11/2012



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copy of
Original filed in
Reeves County
Clerks Office

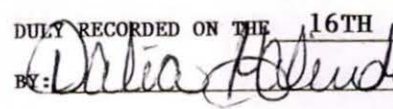


ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL,
OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR
OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL
LAW

FILE # 4671

FILED FOR RECORD ON THE 7TH DAY OF DECEMBER A.D. 2010 10:02 AM.

DULY RECORDED ON THE 16TH DAY OF DECEMBER A.D. 2010 9:00 A.M.

BY:  DEPUTY

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

2

File No. 111984
Lease @ Affidavit
Date Filed: 12/9/11
Jerry E. Patterson, Commissioner
By JE

111984

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. 860, PAGE 147, THRU XXXXXX.

OFFICIAL PUBLIC RECORDS

I hereby certified on 12/20/2010



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS
BY Dalia Galindo DEPUTY
DALIA GALINDO



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

Check Number 0001338261

Invoice #	Inv. Date	Description	Amount	Discount	Net Amount
REQ21709152010g	09/15/2010	ALICE ISBELL	144,000.00	0.00	144,000.00

121

11704631

(P)

023492

← Vendor

Check Date: 09/30/2010

Check Amount →

144,000.00



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

Check Number 0001338362

Invoice #	Inv. Date	Description	Amount	Discount	Net Amount
REQ217091510F	09/15/2010	CLAYTON HILL	48,000.00	0.00	48,000.00
					11704629
					121
					11704630

023492

← Vendor

Check Date: 09/30/2010

Check Amount →

48,000.00



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

Check Number 0001338365

Invoice #	Inv. Date	Description	Amount	Discount	Net Amount
REQ2170915101	09/15/2010		25.00	0.00	25.00
121					
11704633					

023492

← Vendor

Check Date: 09/30/2010

Check Amount →

25.00



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

Check Number 0001338367

Invoice #	Inv. Date	Description	Amount	Discount	Net Amount
REQ217091510K	09/15/2010		25.00	0.00	25.00
				121	
					11704632

023492

← Vendor

Check Date: 09/30/2010

Check Amount →

25.00

3300

✓

121

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

CIMAREX

Checking Account

WELLS FARGO BANK NA

10710934

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

55-382/412

Vendor No.	Check No.	Check Date	Check Amount
023492	0001331216	08/20/2010	*****X*****\$200.00

PAY Two Hundred Dollars and Zero Cents

TO THE
ORDER
OF

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

Paul Korus
Muriel M. Pilla

SIGNATURE HAS A COLORED BACKGROUND • BORDER CONTAINS MICROPRINTING

⑈0001331216⑈

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



January 10, 2011

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

Certified mail #91 7108 2133 3938 4681 5581

RE: Mineral Classified Leases
All S/2 of NE/4 of Section 28, Block 55, Township 4, T&P RR Co. Sy.
Reeves County, TX

Dear Mr. Reid,

Please find enclosed a certified copy of an Affidavit for your records per your instructions and two (2) certified copies of the Oil and Gas Leases filed of record in Reeves County, Texas covering the above captioned lands, along with two (2) checks representing the bonus consideration for said leases. Specifically, please find the following certified copies of the leases and corresponding checks:

- 1) Lessor: Clayton Aquilla Hill
Recorded: Volume 860, Pages 148 thru 157
Check Number 0001338362 - \$48,000.00 (bonus consideration)
- 2) Lessor: Alice Carolyn Evans Turner Isbell
Recorded: Volume 860, Pages 158 thru 167
Check Number 0001338261 - \$144,000.00 (bonus consideration)

Additionally, please find enclosed two (2) \$25.00 checks to cover the filing fee for each of 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 that reads "Tish Maney". The signature is fluid and cursive, with the first name "Tish" and last name "Maney" clearly distinguishable.

Tish Maney
(432) 571-7892

New
Cimarex Energy Co.

600 N. Marienfeld St.

Suite 600

Midland, Texas 79701

PHONE 432.571.7800



September 10, 2010

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

**RE: Mineral Classified Lease
All of the S/2 and NE/4 of Section 28, Block 55, T4,
T&P RR Co. Sy., Reeves County, TX**

Dear Mr. Reid,

Alice Carolyn Turner Evans Isbell, 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

All of the S/2 and NE/4 of Section 28, Block 55, T4, T&P RR Co. Sy., Reeves County, TX

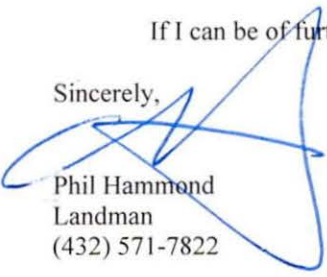
Alice Carolyn Turner Evans Isbell is the "Owner of the Soil" for an undivided 75.00% interest in the captioned lands.

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. 111988

Cover Letter PD

Date Filed: 12/9/11

Jerry E. Patterson, Commissioner

By G-11

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

December 6, 2011

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

Re: **State Lease MF 111988**

Two Relinquishment Act Leases described on **Page 2** hereof
Covering S/2 & NE/4 Sec 28, Blk 55, T-4, T&P RR Co. Survey

Dear Mr. Meador:

The certified copies of the Relinquishment Act leases covering the referenced tract have been approved and filed in our records under Mineral File numbers as set out on Page 2. **Please refer to these numbers when making payments to the State and in all future correspondence concerning the leases. Failure to include the mineral file numbers 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.

Chapter 52 of the Texas Natural Resources Codes specifies that the surface owner's right to receive a portion of the revenues generated by the lease shall be in lieu of all damages to the soil. Therefore, any payments made for surface use or damages other than the authorized damages set out in the lease form must be shared equally with the state.

Your remittances as set out on Page 2 have been applied to the State's portion of the cash bonus. Your remittances of **\$100.00** and **\$25.00** for each lease have been applied to the processing fee and filing fee.

Sincerely yours,

Drew Reid
Mineral 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

Todd Meador
December 6, 2011
Page 2

State Lease MF111988A

Lease dated September 1, 2010 recorded Bk. 860, Pg 158, Reeves
Alice Carolyn Evans Turner Isbell, agent for State of Texas, Lessor
Bonus received \$144,000.00

State Lease MF111988B

Lease dated September 1, 2010 recorded Bk. 860, Pg 148, Reeves
Clayton Aquilla Hill, agent for State of Texas, Lessor
Bonus received \$48,000.00

File No. 111988

Final Letter

Date Filed: 12/9/11

Jerry E. Patterson, Commissioner

By GH

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

CIMAREX

Check Number 0001506014

Invoice #	Inv. Date	Description	Amount	Discount	Net Amount
REQ21704252013J	04/25/2013	MF111988A (P)	90,000.00	0.00	X 90,000.00 121
					13710808

023492

← Vendor

Check Date: 05/07/2013

Check Amount →

90,000.00



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

WELLS FARGO BANK NA

13710808

Present for payment within 180 days.

Vendor No.	Check No.	Check Date	Check Amount
023492	0001506014	05/07/2013	*****\$90,000.00

PAY *Ninety Thousand Dollars and Zero Cents*

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

Paul Koms
Shirley 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



Check Number **0001506014**

Invoice #	Inv. Date	Description	Amount	Discount	Net Amount
REQ21704252013J	04/25/2013		90,000.00	0.00	90,000.00



13710808

023492 Vendor Check Date: 05/07/2013 Check Amount 90,000.00

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 \$90,000.00 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 (360.0 nma X \$500 = \$180,000.00).

State Lease MF 111988A

Dated September 1, 2010 recorded in Book 860, Page 158

Covering S/2 & NE/4 in Sections 28, Block 55, T-4, T&P RR Co Survey, Reeves County, TX

Alice Carolyn Evans Turner Isbell, Agent for State of Texas, Lessor

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

Sincerely,

A handwritten signature in blue ink that reads "Debra". The signature is fluid and cursive, with the first letter being a large, stylized "D".

Debra Harris

Petroleum Landman

Direct Line: 432-571-7871



File No. MF111988

5

Rental Payment

Date Filed: 05/14/2013

Jerry E. Patterson, Commissioner

By *JEP*

2013

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

CIMAREX

Check Number 0001506013

Invoice #	Inv. Date	Description	Amount	Discount	Net Amount
RFQ21704252013I	04/25/2013	MF 111988B (Q)	30,000.00	0.00	30,000.00
					13710805
					121

023492

Vendor

Check Date: 05/07/2013

Check Amount

30,000.00



BANK NA
13710805

Present for payment within 180 days.

Vendor No.	Check No.	Check Date	Check Amount
023492	0001506013	05/07/2013	*****\$30,000.00

PAY *Thirty Thousand Dollars and Zero Cents*

TO THE
ORDER
OF

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

Paul Kous
Sherri 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^

Check Number 0001506013

Invoice #	Inv. Date	Description	Amount	Discount	Net Amount
REQ21704252013I	04/25/2013		30,000.00	0.00	30,000.00

13710805

121

023492	Vendor	Check Date: 05/07/2013	Check Amount	30,000.00
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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 \$30,000.00 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 (120.0 nma X \$500 = \$60,000.00).

State Lease MF 111988B

Dated September 1, 2010 recorded in Book 860, Page 148

Covering S/2 & NE/4 in Sections 28, Block 55, T-4, T&P RR Co Survey, Reeves County, TX
Clayton Aquilla Hill, Agent for State of Texas, Lessor

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

Sincerely,

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

Debra Harris
Petroleum Landman

Direct Line: 432-571-7871

File No. MF11/988

(6)

Rental Payment Lease B

Date Filed: 05/14/2013

Jerry E. Patterson, Commissioner

By JEP

2013

April 7, 2017

VIA HAND DELIVERY

Daryl Morgan
General Land Office
1700 N. Congress Avenue, Room 840
Austin, TX 78701

In Re: Application by Cimarex Energy Co. for Pooling State Relinquishment Act
Leases for Its Sentinel State 55-28 Unit, Phantom (Wolfcamp) Field,
Reeves County, Texas

Dear Daryl:

On behalf of Cimarex Energy Co., we enclose two (2) originals of the Pooling Agreement for the Cimarex Sentinel State 55-28 Unit that have been signed by an appropriate representative of Cimarex. We would appreciate your asking Commissioner Bush to sign these instruments on behalf of the State of Texas and informing our office when we may pick up the original for Cimarex to record in the appropriate records of Reeves County.

Thank you for your usual and efficient assistance in these matters.

Sincerely,



H. Philip Whitworth
Attorney for Cimarex Energy Co.

HPW:map
Enclosures
cc: Jordan Cockrell, *via email*

1423844

(7)

File No. M-111988

Ltr. From Flip Whitworth County

Date Filed: 4/10/17

George P. Bush, Commissioner
By [Signature]

A.T.O.T.



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

April 17, 2017

Mr. H. Philip Whitworth
Scott, Douglass & McConnico, L.L.P.
303 Colorado Street, Suite 2400
Austin, Texas 78701

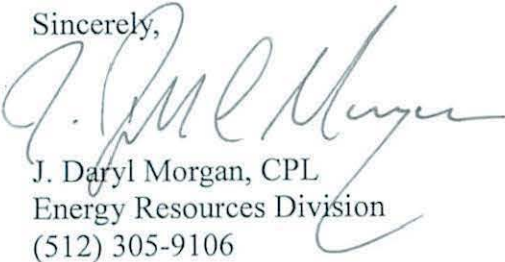
RE: Pooling Agreement
Cimarex Energy Co.
Sentinel State 55-28 Unit
GLO Unit No. 8387
Reeves County, Texas

Dear Flip:

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

Thank you for your assistance with this matter and please let me know if you have any questions or need anything else.

Sincerely,


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

Enclosure

8

File No. M-111988

County

Ltr. to Flip Whitworth

Date Filed: 4/17/17

George P. Bush, Commissioner

By [Signature]

DO NOT DESTROY



Texas General Land Office

UNIT AGREEMENT MEMO

UPA179458

Unit Number 8387
Operator Name Cimarex Energy Co. Effective Date 03/07/2017
Customer ID C000044010 Unitized For Oil And Gas
Unit Name Sentinel State 55-28 Unit 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 0.06250000
State Part in Unit 0.50000000
Unit Depth Specified Depths Well
From Depth 10558 Formation Top of Wolfcamp to Base of Wolfcamp
To Depth 15722 Participation Basis Surface Acreage
If Exclusions Apply: See Remarks

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF111988	1	480.000000	1,280.000000	0.37500000	O/G	0.12500000	0.04687500	No
MF118573	2	160.000000	1,280.000000	0.12500000	O/G	0.12500000	0.01562500	No

API Number

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:

03/07/2017

03/07/2017

9/22/17

04/26/2017

03/07/2017

Pooling Committee Report

To: School Land Board

UPA179458

Date of Board Meeting: 03/07/2017

Unit Number: 8387

Effective Date: 03/07/2017

Unit Expiration Date:

Applicant: Cimarex Energy Co.

Attorney Rep:

Operator: CIMAREX ENERGY CO, MIDLAND

Unit Name: Sentinel State 55-28 Unit

Field Name: PHANTOM (WOLFCAMP)

County: Reeves

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
RAL	MF111988	0.12500000	09/01/2015	5 years	480.000000	480.000000	0.04687500
RAL	MF118573	0.12500000	01/31/2018	1 years	160.000000	160.000000	0.01562500

Private Acres:	640.000000
State Acres:	640.000000
Total Unit Acres:	1280.000000

<u>Participation Basis:</u>	Surface Acreage
Surface Acreage	
<u>State Acreage:</u>	50.00%
<u>State Net Revenue Interest:</u>	6.25%

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

<u>RRC Rules:</u>	<u>Spacing Acres:</u>
Yes	704 acres for a 10,000 foot lateral (FTP to LTP).

REMARKS:

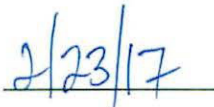
- Cimarex Energy Co. is requesting permanent oil and gas pooling from the top of the Wolfcamp formation to the base of the Wolfcamp formation as seen on the Harrison State 14 # 1 well log (API 42-389-32189) in order to test the Wolfcamp formation. The applicant is in the process of acquiring a lease on the NW/4 of Section 28 which will be included in the unit upon approval.
- The applicant plans to spud the first unit well in the Second Quarter of 2017. A 10,000 foot lateral is expected to be drilled.
- With Board approval of the unit the State's unit royalty participation will be 6.25%.
- The State will participate on a unitized basis from the date of first production.
- The applicant agrees to drill a total of four unit wells. The first unit well will be spud by or before December 1, 2017 and the remaining three unit wells will be spud by or before December 1, 2019 or the unit will decrease in size to 320 acres per unit well drilled.

POOLING COMMITTEE RECOMMENDATION:

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



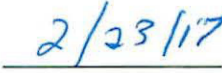
Mary Smith - Office of the Attorney General



Date



Robert Hatter - General Land Office



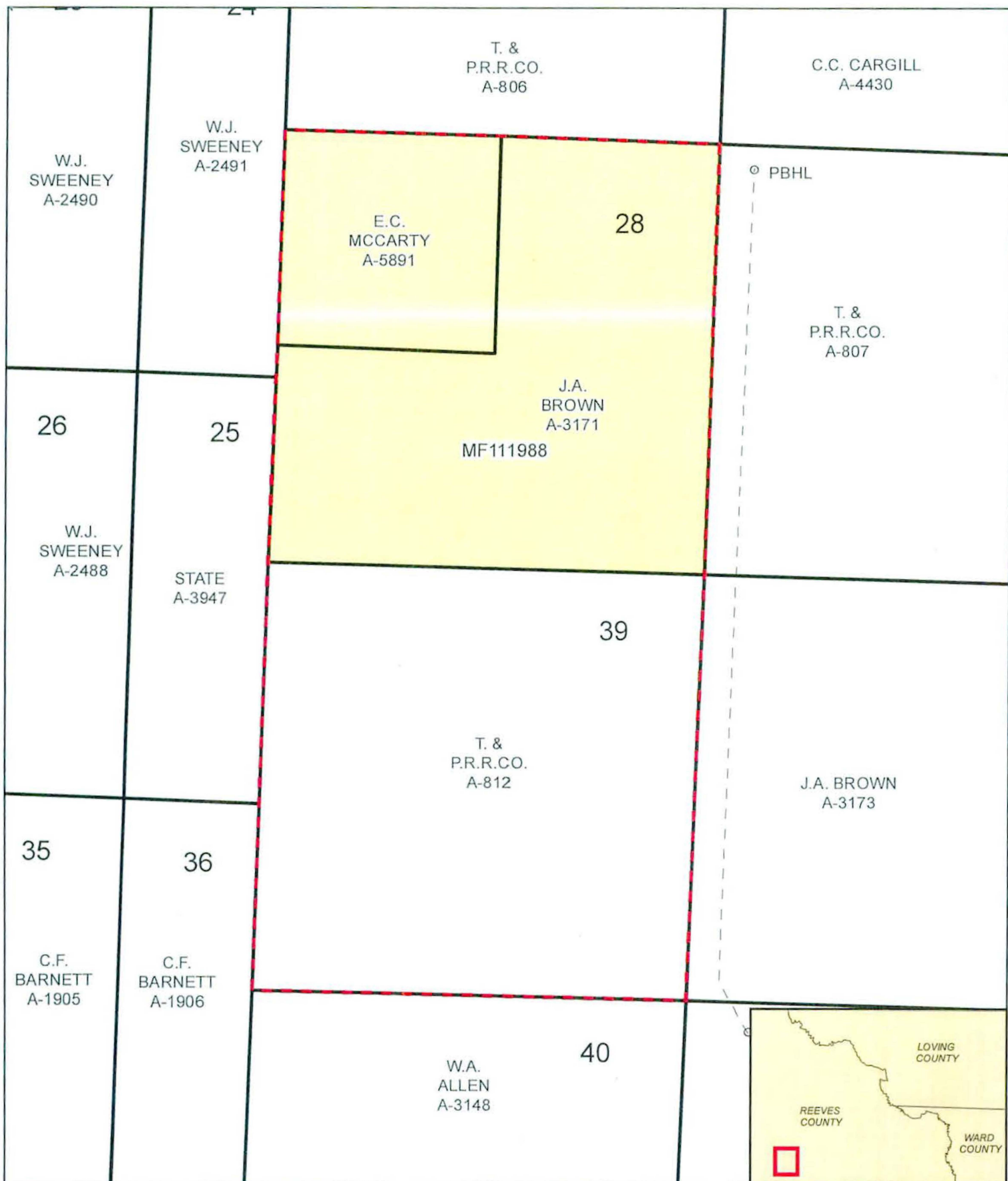
Date



Diane Morris - Office of the Governor



Date



Unit #8387C
Cimarex Energy Co.
Sentinel State 55-28 Unit
Phantom (Wolfcamp) Field
Reeves County, Texas

1,500 750 0 1,500 Feet



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



Map Generated by:
Mark Conway
Enterprise Technology Solutions/GIS
March 2017

POOLING AGREEMENT
CIMAREX ENERGY CO.
SENTINEL STATE 55-28 UNIT
GLO UNIT NO. 8387
REEVES COUNTY, TEXAS

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

PURPOSES:

1.

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

UNIT DESCRIPTION:

2.

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

MINERAL POOLED:

3.

The mineral pooled and unitized ("pooled mineral") hereby shall be oil and gas including all hydrocarbons that may be produced from an oil well or a gas well as such wells are recognized and designated by the Railroad Commission of Texas or other state regulatory agency having jurisdiction of the drilling and production of oil and gas wells. The pooled mineral shall extend to those depths underlying the surface boundaries of the pooled unit from the top to the base of the Wolfcamp Formation, being defined as stratigraphic interval or its correlative equivalent occurring from 10,558 feet to 15,722 feet as seen on the Schlumberger Platform Express Azimuthal Laterolog-MicroCFL Log of the Harrison State #14-1H Well, API No. 42-389-32189 ("unitized interval").

POOLING AND EFFECT:

4.

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

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

within said unit; provided, however, that shut-in oil or gas well royalty shall be paid to the State on each State lease wholly or partially within the unit, according to the terms of such lease as though such shut-in oil or gas well were located on said lease, it being agreed that shut-in royalties provided in each State lease shall not be shared with other royalty owners.

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

ALLOCATION OF PRODUCTION:

5.

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

TAKING ROYALTY IN KIND:

6.

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

EFFECTIVE DATE:

7.

Upon execution by the Commissioner of the General Land Office of the State of Texas this Agreement shall become effective as of March 7, 2017.

TERM:

8.

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

SPECIAL TERMS AND CONDITIONS:

9.

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

STATE LAND:

10.

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

DISSOLUTION:

11.

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

RATIFICATION/WAIVER:

12.

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

COUNTERPARTS:

13.

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

SUBJECT TO EXPLORATION AGREEMENT:

14.

This Pooling Agreement is subject to that certain Unit Agreement for the Development and Operation of the Grisham - State Unit dated effective January 1, 2014, by and between the State of Texas and Cimarex Energy Co. recorded at Volume 1096, Page 612 of the Oil and Gas Records of Reeves County, Texas.

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

Date Executed 4/13/17

STATE OF TEXAS

Legal
Content
Geology
Executive

[Signature]
[Signature]
[Signature]

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

Date Executed 04/05/17

CIMAREX ENERGY CO.

By: *[Signature]*
Roger Alexander
Attorney-in-Fact

Its: *[Signature]*

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 March 7, 2017, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

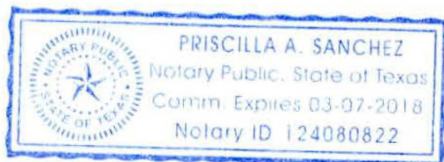
IN TESTIMONY WHEREOF, witness my hand this the 13th day of April, 2017.


Secretary of the School Land Board

STATE OF TEXAS

COUNTY OF Midland

This instrument was acknowledged before me on April 5, 2017, by Roger Alexander,
as Attorney-in-Fact of Cimarex Energy Co. a Delaware corporation
on behalf of said corporation.




Notary Public in and for the State of Texas

Addendum "A"

To that certain Pooling Agreement for the Sentinel State 55-28 Unit

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

The pooled unit shall consist of all of the lands herein described in the attached Exhibit "B" and depicted on the attached Exhibit "C". Lessee agrees to drill a minimum of four (4) horizontal wells in the unit with laterals that extend extensively into both Sections included in the unit, provided however that, should Lessee fail to meet the "Drilling Obligation Timeframe", as specifically defined below, that such unit shall remain in full force and effect as to any and all wells drilled upon the unit acreage, but shall shrink down to allow for a maximum size of 320 acres per well drilled in the unit, as close as is reasonably practicable to the shape of a rectangle surrounding the wells. In the event that Lessee chooses to drill wells ahead of the Drilling Obligation Timeframe detailed below, then Lessee shall not be penalized for doing so and shall still conserve the benefit of the Drilling Obligation Timeframe described below.

Drilling Obligation Timeframe:

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

- | | | |
|-------------------------------|---|-------------------------------------|
| First well | — | spud on or before December 1, 2017; |
| Second, Third and Fourth well | — | spud on or before December 1, 2019. |

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

In the event Lessee commences actual drilling operations on all four (4) wells committed to be drilled hereunder and such wells are thereafter completed as wells being capable of producing oil or gas in paying quantities, the parties hereby agree that the pooled unit shall remain in the original, unaltered size and shape as described in Exhibit "B" and depicted in Exhibit "C", in accordance with paragraph eight (8) of this Agreement.

End of Addendum "A"

EXHIBIT "A"

Attached to and made a part of that certain Pooling Agreement
Cimarex Energy Co. Sentinel State 55-28 Unit
GLO Unit No.
Reeves County, Texas

The Leases

1. Mineral File No:
Dated: September 1, 2010
Lessor: State of Texas, acting by and through its agent, Clayton Aquilla Hill
Lessee: Cimarex Energy Co.
Recorded: Volume 860, Page 148, Official Public Records, Reeves County, Texas
Legal Description: S/2, NE/4 Section 28, Block 55, Township 4, T&P RR Co. Survey, Reeves County, Texas;
2. Mineral File No.:
Dated: September 1, 2010
Lessor: State of Texas, acting by and through its agent, Alice Carolyn Evans Turner
Lessee: Cimarex Energy Co.
Recorded: Volume 860, Page 158, Official Public Records, Reeves County, Texas
Legal Description: S/2, NE/4 Section 28, Block 55, Township 4, T&P RR Co. Survey, Reeves County, Texas;
3. Mineral File No:
Dated: January 31, 2017
Lessor: State of Texas, acting by and through its agent, PEC Minerals LP
Lessee: Providence Energy Partners III, LP
Recorded: To Be Determined
Legal Description: NW/4 Section 28, Block 55, Township 4, T&P RR Co. Survey, Reeves County, Texas;

Dated: November 1, 2013
Lessor: Chevron USA Inc.
Lessee: Anadarko E&P Onshore LLC, now Cimarex Energy Co.
Recorded: Memorandum of Oil and Gas Lease, Book 1048 Page 162, Official Public Records, Reeves County
Legal Description: All Section 39, Block 55, Township 4, T&P RR Co. Survey, Reeves County, Texas.

EXHIBIT "B"

Attached to and made a part of that certain Pooling Agreement
Cimarex Energy Co. Sentinel State 55-28 Unit
GLO Unit No.
Reeves County, Texas

Description of Unit

Tract 1: NW/4, Section 28, Block 55, Township 4, T&P RR. Co. Survey, Reeves County, Texas, containing 160.0 acres, more or less, in total

Tract 2: S/2, NE/4, Section 28, Block 55, Township 4, T&P RR. Co. Survey, Reeves County, Texas, containing 480.0 acres, more or less, in total

Tract 3: All, Section 39, Block 55, Township 4, T&P RR. Co. Survey, Reeves County, Texas, containing 640.0 acres, more or less, in total

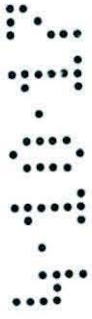


EXHIBIT "C"

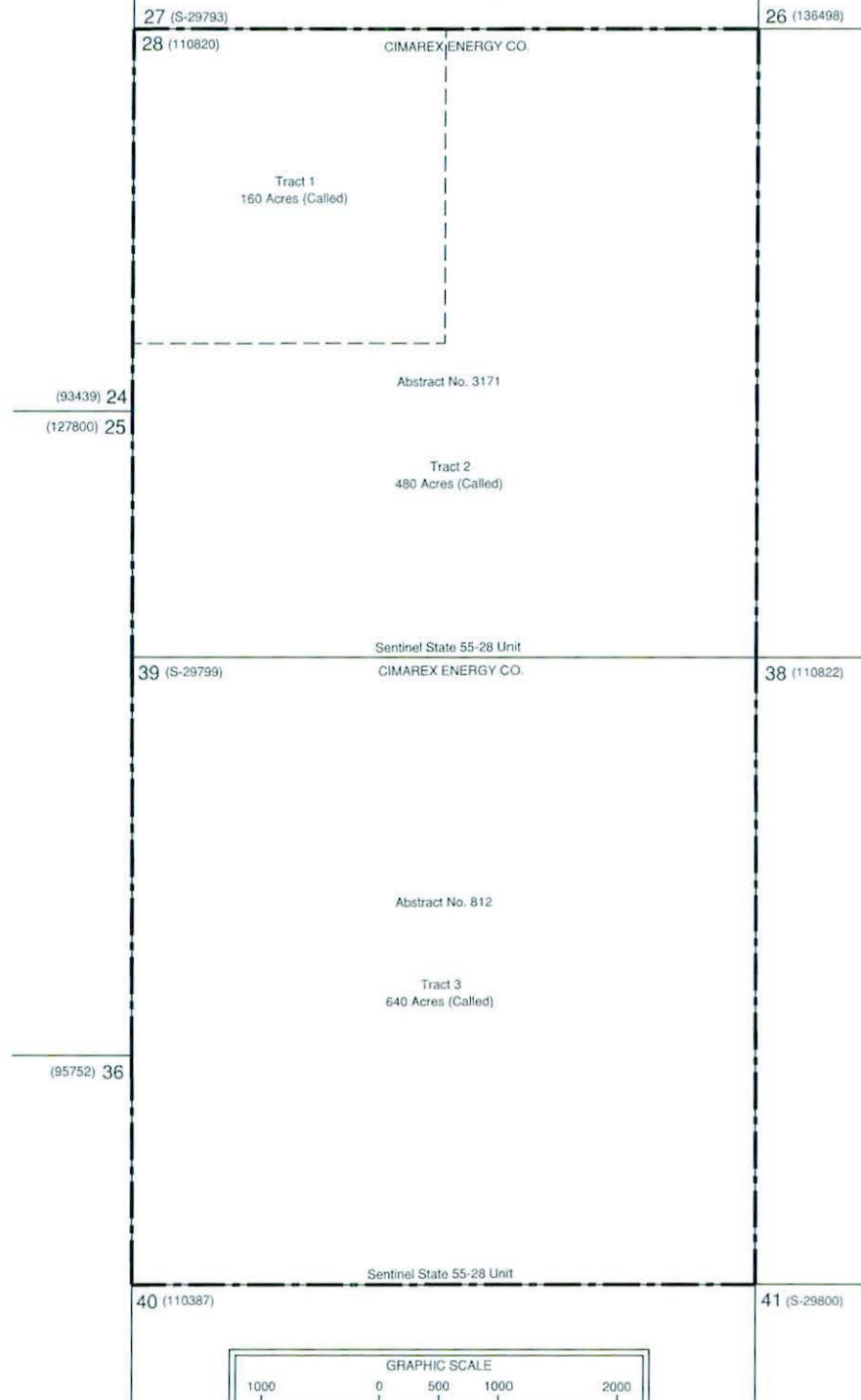
Attached to and made a part of that certain Pooling Agreement
Cimarex Energy Co. Sentinel State 55-28 Unit
GLO Unit No.
Reeves County, Texas

The Unit

See plat shown on next page

55-28

Block 55, Tsp. 4, T. & P. RR. Co. Survey Reeves County, Texas



Note: Survey Reconstruction filed in the Office of Pennell & Marlowe Land Surveyors, Inc.
 Note: Example: (S-99999) indicates General Land Office file number.



Stephen P. Marlowe
 REGISTERED PROFESSIONAL LAND SURVEYOR NO. 5715

February 1, 2017

170201K1-KRM

USGS Quadrangle Sheet: Halamicek Ranch, Tex.

CIMAREX ENERGY CO.
 Sentinel State 55-28 Unit
 1280 Acres (Called) being all of
 Sections 28 & 39, Block 55, Tsp. 4
 T. & P. RR. Co. Survey &
 Reeves County, Texas

Scale: 1" = 1000'

File No. M-111988 9
Pooling Agmt. Packet # 8387 County
Sentinel State 55-28 Unit
Date Filed: 9/22/17
George P. Bush, Commissioner
By 

4-70-73



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

MF 111988
MF 118573 Unit 8387

NADOA Model Form Division Order (Adopted 9/95)

Date: 03/14/2018

Effective Date: 12/01/2017

030618

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

Description: SENTINEL STATE 55-28 UNIT 1H - ENT

Complete Property Description Listed Below

389-35824

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

Owner

COMMISSIONER OF THE GENERAL

Owner Number: 030618

Interest Type: STATE OF TEXAS ROYALTY

Interest Type Code: STA1

Decimal Interest: 0.06250000 ✓

Property Description

Property: 420067-053.01

SENTINEL STATE 55-28 UNIT 1H

Operator: CIMAREX ENERGY CO

Location: Reeves, TX

Map Reference Information

Reeves, TX US

Survey: T&P RR CO

3171Block: 55 T4Lot: Sec: 28

SECTION: 28,BLOCK 55 REEVES CTY

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

CIMAREX ENERGY CO

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

Payor is authorized to withhold payment pending resolution of a title dispute or adverse claim asserted regarding the interest in production claimed herein by the undersigned.

The undersigned agrees to indemnify and reimburse Payor any amount attributable to an interest to which the undersigned is not entitled.

Payor may accrue proceeds until the total amount equals \$100.00, or as required by applicable state statute.

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

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

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

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

Owner(s) Daytime Phone #: _____

Owner(s) FAX Number: _____

Owner(s) Email Address: _____

KEEP THIS COPY

Federal Law requires you to furnish your Social Security or Taxpayer Identification Number. Failure to comply will result in 28% tax withholding and will not be refundable by Payor.



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

April 30, 2018

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

Re: State Lease Nos. MF118573 and MF111988 Sentinel State 55-28 1H Unit 8387

Dear Mrs. Hill:

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

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

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

We look forward to being put on pay status as soon as you are able to set up the wells in our RRAC system.

Thank you,

Vivian Hernandez
Landman, Energy Resources
512-475-0428
512-475-1543 (fax)
vivian.hernandez@glo.texas.gov

File No. MF111988Reeves CountyDivision OrderDate Filed: 4-30-18

George P. Bush, Commissioner

By V.H.



(303) 295-3995

Check Number 0001749597

Invoice #	Inv. Date	Description	Amount	Discount	Net Amount
REQ217051818a	05/18/2018		4,296.46	0.00	4,296.46



18713320

161

023492

Vendor

Check Date: 06/06/2018

Check Amount

4,296.46

Cimarex Energy Co.

600 N. Marienfeld St.

Suite 600

Midland, TX 79701

MAIN 432.571.7800



June 21, 2018

State of Texas
1700 N. Congress Ave., Suite 840
Austin, Texas 78701-1495

Via Certified Mail

Re: **Surface Use Agreement**
Section 28, Block 55, T4, T&P RR Co. Survey
Reeves County, Texas

M-111988

Dear sir/madam,

Enclosed herewith is Cimarex Energy Co. check number **0001749597** in the amount of **Four Thousand Two Hundred Ninety Six Dollars and 46/100 (\$4,296.46)** as total payment for six (6) pipelines associated with the Sentinel State 55-28 Unit 5H and the Sentinel State 55-28 Unit 6H on the above described lands.

Please note that the damages are being paid 50% to PEC Minerals LP and 50% to the State of Texas per the Surface use Agreement dated April 4th, 2017 by and between The State of Texas, acting by and through its agent PEC Minerals and Cimarex Energy Co.

If you have any questions or concerns, please do not hesitate to contact me at the number below.

Sincerely,

CIMAREX ENERGY CO.

A handwritten signature in blue ink that reads "Viviana Beltran". The signature is fluid and cursive.

Viviana Beltran

Land Technician

432.571.7846 (direct)

vbeltran@cimarex.com

File No. MF III 988

_____. County
Surface Damage Payment

Date Filed: 8/7/18

George P. Bush, Commissioner
By GB _____

11
File No. _____
_____. County
_____. County

Date Filed: _____

George P. Bush, Commissioner
By _____

0.50.70

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



(303) 295-3995

Check Number 0001749598

Invoice #	Inv. Date	Description	Amount	Discount	Net Amount
REQ217051818c	05/18/2018		6,573.70	0.00	6,573.70
18713327 161					

023492

← Vendor

Check Date: 06/06/2018

Check Amount →

6,573.70

Cimarex Energy Co.

600 N. Marienfeld St.

Suite 600

Midland, TX 79701

MAIN 432.571.7800



June 21, 2018

State of Texas
1700 N. Congress Ave., Suite 840
Austin, Texas 78701-1495

Via Certified Mail

Re: Surface Use Agreement
Section 28, Block 55, T4, T&P RR Co. Survey
Reeves County, Texas

M-111988

Dear sir/madam,

Enclosed herewith is Cimarex Energy Co. check number **0001749598** in the amount of **Six Thousand Five Hundred Seventy Three Dollars and 70/100 (6,573.70)** as total payment for a well pad, road and three (3) pipelines associated with the Sentinel State 55-28 Unit 5H and the Sentinel State 55-28 Unit 6H on the above described lands.

Please note that the damages are being paid 50% to Clayton Aquilla Hill, Catherine Hill Phillips, as Attorney-In-Fact and 50% to the State of Texas per the Surface use Agreement dated February 20th, 2014 by and between The State of Texas, acting by and through its agent Clayton Aquilla Hill, Catherine Hill Phillips, as Attorney-In-Fact and Cimarex Energy Co.

If you have any questions or concerns, please do not hesitate to contact me at the number below.

Sincerely,

CIMAREX ENERGY CO.

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

Viviana Beltran

Land Technician

432.571.7846 (direct)

vbeltran@cimarex.com

12

File No. MF 111988

County

San Francisco County

Date Filed: 8/18/18

George P. Bush, Commissioner

By GD

0.50.18



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

NADOA Model Form Division Order (Adopted 9/95)

12 4 10
MF 11988 Unit 8387
MF 118573

Date: 11/30/2018

Effective Date: 11/01/2018

030618

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

Description: SENTINEL STATE 55-28 UNIT 5H - ENT

Complete Property Description Listed Below

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

Owner

COMMISSIONER OF THE GENERAL

Owner Number: 030618

Interest Type: STATE OF TEXAS ROYALTY

Interest Type Code: STA2

Decimal Interest: 0.04687500

Property Description

Property: 420067-069.01

SENTINEL STATE 55-28 UNIT 5H

Operator: CIMAREX ENERGY CO

Location: Reeves, TX

Map Reference Information

Reeves, TX US

ALL OF SECTION: 28 & 39, BLOCK 55, TOWNSHIP 4,
T&P RR CO SURVEY, REEVES COUNTY TX.

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

CIMAREX ENERGY CO

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

Payor is authorized to withhold payment pending resolution of a title dispute or adverse claim asserted regarding the interest in production claimed herein by the undersigned.

The undersigned agrees to indemnify and reimburse Payor any amount attributable to an interest to which the undersigned is not entitled.

Payor may accrue proceeds until the total amount equals \$100.00, or as required by applicable state statute.

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

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

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

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

Owner(s) Daytime Phone #: _____

Owner(s) FAX Number: _____

Owner(s) Email Address: _____

KEEP THIS COPY

Federal Law requires you to furnish your Social Security or Taxpayer Identification Number.
Failure to comply will result in 28% tax withholding and will not be refundable by Payor.



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

Date: 11/30/2018

Effective Date: 11/01/2018

030618

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

Description: SENTINEL STATE 55-28 UNIT 5H - ENT

Complete Property Description Listed Below

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

COMMISSIONER OF THE GENERAL

Owner Number: 030618

Interest Type: STATE OF TEXAS ROYALTY

Interest Type Code: STA1

Decimal Interest: 0.01562500

Property Description

Property: 420067-069.01 SENTINEL STATE 55-28 UNIT 5H

Operator: CIMAREX ENERGY CO Location: Reeves, TX

Map Reference Information

Reeves, TX US

ALL OF SECTION: 28 & 39, BLOCK 55, TOWNSHIP 4,
T&P RR CO SURVEY, REEVES COUNTY TX.

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

CIMAREX ENERGY CO

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

Payor is authorized to withhold payment pending resolution of a title dispute or adverse claim asserted regarding the interest in production claimed herein by the undersigned.

The undersigned agrees to indemnify and reimburse Payor any amount attributable to an interest to which the undersigned is not entitled.

Payor may accrue proceeds until the total amount equals \$100.00, or as required by applicable state statute.

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

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

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

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

Owner(s) Daytime Phone #: _____

Owner(s) FAX Number: _____

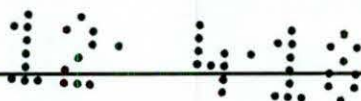
Owner(s) Email Address: _____

KEEP THIS COPY



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

NADOA Model Form Division Order (Adopted 9/95)



Date: 11/30/2018

Effective Date: 11/01/2018

030618

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

Description: SENTINEL STATE 55-28 UNIT 6H - ENT

Complete Property Description Listed Below

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

Owner COMMISSIONER OF THE GENERAL Owner Number: 030618 Interest Type: STATE OF TEXAS ROYALTY Decimal Interest: 0.01562500		Interest Type Code: STA1
--	--	--------------------------

Property Description Property: 420067-070.01 SENTINEL STATE 55-28 UNIT 6H Operator: CIMAREX ENERGY CO Location: Reeves, TX	
Map Reference Information Reeves, TX US ALL OF SECTION: 28 & 39, BLOCK 55, TOWNSHIP 4, T&P RR CO SURVEY, REEVES TX	

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

CIMAREX ENERGY CO

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

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The undersigned agrees to indemnify and reimburse Payor any amount attributable to an interest to which the undersigned is not entitled.

Payor may accrue proceeds until the total amount equals \$100.00, or as required by applicable state statute.

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

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

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

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

Owner(s) Daytime Phone #: _____

Owner(s) FAX Number: _____

Owner(s) Email Address: _____

KEEP THIS COPY

Federal Law requires you to furnish your Social Security or Taxpayer Identification Number.
Failure to comply will result in 28% tax withholding and will not be refundable by Payor.



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

NADOA Model Form Division Order (Adopted 9/95)

Date: 11/30/2018

Effective Date: 11/01/2018

030618

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

Description: SENTINEL STATE 55-28 UNIT 6H - ENT

Complete Property Description Listed Below

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

Owner

COMMISSIONER OF THE GENERAL

Owner Number: 030618

Interest Type: STATE OF TEXAS ROYALTY

Interest Type Code: STA2

Decimal Interest: 0.04687500

Property Description

Property: 420067-070.01 SENTINEL STATE 55-28 UNIT 6H

Operator: CIMAREX ENERGY CO Location: Reeves, TX

Map Reference Information

Reeves, TX US

ALL OF SECTION: 28 & 39, BLOCK 55, TOWNSHIP
4, T&P RR CO SURVEY, REEVES TX

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

CIMAREX ENERGY CO

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

Payor is authorized to withhold payment pending resolution of a title dispute or adverse claim asserted regarding the interest in production claimed herein by the undersigned.

The undersigned agrees to indemnify and reimburse Payor any amount attributable to an interest to which the undersigned is not entitled.

Payor may accrue proceeds until the total amount equals \$100.00, or as required by applicable state statute.

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

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

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

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

Owner(s) Daytime Phone #: _____

Owner(s) FAX Number: _____

Owner(s) Email Address: _____

KEEP THIS COPY

Federal Law requires you to furnish your Social Security or Taxpayer Identification Number.
Failure to comply will result in 28% tax withholding and will not be refundable by Payor.



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

February 28, 2019

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

Re: State Lease Nos. MF111988 and MF118573 Sentinel State 55-28 5H and 6H Unit 8387

Dear Mrs. Hale-Hill:

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

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

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

We look forward to being put on pay status as soon as you are able to set up the wells in our RRAC system.

Thank you,

Vivian Zamora
Landman, Energy Resources
512-475-0428
512-475-1404 (fax)
vivian.zamora@glo.texas.gov

File No. MF 111988

Reeves County

Division Order

Date Filed: 3-4-19

George P. Bush, Commissioner

By VZ



Invoice #	Oblig. Date	Description	Lessor	Net Amount
-----------	-------------	-------------	--------	------------

See Attached

Miss Roy
\$ 1/ac

RECEIPT

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

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

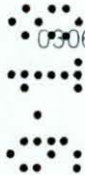
DATE

9-18-17

BY

CB

PLEASE DATE, SIGN AND RETURN



000618

← Payee

Check Date: 09/12/2017

Check Amount →

240.00

0004007499 09/12/2017

240.00

Pay Two Hundred Forty Dollars and Zero Cents

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



Remittance Statement

Min Roy

Vendor: COMMISSIONER OF THE G
Vendor Code: 030618
Check Number: 0004007499
Check Date: 09/12/2017

Invoice #	Invoice Date	Lessor	Net Amount
OBL20170912-17	09/12/2017	COMMISSIONER OF THE GENERAL ST OF TX & ALICE CARO MINIMUM ROYALTY TX420067012984001 STATE OF TX & ALICE CAROLYN EVANS Payee: COMMISSIONER OF THE GENE LAND OFFICE STATE OF TEXA AUSTIN, TX 78711-2873 Lease Date: 09/01/2010 Oblig Type: MIN Oblig Due Date: 10/01/2017 Freq: 1 Yea Book 860/Page 158/Registry Reeves/TX	180.00
OBL20170912-19	09/12/2017	COMMISSIONER OF THE GENERAL ST OF TX & CLAYTON AQ MINIMUM ROYALTY TX420067012984002 STATE OF TX & CLAYTON AQUILLA HILL Payee: COMMISSIONER OF THE GENE LAND OFFICE STATE OF TEXA AUSTIN, TX 78711-2873 Lease Date: 09/01/2010 Oblig Type: MIN Oblig Due Date: 10/01/2017 Freq: 1 Yea Book 860/Page 148/Registry Reeves/TX	60.00
			240.00

MF 111988A

MF 111988B

CIMAREX

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

WELLS FARGO BANK NA

55-382/412

18700735

Present for payment within 180 days.

Payee No.	Check No	Check Date	Check Amount
030618	0004007499	09/12/2017	*****\$240.00

PAY Two Hundred Forty Dollars and Zero CentsTO THE
ORDER
OF

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

D. Mark Asplund
Sherril M. Nitta

SIGNATURE HAS A COLORED BACKGROUND • BORDER CONTAINS MICROPRINTING

⑈0004007499⑈

PLEASE DETACH AT PERFORATION ABOVE

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

(303) 295-3995

PLEASE DETACH AT PERFORATION ABOVE

CIMAREX

Check Number 0004007499

Invoice #	Oblig. Date	Description	Lessor	Net Amount
				18700735
				121
030618	Payee	Check Date: 09/12/2017	Check Amount	240.00

File No. MF-111988
Min Royalty

Date Filed: 4-16-19
George P. Bush, Commissioner
By [Signature]

8.10.11



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

NADOA Model Form Division Order (Adopted 9/95)

unit 8387
✓ MF111988 MF118573

Date: 06/04/2019

Effective Date: 12/01/2017

030618

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

Description: SENTINEL ST 55-28 UN 7H-REVISED ENT

Complete Property Description Listed Below

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

Owner

COMMISSIONER OF THE GENERAL

Owner Number: 030618

Interest Type: STATE OF TEXAS ROYALTY

Interest Type Code: STA1

Decimal Interest: 0.01562500

Property Description

Property: 420067-079.01

SENTINEL STATE 55-28 UNIT 7H

Operator: CIMAREX ENERGY CO

Location: Reeves, TX

Map Reference Information

Reeves, TX US

Survey: T&P RR CO

?1Block: 55Lot: Sec: 28

Sections 28 and 39, Block 55 T4, T&P RR Co. Survey

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

CIMAREX ENERGY CO

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

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

Owner(s) Daytime Phone #: _____

Owner(s) FAX Number: _____

Owner(s) Email Address: _____

SIGN AND RETURN

Federal Law requires you to furnish your Social Security or Taxpayer Identification Number. Failure to comply will result in 28% tax withholding and will not be refundable by Payor.



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Complete Property Description Listed Below

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

COMMISSIONER OF THE GENERAL

Owner Number: 030618

Interest Type: STATE OF TEXAS ROYALTY

Interest Type Code: STA2

Decimal Interest: 0.04687500

Property Description

Property: 420067-079.01

SENTINEL STATE 55-28 UNIT 7H

Operator: CIMAREX ENERGY CO

Location: Reeves, TX

Map Reference Information

Reeves, TX US

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

Description: SENTINEL ST 55-28 UN 8H-REVISED ENT

Complete Property Description Listed Below

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

COMMISSIONER OF THE GENERAL

Owner Number: 030618

Interest Type: STATE OF TEXAS ROYALTY

Interest Type Code: STA1

Decimal Interest: 0.01562500

Property Description

Property: 420067-080.01

SENTINEL STATE 55-28 UNIT 8H

Operator: CIMAREX ENERGY CO

Location: Reeves, TX

Map Reference Information

Reeves, TX US

Survey: T&P RR CO

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

COMMISSIONER OF THE GENERAL

Owner Number: 030618

Interest Type: STATE OF TEXAS ROYALTY

Interest Type Code: STA2

Decimal Interest: 0.04687500

Property Description

Property: 420067-080.01 SENTINEL STATE 55-28 UNIT 8H

Operator: CIMAREX ENERGY CO Location: Reeves, TX

Map Reference Information

Reeves, TX US

Survey: T&P RR CO

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AUSTIN, TX 78711-2873

Description: SENTINEL ST 55-28 UN 9H-REVISED ENT

Complete Property Description Listed Below

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

COMMISSIONER OF THE GENERAL

Owner Number: 030618

Interest Type: STATE OF TEXAS ROYALTY

Interest Type Code: STA1

Decimal Interest: 0.01562500

Property Description

Property: 420067-081.01 SENTINEL STATE 55-28 UNIT 9H

Operator: CIMAREX ENERGY CO Location: Reeves, TX

Map Reference Information

Reeves, TX US

Survey: T&P RR CO

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Interest Type Code: STA2

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Property Description

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COMMISSIONER OF THE GENERAL

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Interest Type Code: STA1

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Property Description

Property: 420067-082.01 SENTINEL STATE 55-28 UNIT 10H

Operator: CIMAREX ENERGY CO Location: Reeves, TX

Map Reference Information

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REVENUE INTEREST OWNER COMMON QUESTIONS AND ANSWERS

- Revenue check schedule

Revenue checks are issued monthly on the 15th. If the amount of revenue due is less than \$100.00, payment is withheld until the amount due equals or exceeds \$100.00, subject to state regulations. All checks less than \$100.00 are issued in December on an annual basis.

- Check not on schedule

If payment is delayed more than 10 days, you should contact us to see if a check was issued.

- Check Lost, stolen or outdated

~~Immediately notify us in writing of lost or stolen checks so we may issue a replacement check.~~ If the check is stale dated, return it to us without defacing it so a replacement may be issued.

- Determine interest value

The evaluation or appraisal of interest requires geologic or engineering review and judgement. Therefore, we do not attempt such evaluations for interest owners. An appraisal can be obtained by contacting the services of an independent geologist, petroleum engineer or royalty broker. Revenue resulting from sales from the property is an important factor in evaluating royalty interests. Your check stubs or detail statements provide payment history for this analysis.

- Requirements if Sell interest

Because the sale of a royalty interest usually represents a real property transaction, we will need a certified copy of the deed recorded in the county where the property is located. For additional information about our requirements, please contact our Division Order Department.

- Requirements for Death of Owner

When an interest owner dies, an authorized representative or relative of the deceased must immediately notify the Division Order Department in writing. The deceased owner's name and owner number must appear in the notification as they appear on the revenue checks. State requirements differ, but generally a Will, Letters Testamentary, and/or other documents issued by the court are required to change royalty ownership records. Cimarex Energy Co does NOT accept Heirship Affidavits.

- Change of Address

You should notify us of any changes in address. Failure to report changes may delay delivery of your revenue checks and in many cases force us to place the revenue in suspense until we are notified of the change. Reinstatement of payment will resume upon receipt of an authorized address change. For your protection, changes of address must be made in writing. With your notification, please include your owner number, social security or tax identification number, old address and new address, including zip code. Please send your change of address to the attention of the Division Order Department. Form available at <https://www.cimarex.com/owner-information/>.



INSTRUCTIONS TO ALL INTEREST OWNERS

Read Carefully Before Signing the Instrument

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

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

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

CIMAREX ENERGY CO.
DIVISION ORDER DEPARTMENT
202 SOUTH CHEYENNE AVE, SUITE 1000
TULSA, OK 74103-3001
ATTENTION: Paula Staires
(918) 560-7269 – Phone
(918) 295-1896 – Fax
E-Mail: pstaires@cimarex.com



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

August 27, 2019

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

Re: State Lease Nos. ✓MF111988 and MF118573 Sentinel State 55-28 7H, 8H, 9H, 10H and
11H Unit 8387

Dear Mrs. Hale-Hill:

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

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

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

We look forward to being put on pay status as soon as you are able to set up the wells in our RRAC system.

Thank you,

Vivian Zamora
Landman, Energy Resources
512-475-0428
512-475-1404 (fax)
vivian.zamora@glo.texas.gov

File No. ME111988

Reeves County

DIVISION ORDER

Date Filed: 8-28-2019

George P. Bush, Commissioner

By VR

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



(303) 295-3995

Check Number **0001705744**

Invoice #	Inv. Date	Description	Amount	Discount	Net Amount
REQ217041017n	04/10/2017	MF 111988 MF 118573	8,263.86	0.00	8,263.86
					17712501
					161

023492

Vendor

Check Date: 04/19/2017

Check Amount

8,263.86

Cimarex Energy Co.

600 N. Marienfeld St.

Suite 600

Midland, TX 79701

MAIN 432.571.7800



April 28, 2017

State of Texas
1700 N. Congress Ave., Suite 840
Austin, Texas 78701-1495

Via Certified Mail

Re: Pipelines & Power line
Section 28, Block 55, T&P RR Co. Survey
Reeves County, Texas

Dear sir/madam,

Enclosed is Cimarex Energy Co. checks number **0001705744 in the amount of Eight Thousand Two Hundred Sixty Three Dollars and 86/100 (8,263.86)** as the total payment for a High Pressure and Low Pressure pipeline, a gas lift line and flow line, an SWD line and a power line associated with the Sentinel State 55-28 1H well located in the above described lands.

Please note that the damages are being paid 50% to PEC Minerals LP and 50% to the State of Texas.

If you should have any questions or concerns, please do not hesitate to call. Thank you very much.

Sincerely,

CIMAREX ENERGY CO.

A handwritten signature in blue ink that reads "Tish Maney". The signature is fluid and cursive, with the first name "Tish" and last name "Maney" clearly distinguishable.

Tish Maney
Land Department
Cimarex Energy Co.
432.571.7892(direct)

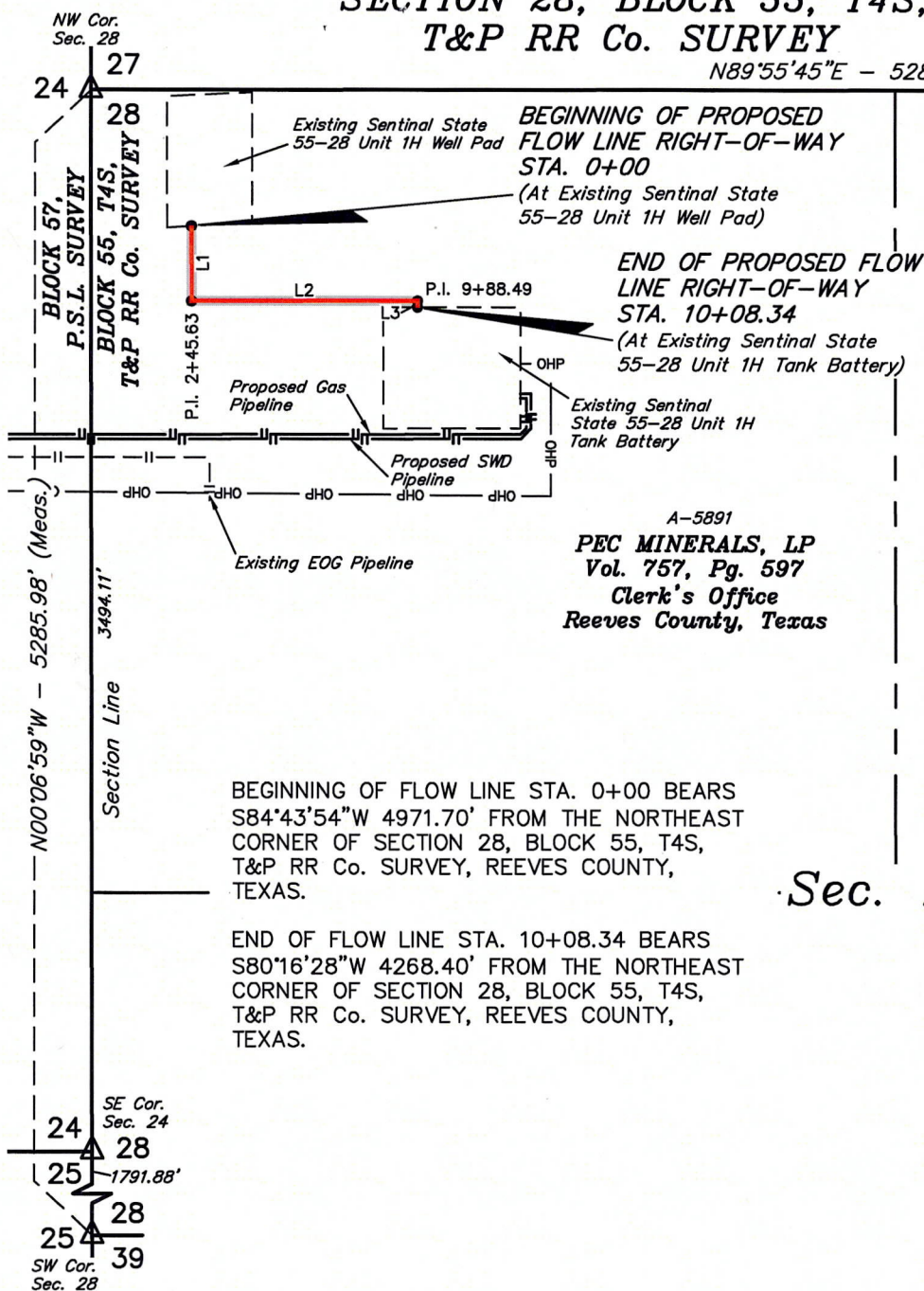
SECTION 28, BLOCK 55, T4S,
T&P RR Co. SURVEY

N89°55'45"E - 5282.03' (Meas.)

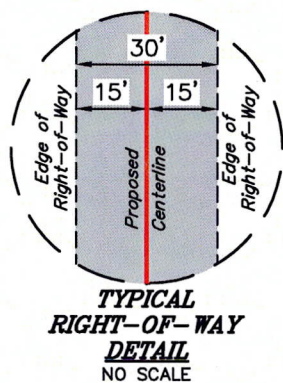
NE Cor.
Sec. 28,
Iron Pipe

27 26
28 29

Section Line



LINE TABLE		
LINE	DIRECTION	LENGTH
L1	S00°11'04"E	245.63'
L2	N89°55'40"E	742.86'
L3	S00°02'04"W	19.85'



BEGINNING OF FLOW LINE STA. 0+00 BEARS
S84°43'54"W 4971.70' FROM THE NORTHEAST
CORNER OF SECTION 28, BLOCK 55, T4S,
T&P RR Co. SURVEY, REEVES COUNTY,
TEXAS.

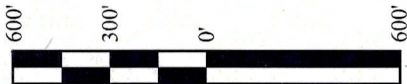
END OF FLOW LINE STA. 10+08.34 BEARS
S80°16'28"W 4268.40' FROM THE NORTHEAST
CORNER OF SECTION 28, BLOCK 55, T4S,
T&P RR Co. SURVEY, REEVES COUNTY,
TEXAS.

Sec. 28

FLOW LINE RIGHT-OF-WAY DESCRIPTION

A 30' WIDE RIGHT-OF-WAY 15' ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE.

BEGINNING AT A POINT IN SECTION 28, BLOCK 55, T4S, T&P RR Co. SURVEY, REEVES COUNTY, TEXAS, WHICH BEARS
S84°43'54"W 4971.70' FROM THE NORTHEAST CORNER OF SAID SECTION 28, THENCE S00°11'04"E 245.63'; THENCE
N89°55'40"E 742.86'; THENCE S00°02'04"W 19.85' TO A POINT IN SAID SECTION 28, WHICH BEARS S80°16'28"W 4268.40'
FROM THE NORTHEAST CORNER OF SAID SECTION 28. THE SIDE LINES OF SAID DESCRIBED RIGHT-OF-WAY BEING
SHORTENED OR ELONGATED TO MEET THE GRANTOR'S PROPERTY LINES. BASIS OF BEARINGS IS A G.P.S. OBSERVATION.
CONTAINS 0.694 ACRES MORE OR LESS.



ACREAGE / LENGTH TABLE

	OWNERSHIP	FEET	RODS	ACRES
FLOW LINE	PEC MINERALS, LP	1008.34	61.11	0.694

- ▲ = SECTION CORNERS LOCATED.
△ = SECTION CORNERS RE-ESTABLISHED.
(Not Set on Ground.)

NOTES:

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UELS, LLC
Regional Office * 111 NE 3rd Street
Seminole, TX 79360 * (432) 955-6100
Corporate Office * 85 South 200 East
Vernal, UT 84078 * (435) 789-1017

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CERTIFICATE

I, STEVEN M. COLEMAN, A REGISTERED PROFESSIONAL LAND SURVEYOR,
DO HEREBY CERTIFY THAT THE ABOVE PLAT TO BE TRUE AND CORRECT
TO THE BEST OF MY KNOWLEDGE.

STEVEN M. COLEMAN
03-30-17

STEVEN M. COLEMAN
REGISTERED PROFESSIONAL LAND SURVEYOR
REGISTRATION NO. 5063
STATE OF TEXAS

SHEET 1 OF 2

CIMAREX ENERGY CO.

SENTINAL STATE 55-28 UNIT 1H
SECTION 28, BLOCK 55, T4S, T&P RR Co. SURVEY
REEVES COUNTY, TEXAS

SURVEYED BY	P.R., S.R.	03-14-17	SCALE
DRAWN BY	C.I.	03-30-17	1" = 600'

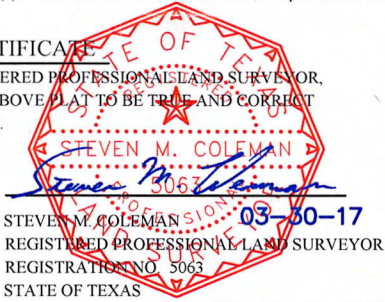
FLOW LINE R-O-W

CIMAREX ENERGY CO.-SENTINAL STATE 55-28 UNIT 1H			
SECTION CORNER	DESCRIPTION	LATITUDE (NAD 83)	LONGITUDE (NAD 83)
NE COR. SEC. 28, BLOCK 55, T4S	IRON PIPE	N 31°34'41.92"	W 103°47'23.06"
NW COR. SEC. 28, BLOCK 55, T4S	CALC. COR	N 31°34'41.90"	W 103°48'24.11"
SE COR. SEC. 24, BLOCK 57	CALC. COR	N 31°34'07.33"	W 103°48'24.06"
SW COR. SEC. 28, BLOCK 55, T4S	CALC. COR	N 31°33'49.60"	W 103°48'24.03"

CIMAREX ENERGY CO.-SENTINAL STATE 55-28 UNIT 1H FLOW LINE			
NUMBER	STATION	LATITUDE (NAD 83)	LONGITUDE (NAD 83)
BEGIN	0+00.00	N 31°34'37.45"	W 103°48'20.29"
1	2+45.63	N 31°34'35.02"	W 103°48'20.28"
2	9+88.49	N 31°34'35.02"	W 103°48'11.70"
END	10+08.34	N 31°34'34.82"	W 103°48'11.70"

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REGISTERED PROFESSIONAL LAND SURVEYOR
REGISTRATION NO. 5063
STATE OF TEXAS

TBPLS Firm No. 10193884

SHEET 2 OF 2

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CIMAREX ENERGY CO.

SENTINAL STATE 55-28 UNIT 1H
SECTION 28, BLOCK 55, T4S, T&P RR Co. SURVEY
REEVES COUNTY, TEXAS

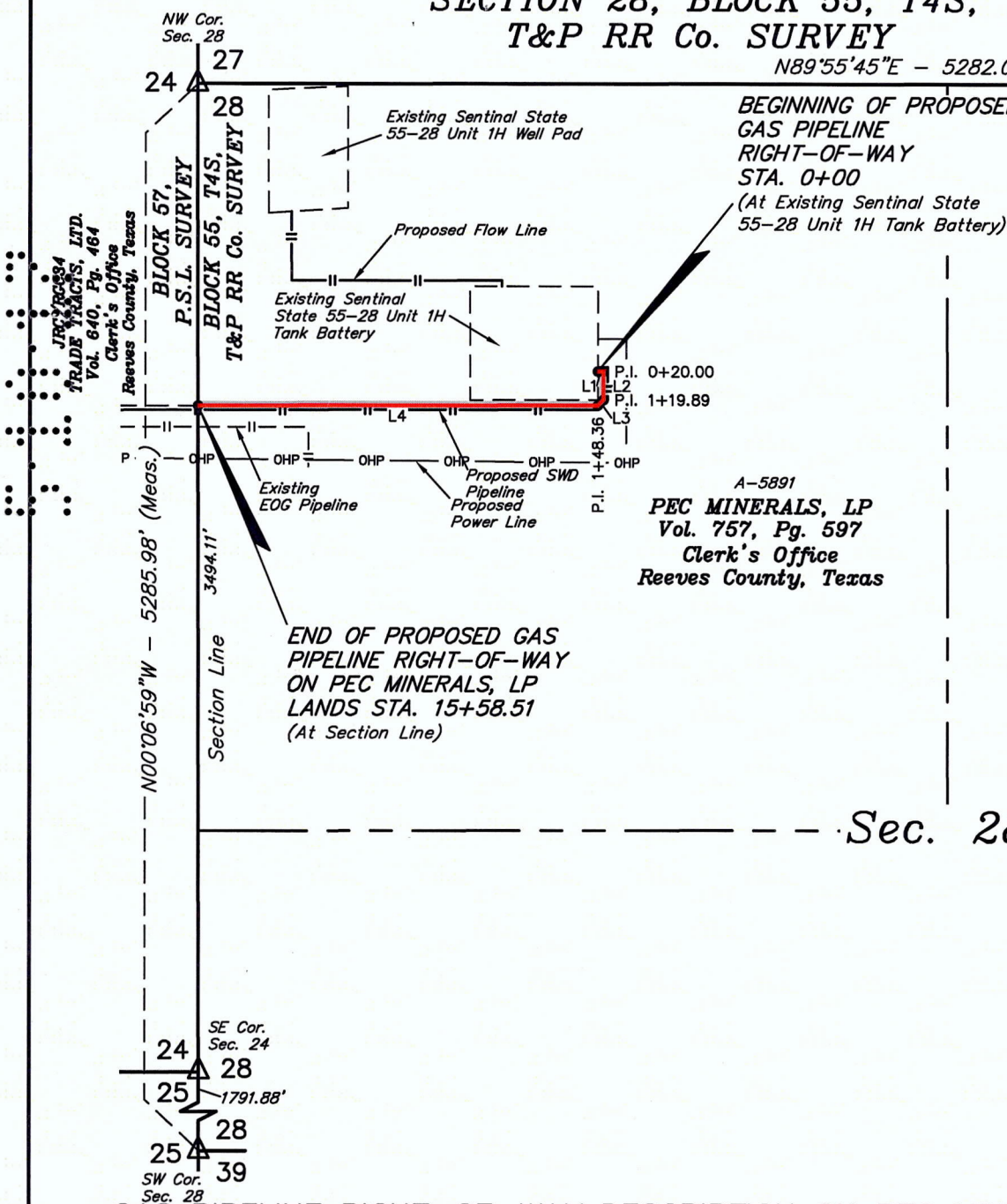
SURVEYED BY	P.R., S.R.	03-14-17	SCALE
DRAWN BY	C.I.	03-30-17	N/A

FLOW LINE R-O-W

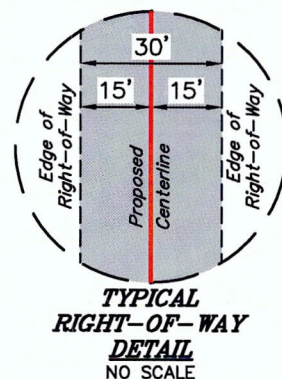
SECTION 28, BLOCK 55, T4S,
T&P RR Co. SURVEY

N89°55'45"E - 5282.03' (Meas.)

NE Cor.
Sec. 28,
Iron Pipe
27 26
28 29



LINE TABLE		
LINE	DIRECTION	LENGTH
L1	N89°54'59"E	20.00'
L2	S00°06'18"E	99.89'
L3	S45°08'55"W	28.47'
L4	S89°54'54"W	1410.15'



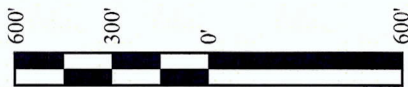
GAS PIPELINE RIGHT-OF-WAY DESCRIPTION ON PEC MINERALS, LP LANDS

A 30' WIDE RIGHT-OF-WAY 15' ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE.

BEGINNING AT A POINT IN SECTION 28, BLOCK 55, T4S, T&P RR Co. SURVEY, REEVES COUNTY, TEXAS, WHICH BEARS S75°13'22"W 4001.94' FROM THE NORTHEAST CORNER OF SAID SECTION 28, THENCE N89°54'59"E 20.00'; THENCE S00°06'18"E 99.89'; THENCE S45°08'55"W 28.47'; THENCE S89°54'54"W 1410.15' TO A POINT ON THE WEST LINE OF SAID SECTION 28, WHICH BEARS S77°47'13"W 5401.98' FROM THE NORTHEAST CORNER OF SAID SECTION 28. THE SIDE LINES OF SAID DESCRIBED RIGHT-OF-WAY BEING SHORTENED OR ELONGATED TO MEET THE GRANTOR'S PROPERTY LINES. BASIS OF BEARINGS IS A G.P.S. OBSERVATION. CONTAINS 1.073 ACRES MORE OR LESS.

BEGINNING OF GAS PIPELINE STA. 0+00
BEARS S75°13'22"W 4001.94' FROM THE
NORTHEAST CORNER OF SECTION 28, BLOCK
55, T4S, T&P RR Co. SURVEY, REEVES
COUNTY, TEXAS.

END OF GAS PIPELINE ON PEC MINERALS, LP
LANDS STA. 15+58.51 BEARS S77°47'13"W
5401.98' FROM THE NORTHEAST CORNER OF
SECTION 28, BLOCK 55, T4S, T&P RR Co.
SURVEY, REEVES COUNTY, TEXAS.



ACREAGE / LENGTH TABLE

	OWNERSHIP	FEET	RODS	ACRES
GAS PIPELINE	PEC MINERALS, LP	1558.51	94.46	1.073

- ▲ = SECTION CORNERS LOCATED.
△ = SECTION CORNERS RE-ESTABLISHED.
(Not Set on Ground.)

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CERTIFICATE

I, STEVEN M. COLEMAN, A REGISTERED PROFESSIONAL LAND SURVEYOR,
DO HEREBY CERTIFY THAT THE ABOVE PLAT TO BE TRUE AND CORRECT
TO THE BEST OF MY KNOWLEDGE.

STEVEN M. COLEMAN
REGISTERED PROFESSIONAL LAND SURVEYOR
REGISTRATION NO. 5063
STATE OF TEXAS
03-30-17
TBPLS Firm No. 10193884

SHEET 1 OF 2

CIMAREX ENERGY CO.

SENTINAL STATE 55-28 UNIT 1H
SECTION 28, BLOCK 55, T4S, T&P RR Co. SURVEY
REEVES COUNTY, TEXAS

SURVEYED BY	P.R., S.R.	03-14-17	SCALE
DRAWN BY	C.I.	03-30-17	1" = 600'

GAS PIPELINE R-O-W

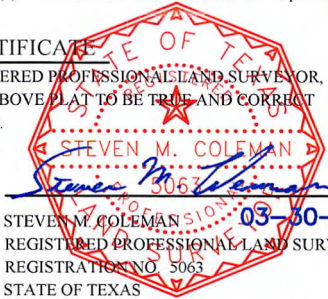
CIMAREX ENERGY CO.-SENTINAL STATE 55-28 UNIT 1H			
SECTION CORNER	DESCRIPTION	LATITUDE (NAD 83)	LONGITUDE (NAD 83)
NE COR. SEC. 28, BLOCK 55, T4S	IRON PIPE	N 31°34'41.92"	W 103°47'23.06"
NW COR. SEC. 28, BLOCK 55, T4S	CALC. COR	N 31°34'41.90"	W 103°48'24.11"
SE COR. SEC. 24, BLOCK 57	CALC. COR	N 31°34'07.33"	W 103°48'24.06"
SW COR. SEC. 28, BLOCK 55, T4S	CALC. COR	N 31°33'49.60"	W 103°48'24.03"

CIMAREX ENERGY CO.-SENTINAL STATE 55-28 UNIT 1H GAS PIPELINE			
NUMBER	STATION	LATITUDE (NAD 83)	LONGITUDE (NAD 83)
BEGIN	0+00.00	N 31°34'31.86"	W 103°48'07.80"
1	0+20.00	N 31°34'31.86"	W 103°48'07.57"
2	1+19.89	N 31°34'30.87"	W 103°48'07.57"
3	1+48.36	N 31°34'30.67"	W 103°48'07.80"
END	15+58.51	N 31°34'30.66"	W 103°48'24.10"

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REGISTRATION NO. 5063
STATE OF TEXAS

TBPLS Firm No. 10193884

SHEET 2 OF 2

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Corporate Office * 85 South 200 East
Vernal, UT 84078 * (435) 789-1017

CIMAREX ENERGY CO.

SENTINAL STATE 55-28 UNIT 1H
SECTION 28, BLOCK 55, T4S, T&P RR Co. SURVEY
REEVES COUNTY, TEXAS

SURVEYED BY	P.R., S.R.	03-14-17	SCALE
DRAWN BY	C.I.	03-30-17	N/A
GAS PIPELINE R-O-W			

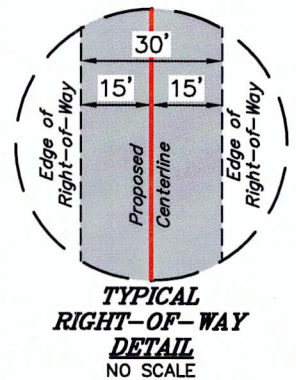
SECTION 28, BLOCK 55, T4S,
T&P RR Co. SURVEY

N89°55'45"E - 5282.03' (Meas.)

NE Cor.
Sec. 28,
Iron Pipe
27 26
28 29

BEGINNING OF PROPOSED
POWER LINE
RIGHT-OF-WAY
STA. 0+00
(At Existing Sentinal State
55-28 Unit 1H Tank Battery)

LINE TABLE		
LINE	DIRECTION	LENGTH
L1	N89°53'21"E	100.00'
L2	S00°04'01"E	438.83'
L3	N89°32'01"W	1510.19'



PEC MINERALS, LP
Vol. 757, Pg. 597
Clerk's Office
Reeves County, Texas

Sec. 28

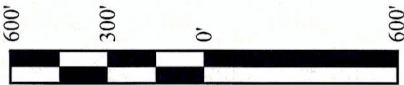
POWER LINE RIGHT-OF-WAY DESCRIPTION ON PEC MINERALS, LP LANDS

A 30' WIDE RIGHT-OF-WAY 15' ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE.

BEGINNING AT A POINT IN SECTION 28, BLOCK 55, T4S, T&P RR Co. SURVEY, REEVES COUNTY, TEXAS, WHICH BEARS S76°49'36"W 3974.29' FROM THE NORTHEAST CORNER OF SAID SECTION 28, THENCE N89°53'21"E 100.00'; THENCE S00°04'01"E 438.83'; THENCE N89°32'01"W 1510.19' TO A POINT ON THE WEST LINE OF SAID SECTION 28, WHICH BEARS S75°50'19"W 5444.80' FROM THE NORTHEAST CORNER OF SAID SECTION 28. THE SIDE LINES OF SAID DESCRIBED RIGHT-OF-WAY BEING SHORTENED OR ELONGATED TO MEET THE GRANTOR'S PROPERTY LINES. BASIS OF BEARINGS IS A G.P.S. OBSERVATION. CONTAINS 1.411 ACRES MORE OR LESS.

BEGINNING OF POWER LINE STA. 0+00 BEARS S76°49'36"W 3974.29' FROM THE NORTHEAST CORNER OF SECTION 28, BLOCK 55, T4S, T&P RR Co. SURVEY, REEVES COUNTY, TEXAS.

END OF POWER LINE ON PEC MINERALS, LP LANDS STA. 20+49.03 BEARS S75°50'19"W 5444.80' FROM THE NORTHEAST CORNER OF SECTION 28, BLOCK 55, T4S, T&P RR Co. SURVEY, REEVES COUNTY, TEXAS.



ACREAGE / LENGTH TABLE

	OWNERSHIP	FEET	RODS	ACRES
POWER LINE	PEC MINERALS, LP	2049.03	124.18	1.411

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(Not Set on Ground.)

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CERTIFICATE

I, STEVEN M. COLEMAN, A REGISTERED PROFESSIONAL LAND SURVEYOR, DO HEREBY CERTIFY THAT THE ABOVE PLAT TO BE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.



STEVEN M. COLEMAN
REGISTERED PROFESSIONAL LAND SURVEYOR
REGISTRATION NO. 5063
STATE OF TEXAS

SHEET 1 OF 2

CIMAREX ENERGY CO.

SENTINAL STATE 55-28 UNIT 1H
SECTION 28, BLOCK 55, T4S, T&P RR Co. SURVEY
REEVES COUNTY, TEXAS

SURVEYED BY	P.R., S.R.	03-14-17	SCALE
DRAWN BY	C.I.	03-30-17	1" = 600'

POWER LINE R-O-W

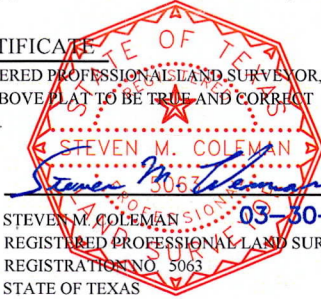
CIMAREX ENERGY CO.-SENTINAL STATE 55-28 UNIT 1H			
SECTION CORNER	DESCRIPTION	LATITUDE (NAD 83)	LONGITUDE (NAD 83)
NE COR. SEC. 28, BLOCK 55, T4S	IRON PIPE	N 31°34'41.92"	W 103°47'23.06"
NW COR. SEC. 28, BLOCK 55, T4S	CALC. COR	N 31°34'41.90"	W 103°48'24.11"
SE COR. SEC. 24, BLOCK 57	CALC. COR	N 31°34'07.33"	W 103°48'24.06"
SW COR. SEC. 28, BLOCK 55, T4S	CALC. COR	N 31°33'49.60"	W 103°48'24.03"

CIMAREX ENERGY CO.-SENTINAL STATE 55-28 UNIT 1H POWER LINE			
NUMBER	STATION	LATITUDE (NAD 83)	LONGITUDE (NAD 83)
BEGIN	0+00.00	N 31°34'32.99"	W 103°48'07.80"
1	1+00.00	N 31°34'32.99"	W 103°48'06.64"
2	5+38.83	N 31°34'28.65"	W 103°48'06.64"
END	20+49.03	N 31°34'28.78"	W 103°48'24.09"

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STATE OF TEXAS

TBPLS Firm No. 10193884

SHEET 2 OF 2

CIMAREX ENERGY CO.

SENTINAL STATE 55-28 UNIT 1H
SECTION 28, BLOCK 55, T4S, T&P RR Co. SURVEY
REEVES COUNTY, TEXAS

SURVEYED BY	P.R., S.R.	03-14-17	SCALE
DRAWN BY	C.I.	03-30-17	N/A
POWER LINE R-O-W			

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Vernal, UT 84078 * (435) 789-1017

SECTION 28, BLOCK 55, T4S,
T&P RR Co. SURVEY

N89°55'45"E - 5282.03' (Meas.)

NE Cor.
Sec. 28,
Iron Pipe

27 26

28 29

BEGINNING OF PROPOSED Section Line
SWD PIPELINE
RIGHT-OF-WAY
STA. 0+00
(At Existing Sentinel State
55-28 Unit 1H Tank Battery)

NW Cor.
Sec. 28

24 27

28

24 28

25 29

26 30

27 31

28 32

29 33

30 34

31 35

32 36

33 37

34 38

35 39

36 40

37 41

38 42

39 43

40 44

41 45

42 46

43 47

44 48

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74 78

75 79

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3494.11'

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Existing Sentinel State
55-28 Unit 1H Well Pad

Proposed Flowline

Existing Sentinel
State 55-28 Unit 1H
Tank Battery
Proposed Gas
Pipeline

Existing
EOG Pipeline

Proposed
Power Line

P.I. 0+35.00
P.I. 1+49.87
P.I. 1+98.08
L4

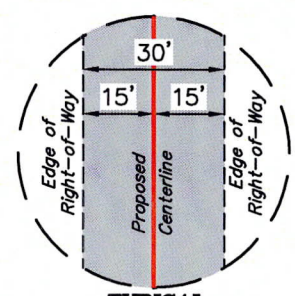
A-5891

PEC MINERALS, LP
Vol. 757, Pg. 597
Clerk's Office
Reeves County, Texas

END OF PROPOSED SWD
PIPELINE RIGHT-OF-WAY
ON PEC MINERALS, LP
LANDS STA. 16+10.45
(At Section Line)

LINE TABLE

LINE	DIRECTION	LENGTH
L1	N89°54'55"E	35.00'
L2	S00°05'35"E	114.87'
L3	S43°04'28"W	48.21'
L4	S89°55'02"W	1412.36'



TYPICAL
RIGHT-OF-WAY
DETAIL
NO SCALE

Sec. 28

SE Cor.
Sec. 24

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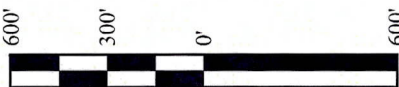
SWD PIPELINE RIGHT-OF-WAY DESCRIPTION ON PEC MINERALS, LP LANDS

A 30' WIDE RIGHT-OF-WAY 15' ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE.

BEGINNING AT A POINT IN SECTION 28, BLOCK 55, T4S, T&P RR Co. SURVEY, REEVES COUNTY, TEXAS, WHICH BEARS S75°25'50"W 3998.15' FROM THE NORTHEAST CORNER OF SAID SECTION 28, THENCE N89°54'55"E 35.00'; THENCE S00°05'35"E 114.87'; THENCE S43°04'28"W 48.21'; THENCE S89°55'02"W 1412.36' TO A POINT ON THE WEST LINE OF SAID SECTION 28, WHICH BEARS S77°37'52"W 5405.15' FROM THE NORTHEAST CORNER OF SAID SECTION 28. THE SIDE LINES OF SAID DESCRIBED RIGHT-OF-WAY BEING SHORTENED OR ELONGATED TO MEET THE GRANTOR'S PROPERTY LINES. BASIS OF BEARINGS IS A G.P.S. OBSERVATION. CONTAINS 1.109 ACRES MORE OR LESS.

BEGINNING OF SWD PIPELINE STA. 0+00
BEARS S75°25'50"W 3998.15' FROM THE
NORTHEAST CORNER OF SECTION 28, BLOCK
55, T4S, T&P RR Co. SURVEY, REEVES
COUNTY, TEXAS.

END OF SWD PIPELINE ON PEC MINERALS, LP
LANDS STA. 16+10.45 BEARS S77°37'52"W
5405.15' FROM THE NORTHEAST CORNER OF
SECTION 28, BLOCK 55, T4S, T&P RR Co.
SURVEY, REEVES COUNTY, TEXAS.



ACREAGE / LENGTH TABLE

	OWNERSHIP	FEET	RODS	ACRES
SWD PIPELINE	PEC MINERALS, LP	1610.45	97.60	1.109

- ▲ = SECTION CORNERS LOCATED.
△ = SECTION CORNERS RE-ESTABLISHED.
(Not Set on Ground.)

NOTES:

- Basis of bearing is a G.P.S. observation (Vertical Control Datum: NAVD88)
- All bearings, distances, areas and coordinates shown are Surface Measure.
- Servitudes and/or rights-of-way other than those noted may exist on this property.
- Utah Engineering and Land Surveying does not attest to the validity of data/documents furnished by others.



UELS, LLC
Regional Office * 111 NE 3rd Street
Seminole, TX 79360 * (432) 955-6100
Corporate Office * 85 South 200 East
Vernal, UT 84078 * (435) 789-1017

This exhibit represents a survey made on the ground for the purpose of establishing an Easement and/or Right-of-Way. Lease lines and Deed lines shown hereon were established from field measurements and record data. Mineral information and Record documents shown hereon was furnished by client and/or their agent(s). This exhibit does not meet the requirements for a boundary survey in the State of Texas.

CERTIFICATE

I, STEVEN M. COLEMAN, A REGISTERED PROFESSIONAL LAND SURVEYOR,
DO HEREBY CERTIFY THAT THE ABOVE IS A TRUE AND CORRECT
TO THE BEST OF MY KNOWLEDGE.

STEVEN M. COLEMAN
03-30-17

STEVEN M. COLEMAN
REGISTERED PROFESSIONAL LAND SURVEYOR
REGISTRATION NO. 5063
STATE OF TEXAS

SHEET 1 OF 2

CIMAREX ENERGY CO.

SENTINAL STATE 55-28 UNIT 1H
SECTION 28, BLOCK 55, T4S, T&P RR Co. SURVEY
REEVES COUNTY, TEXAS

SURVEYED BY	P.R., S.R.	03-14-17	SCALE
DRAWN BY	C.I.	03-30-17	1" = 600'

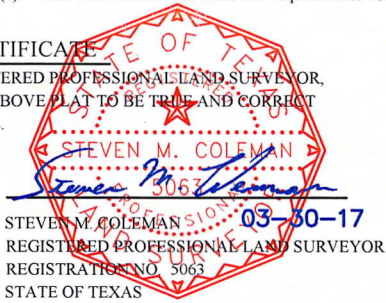
SWD PIPELINE R-O-W

CIMAREX ENERGY CO.-SENTINAL STATE 55-28 UNIT 1H			
SECTION CORNER	DESCRIPTION	LATITUDE (NAD 83)	LONGITUDE (NAD 83)
NE COR. SEC. 28, BLOCK 55, T4S	IRON PIPE	N 31°34'41.92"	W 103°47'23.06"
NW COR. SEC. 28, BLOCK 55, T4S	CALC. COR	N 31°34'41.90"	W 103°48'24.11"
SE COR. SEC. 24, BLOCK 57	CALC. COR	N 31°34'07.33"	W 103°48'24.06"
SW COR. SEC. 28, BLOCK 55, T4S	CALC. COR	N 31°33'49.60"	W 103°48'24.03"

CIMAREX ENERGY CO.-SENTINAL STATE 55-28 UNIT 1H SWD PIPELINE			
NUMBER	STATION	LATITUDE (NAD 83)	LONGITUDE (NAD 83)
BEGIN	0+00.00	N 31°34'32.00"	W 103°48'07.80"
1	0+35.00	N 31°34'32.00"	W 103°48'07.39"
2	1+49.87	N 31°34'30.87"	W 103°48'07.39"
3	1+98.08	N 31°34'30.52"	W 103°48'07.77"
END	16+10.45	N 31°34'30.51"	W 103°48'24.10"

This exhibit represents a survey made on the ground for the purpose of establishing an Easement and/or Right-of-Way. Lease lines and Deed lines shown hereon were established from field measurements and record data. Mineral information and Record documents shown hereon was furnished by client and/or their agent(s). This exhibit does not meet the requirements for a boundary survey in the State of Texas.

CERTIFICATE
I, STEVEN M. COLEMAN, A REGISTERED PROFESSIONAL LAND SURVEYOR,
DO HEREBY CERTIFY THAT THE ABOVE PLAT TO BE TRUE AND CORRECT
TO THE BEST OF MY KNOWLEDGE.



STEVEN M. COLEMAN
REGISTERED PROFESSIONAL LAND SURVEYOR
REGISTRATION NO. 5063
STATE OF TEXAS

TBPLS Firm No. 10193884

SHEET 2 OF 2

CIMAREX ENERGY CO.

SENTINAL STATE 55-28 UNIT 1H
SECTION 28, BLOCK 55, T4S, T&P RR Co. SURVEY
REEVES COUNTY, TEXAS

SURVEYED BY	P.R., S.R.	03-14-17	SCALE
DRAWN BY	C.I.	03-30-17	N/A
SWD PIPELINE R-O-W			

- NOTES:
- Basis of bearing is a G.P.S. observation (Vertical Control Datum: NAVD88)
 - All bearings, distances, areas and coordinates shown are Surface Measure.
 - Servitudes and/or rights-of-way other than those noted may exist on this property.
 - Uintah Engineering and Land Surveying does not attest to the validity of data/documents furnished by others.



UELS, LLC
Regional Office * 111 NE 3rd Street
Seminole, TX 79360 * (432) 955-6100
Corporate Office * 85 South 200 East
Vernal, UT 84078 * (435) 789-1017

File No. ME111988

County

Damages Pmt

Date Filed: 10/13/21
George P. Bush, Commissioner

By: 

2021



Coterra Energy Inc.
600 N. Marienfeld Street, Suite 600
Midland, TX 79701

Main 432.571.7800
coterra.com

November 16, 2022

Attn: Mr. Robert Hatter, Deputy Director of Energy Resources
Texas General Land Office
1700 N. Congress Ave., Suite 840
Austin, Texas 78701

Via Email: Robert.Hatter@GLO.TEXAS.GOV; Joy.McCauley@GLO.TEXAS.GOV

Re: Request for Extension- 2022 Grisham-State Unit Obligation
Sentinel State 55-28 Unit 12H – 18H
Sections 28 and 39, Block 55 T4, T&P RR Co. Survey, Reeves County, Texas
MF-111988 and MF-118573
GLO Unit No. 8387

Dear Robert:

As discussed, based on our current rig schedule iteration, our Sentinel State 55-28 Unit 12H – 18H development is set to spud in December 2022. In order to ensure compliance with both our Grisham-State Unit Agreement and our approved 2022 Grisham-State Unit Plan of Development ("POD"), Cimarex Energy Co., a subsidiary of Coterra Energy Inc., ("Cimarex") would like to respectfully request a one-month (30 day) extension until January 30, 2023, in order to spud the required four (4) Sentinel State wells agreed to in the 2022 POD. As I mentioned we have already prepared the pads, obtained permits, and have set our conductor casing for all of the new Sentinel wells. With an extension, we should have no trouble spudding the required four wells within the additional thirty-day timeframe. I will also note that in addition to our required four wells, we will be drilling an additional three wells, bringing the total project development to seven wells. These seven wells are in addition to the existing eight Sentinel wells, bringing the total unit development to fifteen wells.

We truly appreciate your willingness to work with us on this matter, and are grateful for all of the years we have had developing the Grisham-State Unit.

If you have any questions or concerns, please do not hesitate to contact me at (432)-571-7874 or Cayla.Gorski@coterra.com.

Thank you for your time and attention to this matter.

Respectfully submitted,
Cimarex Energy Co.
Coterra Energy Inc.

Cayla Gorski
Landman- Permian Exploration

File No. MF 111988

Reeves County

Extension Requested Unit 8387

Date Filed: 11/29/2022

By gm George P. Bush, Commissioner



LongPoint Minerals, LLC
100 St. Paul Street, Ste. 400
Denver, CO 80206

P 303.290.0990
F 303.290.9997
longpointminerals.com

(File)

22709815

Done 6/8/22

May 24, 2022

Surface Damages

Texas General Land Office
Attn: Carl Bonn
1700 N. Congress, Rm 846E
Austin, TX 78701

MF 111988 ✓
115346
117738 ✓
120520

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Re: Surface Use – Damages Payments
Relinquishment Act Lands (RAL)
Loving, Reeves & Winkler Counties, Texas

Dear Mr. Bonn:

LongPoint Minerals, LLC ("LongPoint") has granted certain easements covering the RALs lands listed in the attached schedule. The surface use and/or damage payments associated with such easements were all paid 100% to LongPoint. Until recently we were not aware that the State of Texas was entitled to one-half of all surface use and/or damage payments paid to LongPoint associated with RALs.

In this regard please find enclosed our check number 960 dated 5/19/2022 in the amount of \$213,450.39 being one-half of the total surface use and/or damage payments paid to LongPoint associated with RALs listed in the attached schedule.

Should you have any questions or need any additional information, please feel free to contact me at (303) 785-1547.

Sincerely,

Wm. Scott Haselwood
Land Advisor

6-6/22
4 Point Energy ReNamed -
Subsid Unbridled Resource (713) 437-8000
& Maverick

6/6/22
M Scott

ownerrelations@mavresources.com

6/7/22 Sent email
shaselwood@fourpointenergy.com

Cherry Creek Minerals, LLC

Cherry Creek Minerals, LLC
 100 St. Paul, Suite 400
 Denver CO 80206
 303-290-0990
 APINQ@FourPointEnergy.com

22709814

First Bank

25-504
1070

Check No	Check Date	Check Amount
0000000581	5/19/2022	*****\$3,287.31

PAY *Three Thousand Two Hundred Eighty Seven Dollars and Thirty-One Cents*

VOID After 180 Days

TO
THE
ORDER
OF

The Texas General Land Office
 1700 Congress Ave
 Austin TX 78701-1496



⑈0000000581⑈

PLEASE DETACH AT PERFORATION ABOVE

PLEASE DETACH AT PERFORATION ABOVE

Cherry Creek Minerals, LLC

100 St. Paul, Suite 400
 Denver CO 80206
 303-290-0990

Check Number: 0000000581

Invoice #	Inv. Date	Description	Amount	Discount	Net Amount
SH 5.11.22 Ck Req	5/11/2022	The Texas General Land Office - Submittal to the GLO of 50% of revenue received by CCM for various easements granted on Relinquishment Acts Lands	\$3,287.31	\$0.00	\$3,287.31

22709814

83090	← Vendor	Check Date: 5/19/2022	Check Amount →	3,287.31
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Rentals and Surface Damages Weekly Revenue

6/8/2022

Date	Operator	Description	Lease #	Reg. #	Amount
5/25/2022	Cherry Creek Minerals, LLC	Surface Damages	MF112844	22709814	\$ 3,287.31
5/25/2022	LongPoint Minerals, LLC	Pipeline Easement	MF117738	22709815	\$ 74,558.26
5/25/2022	LongPoint Minerals, LLC	Pipeline Easement	MF120520	22709815	\$ 74,558.26
5/25/2022	LongPoint Minerals, LLC	Pipeline & Elec Easement	MF111988	22709815	\$ 11,839.80
5/25/2022	LongPoint Minerals, LLC	Pipeline Easement & ROW	MF115346	22709815	\$ 52,494.07
					\$ 216,737.70

X2 10141

				\$213,450.39								
Lessee	Agreement Type	LP MR #	Entity	Total Bonus	ST	County	TWN	Svy	BLK	SEC	GLO MF #	
Felix Water LLC	PL Easement	60044.01 60045.01	LP	\$10,000.00 5,000	TX	Loving Winkler		PSL	28	23 24	139613 139614	
Texas Pacific Water Resources, LLC	Temporary Pipeline Easement Agreement	61278.01	LP	(\$1,000.00)	TX	Reeves	4	T&P RR Co	55	38	(110822)	
Felix Water, LLC	Pipeline Easement	60044.01 60045.01	LP	\$77,748.30 38,874.15	TX	Loving Winkler		PSL	28	23 (N/2) 24 (N/2)	139613 139614	
EOG Resources	Pipeline Easement	61278.01	LP	(\$64,710.90)	TX	Reeves	4	T&P RR Co	55	38	(110822)	
Markwest Energy West Texas Gas Company LLC	Pipeline Easement	61396.01	LP	\$16,656.00	TX	Reeves	4S	T&P RR Co (111988)	55	28	(110820)	
Delaware Basin Midstream, LLC DBM Oil Services, LLC DBM Water Services, LLC	Pipeline Easements	61278.01	LP	(\$10,516.84)	TX	Reeves	4	T&P RR Co	55	38	(110822)	
Texas-New Mexico Power Company	Electric ROW	61396.01	LP	\$2,523.60	TX	Reeves	4S	T&P RR Co (111988)	55	28	(110820)	
EOG Resources, Inc	ROW	61278.01	LP	(\$28,760.40)	TX	Reeves	4	T&P RR Co	55	38	(110822)	
WPX Energy Permian, LLC	Pipeline Easement	60044.01 60045.01	LP	\$210,484.75 105,242.38	TX	Loving Winkler		PSL 117738 120520	28	23 24	139613 139614	
Alchemist Energy, LLC	Electric ROW Agreement	61396.01	LP	\$4,500.00	TX	Reeves	4S	T&P RR Co (111988)	55	28	(110820)	

11,839.80

52,494.07

74,558.26

74,558.26

MF (111988 x 3)

MF (115346 x 4)

MF 117738 x 3

MF 120520 x 3

118

File No. MF 117738

Surf & Sand County

Date Filed: 3-14-33

George P. Bush, Commissioner

By [Signature]



LongPoint Minerals, LLC
100 St. Paul Street, Ste. 400
Denver, CO 80206

P 303.290.0990
F 303.290.9997
longpointminerals.com

22709815

File

Done 6/8/22
Surface Damages

May 24, 2022

Texas General Land Office
Attn: Carl Bonn
1700 N. Congress, Rm 846E
Austin, TX 78701

✓ MF 111988
115346
117738
✓ 120520



Re: Surface Use – Damages Payments
Relinquishment Act Lands (RAL)
Loving, Reeves & Winkler Counties, Texas

Dear Mr. Bonn:

LongPoint Minerals, LLC ("LongPoint") has granted certain easements covering the RALs lands listed in the attached schedule. The surface use and/or damage payments associated with such easements were all paid 100% to LongPoint. Until recently we were not aware that the State of Texas was entitled to one-half of all surface use and/or damage payments paid to LongPoint associated with RALs.

In this regard please find enclosed our check number 960 dated 5/19/2022 in the amount of \$213,450.39 being one-half of the total surface use and/or damage payments paid to LongPoint associated with RALs listed in the attached schedule.

Should you have any questions or need any additional information, please feel free to contact me at (303) 785-1547.

Sincerely,

Wm. Scott Haselwood
Land Advisor

6-6/22

4 Point Energy ReNamed -
Subsid Unbridled Resource (713) 437-8000
Maverick

ownerrelations@mavresources.com

6/6/22
to M Scott

6/7/22 sent email
shaselwood@fourpointenergy.com

Rentals and Surface Damages Weekly Revenue 6/8/2022

6/8/2022

Date	Operator	Description	Lease #	Reg. #	Amount
5/25/2022	Cherry Creek Minerals, LLC	Surface Damages	MF112844	22709814	\$ 3,287.31
5/25/2022	LongPoint Minerals, LLC	Pipeline Easement	MF117738	22709815	\$ 74,558.26
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5/25/2022	LongPoint Minerals, LLC	Pipeline Easement & ROW	MF115346	22709815	\$ 52,494.07
					\$ 216,737.70

LongPoint Minerals, LLC

22709815

LongPoint Minerals, LLC
 100 St. Paul, Suite 400
 Denver CO 80206
 303-290-0990
 APINQ@FourPointEnergy.com

First Bank

82-504
1070

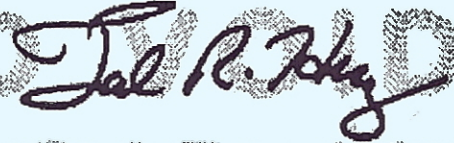
Check No	Check Date	Check Amount
0000000960	5/19/2022	*****\$213,450.39

PAY *Two Hundred Thirteen Thousand Four Hundred Fifty Dollars and Thirty-Nine Cents*

Valid After 180 Days

TO
THE
ORDER
OF

The Texas General Land Office
 1700 Congress Ave
 Austin TX 78701-1496



⑈0000000960⑈

PLEASE DETACH AT PERFORATION ABOVE

PLEASE DETACH AT PERFORATION ABOVE

LongPoint Minerals, LLC

100 St. Paul, Suite 400
 Denver CO 80206
 303-290-0990

Check Number: 0000000960

Invoice #	Inv. Date	Description	Amount	Discount	Net Amount*
SH 5.11.22 Ck Req LPM	5/11/2022	The Texas General Land Office - Submittal to the GLO of 50% of revenue received by LPM for various easements granted on Relinquishment Acts Lands	\$213,450.39	\$0.00	\$213,450.39

22709815

161

83090	← Vendor	Check Date: 5/19/2022	Check Amount →	213,450.39
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5.25.22

X2 Total

MF

				\$213,450.39							
Lessee	Agreement Type	LP MR #	Entity	Total Bonus	ST	County	TWN	Svy	BLK	SEC	GLD MF #
Felix Water LLC	PL Easement	60044.01 60045.01	LP	\$10,000.00 5,000	TX	Loving Winkler		PSL	28	23 24	139613 139614
Texas Pacific Water Resources, LLC	Temporary Pipeline Easement Agreement	61278.01	LP	(\$1,000.00)	TX	Reeves	4	T&P RR Co	55	38	(110822)
Felix Water, LLC	Pipeline Easement	60044.01 60045.01	LP	\$77,748.30 38,874.15	TX	Loving Winkler		PSL	28	23 (N/2) 24 (N/2)	139613 139614
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Markwest Energy West Texas Gas Company LLC	Pipeline Easement	61396.01	LP	\$16,656.00	TX	Reeves	4S	T&P RR Co (111988)	55	28	(110820)
Delaware Basin Midstream, LLC DBM Oil Services, LLC DBM Water Services, LLC	Pipeline Easements	61278.01	LP	(\$10,516.84)	TX	Reeves	4	T&P RR Co	55	38	(110822)
Texas-New Mexico Power Company	Electric ROW	61396.01	LP	\$2,523.60	TX	Reeves	4S	T&P RR Co (111988)	55	28	(110820)
EOG Resources, Inc	ROW	61278.01	LP	(\$28,760.40)	TX	Reeves	4	T&P RR Co	55	38	(110822)
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11,839.80

MF (111988 x 3)

52,494.07

MF (115346 x 4)

74,558.26

MF (117738 x 3)

74,558.26

MF (120520 x 3)

19

File No. MF 111 988

George P. Bush

Date Filed: 6-6-23

George P. Bush, Commissioner

By C. Bush

2-52-53



Unit 8387

NADOA Model Form Division Order (Adopted 9/95)

CIMAREX ENERGY CO
PO BOX 4544
Houston TX 77210-4544

OIL AND GAS DIVISION ORDER
✓ MF111988 MF118573

Date: 07/11/2023
Effective Date: 05/01/2023

704630-08

Owner: TEXAS GENERAL LAND OFFICE

LAND OFFICE STATE OF TEXAS

LOCKBOX ACCOUNT

PO BOX 12873

AUSTIN TX 78711-2873

Description : SENTINEL STATE 55-28 UNIT 12H

Complete Property Description Listed Below

Product: ___ Oil ___ Gas ___X_ Other: ALL PRODUCTS

Owner

TEXAS GENERAL LAND OFFICE

Owner Number: 704630-08

Interest Type: RI

Decimal Interest: 0.0625

Property Description

Property: 421357209

SENTINEL STATE 55-28 UNIT 12H

Operator: CIMAREX ENERGY CO

Location: REEVES TX

Map Reference Information

T&P RR CO SURVEY A- SECTION 28 BLOCK 55
REEVES COUNTY TX

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

CIMAREX ENERGY CO

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

Payor is authorized to withhold payment pending resolution of a title dispute or adverse claim asserted regarding the interest in production claimed herein by the undersigned.

The undersigned agrees to indemnify and reimburse Payor any amount attributable to an interest to which the undersigned is not entitled.

Payor may accrue proceeds until the total amount equals \$100.00, or as required by applicable state statute.

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

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

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

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

Owner(s) Daytime Phone #: _____

Owner(s) FAX Number: _____

Owner(s) Email Address: _____

**Federal Law requires you to furnish your Social Security or Taxpayer Identification Number.
Failure to comply will result in 24% tax withholding and will not be refundable by Payor.**



CIMAREX ENERGY CO
PO BOX 4544
Houston TX 77210-4544

OIL AND GAS DIVISION ORDER

Date: 07/11/2023
Effective Date: 05/01/2023

704630-08

Owner: TEXAS GENERAL LAND OFFICE

LAND OFFICE STATE OF TEXAS

LOCKBOX ACCOUNT

PO BOX 12873

AUSTIN TX 78711-2873

Description : SENTINEL STATE 55-28 UNIT 13H

Complete Property Description Listed Below

Product: ___ Oil ___ Gas ___X_ Other: ALL PRODUCTS

Owner

TEXAS GENERAL LAND OFFICE

Owner Number: 704630-08

Interest Type: RI

Decimal Interest: 0.0625

Property Description

Property: 421357208

SENTINEL STATE 55-28 UNIT 13H

Operator: CIMAREX ENERGY CO

Location: REEVES TX

Map Reference Information

T&P RR CO SURVEY A- SECTION 28 BLOCK 55
REEVES COUNTY TX

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

CIMAREX ENERGY CO

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

Payor is authorized to withhold payment pending resolution of a title dispute or adverse claim asserted regarding the interest in production claimed herein by the undersigned.

The undersigned agrees to indemnify and reimburse Payor any amount attributable to an interest to which the undersigned is not entitled.

Payor may accrue proceeds until the total amount equals \$100.00, or as required by applicable state statute.

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

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

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

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

Owner(s) Daytime Phone #: _____

Owner(s) FAX Number: _____

Owner(s) Email Address: _____

**Federal Law requires you to furnish your Social Security or Taxpayer Identification Number.
Failure to comply will result in 24% tax withholding and will not be refundable by Payor.**



CIMAREX ENERGY CO
PO BOX 4544
Houston TX 77210-4544

OIL AND GAS DIVISION ORDER

Date: 07/11/2023
Effective Date: 05/01/2023

704630-08

Owner: TEXAS GENERAL LAND OFFICE

LAND OFFICE STATE OF TEXAS

LOCKBOX ACCOUNT

PO BOX 12873

AUSTIN TX 78711-2873

Description : SENTINEL STATE 55-28 UNIT 14H

Complete Property Description Listed Below

Product: ___ Oil ___ Gas _X_ Other: ALL PRODUCTS

Owner

TEXAS GENERAL LAND OFFICE

Owner Number: 704630-08

Interest Type: RI

Decimal Interest: 0.0625

Property Description

Property: 421357207

SENTINEL STATE 55-28 UNIT 14H

Operator: CIMAREX ENERGY CO

Location: REEVES TX

Map Reference Information

T&P RR CO SURVEY A- SECTION 28 BLOCK 55
REEVES COUNTY TX

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Owner(s) Daytime Phone #: _____

Owner(s) FAX Number: _____

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PO BOX 4544
Houston TX 77210-4544

OIL AND GAS DIVISION ORDER

Date: 07/11/2023
Effective Date: 05/01/2023

704630-08

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

Description : SENTINEL STATE 55-28 UNIT 15H

Complete Property Description Listed Below

Product: ___ Oil ___ Gas X Other: ALL PRODUCTS**Owner**

TEXAS GENERAL LAND OFFICE
Owner Number: 704630-08
Interest Type: RI
Decimal Interest: 0.0625

Property Description

Property: 421357206

SENTINEL STATE 55-28 UNIT 15H

Operator: CIMAREX ENERGY CO

Location: REEVES TX

Map Reference Information

T&P RR CO SURVEY A- SECTION 28 BLOCK 55
REEVES COUNTY TX

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Owner(s) Daytime Phone #: _____

Owner(s) FAX Number: _____

Owner(s) Email Address: _____

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PO BOX 4544
Houston TX 77210-4544

OIL AND GAS DIVISION ORDER

Date: 07/11/2023
Effective Date: 05/01/2023

704630-08

Owner: TEXAS GENERAL LAND OFFICE

LAND OFFICE STATE OF TEXAS

LOCKBOX ACCOUNT

PO BOX 12873

AUSTIN TX 78711-2873

Description : SENTINEL STATE 55-28 UNIT 16H

Complete Property Description Listed Below

Product: ___ Oil ___ Gas _X_ Other: ALL PRODUCTS

Owner

TEXAS GENERAL LAND OFFICE

Owner Number: 704630-08

Interest Type: RI

Decimal Interest: 0.0625

Property Description

Property: 421357205

SENTINEL STATE 55-28 UNIT 16H

Operator: CIMAREX ENERGY CO

Location: REEVES TX

Map Reference Information

T&P RR CO SURVEY A- SECTION 28 BLOCK 55
REEVES COUNTY TX

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Owner(s) Daytime Phone #: _____

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PO BOX 4544
Houston TX 77210-4544

OIL AND GAS DIVISION ORDER

Date: 07/11/2023
Effective Date: 05/01/2023

704630-08

Owner: TEXAS GENERAL LAND OFFICE

LAND OFFICE STATE OF TEXAS

LOCKBOX ACCOUNT

PO BOX 12873

AUSTIN TX 78711-2873

Description : SENTINEL STATE 55-28 UNIT 17H

Complete Property Description Listed Below

Product: ___ Oil ___ Gas X Other: ALL PRODUCTS**Owner**

TEXAS GENERAL LAND OFFICE

Owner Number: 704630-08

Interest Type: RI

Decimal Interest: 0.0625

Property Description

Property: 421357204

SENTINEL STATE 55-28 UNIT 17H

Operator: CIMAREX ENERGY CO

Location: REEVES TX

Map Reference Information

T&P RR CO SURVEY A- SECTION 28 BLOCK 55
REEVES COUNTY TX

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Owner(s) Daytime Phone #: _____

Owner(s) FAX Number: _____

Owner(s) Email Address: _____

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PO BOX 4544
Houston TX 77210-4544

OIL AND GAS DIVISION ORDER

Date: 07/11/2023
Effective Date: 05/01/2023

704630-08

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

Description : SENTINEL STATE 55-28 UNIT 18H

Complete Property Description Listed Below

Product: ___ Oil ___ Gas _X_ Other: ALL PRODUCTS

Owner

TEXAS GENERAL LAND OFFICE
Owner Number: 704630-08
Interest Type: RI
Decimal Interest: 0.0625

Property Description

Property: 421357203

SENTINEL STATE 55-28 UNIT 18H

Operator: CIMAREX ENERGY CO

Location: REEVES TX

Map Reference Information

T&P RR CO SURVEY A- SECTION 28 BLOCK 55
REEVES COUNTY TX

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Owner(s) Daytime Phone #: _____

Owner(s) FAX Number: _____

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A SUBSIDIARY OF COTERRA

INSTRUCTIONS TO ALL INTEREST OWNERS

Read Carefully Before Signing the Instrument

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

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

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

COTERRA ENERGY INC
ATTN: DIVISION ORDERS
PO BOX 4544
HOUSTON, TEXAS 77210-4544
E-Mail: Owners@coterra.com



TEXAS GENERAL LAND OFFICE
COMMISSIONER DAWN BUCKINGHAM, M.D.

July 26, 2023

Cyrus Perkins
Division Order Analyst
Cimarex Energy Co
PO Box 4544
Houston, TX 77210-9841

Re: State Lease Nos. MF111988 and MF118573 Sentinel State 55-28 12H, 13H, 14H, 15H, 16H, 17H
and 18H Unit 8387

Dear Mr. Perkins:

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

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

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

We look forward to being put on pay status as soon as you are able to set up the wells in our RRAC system.

Thank you,

Vivian Zamora

Vivian Zamora
Landman, Energy Resources
512-475-0428
512-475-1404 (fax)
vivian.zamora@glo.texas.gov

File No. MF111988

County _____

Division OrderDate Filed: 7/28/2023
Commissioner Dawn Buckingham, M.D.By: VR