



CAUTION

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Archives and Records Staff

Deep Rights Extended until 07/18/2015

MF112118

State Lease	Control	Base File	County
MF112118	04-019056	083015	REEVES
MF112118	04-019065	085610	REEVES

Survey	H & G N R Y CO	
Block	2	
Block Name		
Township		
Section/Tract	32	
Land Part		
Part Description	W 7/8, E 1/8	
Acres	633	
Depth Below	Depth Above	Depth Other
		See Lease

Leasing: RD

Analyst: SM

Maps: _____

GIS: ZL

Name	ANADARKO PETROLEUM CORP.
Lease Date	1/18/2011
Primary Term	6 mo
Bonus (\$)	\$6,000.00
Rental (\$)	\$0.00
Lease Royalty	0.2700

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3. GLO Memorandum 3/1/11	26. Request to commingle Amendment 7/12/16 8/10/16
4. GLO letter 3/3/11	27. Agree to commingle 7/29/16 8/10/16
5. Anadarko letter 3/14/11	28. P-17 08-7503 8/10/16
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8. Email 3/21/11	scanned PJ 3-17-17
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Scanned sm 7/19/13	33. Recon Billing 4/23/2021
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scanned PJ 6-6-16	
23. Request to Commingle 2/22/16 8/10/16	

DOUG FERGUSON / LAND ACCOUNT

43044

Commissioner of the General Land Office
6150 · Bonus Out

2/3/2011

3,000.00

11705494

Sec 32

DWF-Land Account

3,000.00

DOUG FERGUSON / LAND ACCOUNT

43044

Commissioner of the General Land Office
6150 · Bonus Out

2/3/2011

3,000.00

PAYMENT
RD

✓

12/1/11

M-106117

1.
File No. MF112118

Bonus Payment

Date Filed: 7/3/11

Jerry E. Patterson, Commissioner

By [Signature]

ANADARKO PETROLEUM CORPORATION
PO BOX 1330
HOUSTON, TX 77251-1330

PAGE: 1 of 1

DATE: February 10, 2011
TRACE NUMBER: 0110506789
CHECK NUMBER: 0110506789
AMOUNT PAID: \$3,000.00

ACCOUNTS PAYABLE INQUIRIES: (800) 370-9867



00034 CKS LA 11041 - 0110506789 NNNN 0415100004503 X392D1 C
STATE OF TEXAS
GENERAL LAND OFFICE
1700 N CONGRESS AVENUE
AUSTIN TX 78701-1436

11705850



VENDOR NO: 0007004311

DOCUMENT #	VENDOR INV #/ REMARKS	INVOICE DATE	TOTAL AMOUNT	PRIOR PMTS & DISCOUNTS	NET AMOUNT
1900015302	CKRQ020911	02/09/11	\$3,000.00	\$0.00	\$3,000.00
STATE OF TEXAS M-106117-EXTENSION PAYMENT					
TOTALS	Sec 32		\$3,000.00	\$0.00	X \$3,000.00

121

2.

File No. MF112118

Extension Payment

Date Filed: 7/10/11

Jerry E. Patterson, Commissioner

By [Signature]



MEMORANDUM

Texas General Land Office • Jerry Patterson • Commissioner

DATE: March 1, 2011 **Docket Item No.'s 3, 4, and 5**

TO: School Land Board

FROM: Tracey Throckmorton/Energy Resources

SUBJECT: Three proposed Mineral Production Allocation Agreements by Anadarko Petroleum Corporation in Reeves County.

Pursuant to Texas Natural Resources Code §52.154, Anadarko Petroleum Corporation is requesting Board approval to obtain Mineral Production Allocation Agreements (MPAA) from the State, to facilitate the drilling and completion of a well on each of the following tracts in Reeves County:

- 1) Section 32, Block 2, H&GN Survey
- 2) Section 6, Block 3, H&GN Survey
- 3) Section 10, Block 54, Township 4, T&P Survey

Currently, three wells (one on each tract) are being drilled or completed. The applicant failed to make timely extension payments and the oil and gas leases terminated on January 17, 2011. The options now are to either offer the lands at a future lease sale or approve an MPAA. Offering the tracts for sealed bid at a lease sale would potentially allow a third party to lease the properties, jeopardizing completion of the wells and future royalty income and likely leading to litigation over costs incurred by the applicant. Alternatively, issuance of an MPAA would allow for orderly completion of the wells and a greater royalty factor to the PSF than the standard royalty of 25%, generating additional revenue to the fund.

The statute provides that: "The board may approve, by rule or order, a ratification or other agreement that includes in the benefits of production a mineral or royalty interest in land belonging to the permanent school fund or the asylum funds."

The recommended terms and conditions of the Mineral Production Allocation Agreements are:

- A \$6,000 fee for each tract, which is equivalent to two months of extension fees.
- The effective date will be January 18, 2011, and continue for 6 months or until July 18, 2011, and so long as there is production in paying quantities.
- A 27 % royalty on production that is established during the term of these agreements.

The staff recommends approval of the terms and conditions as stated above.

File No. M-112118
Memo to School Land Board

Date Filed: 3/1/11

Jerry E. Patterson, Commissioner

By Pat Rogers & Daryl Morgan

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

March 3, 2011

Ms. Lindsay Jaffee
Anadarko Petroleum Corporation
Delaware Basin Land Group
P. O. Box 1330
Houston, Texas 77251-1330

Re: Mineral Production Allocation Agreements
Section 32, Block 2, H. & G. N. Ry. Co. Survey - M-112118
Section 6, Block 3, H. & G. N. Ry. Co. Survey - M-112119
Section 10, Block 54, Tsp. 04S, T. & P. Ry. Co. Survey - M-112120
Reeves County, Texas

Dear Ms. Jaffee:

On March 1, 2011, the School Land Board approved entering into a Mineral Production Allocation Agreement with Anadarko Petroleum Corporation for the purpose of oil and gas development on each of the referenced tracts located in Reeves County Texas.

Enclosed are duplicate originals of the Agreements to be executed and acknowledged by a duly authorized representative of Anadarko Petroleum Corporation. After proper execution and acknowledgment, please return the duplicate originals of the Agreements for execution by the Commissioner of the General Land Office ("GLO"). The Board requires execution be complete, within ninety (90) days of approval by the Board. An executed original of the Agreement will then be returned to you.

Please note that the six checks for \$3,000.00 previously submitted to the GLO as extension payments will be applied as the consideration for the Mineral Production Allocation Agreements.

Thank you for your assistance if you have any questions, please contact me at the number listed.

Sincerely,


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

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

4.
File No. MF112118

Stoeller

Date Filed: 3/3/11

Jerry E. Patterson, Commissioner

By [Signature]



March 14, 2011

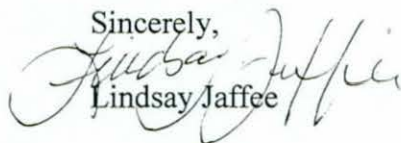
Commissioner of the General Land Office
Attn: J. Daryl Morgan
1700 North Congress Avenue
Austin, Texas 78701

Re: Mineral Production Allocation Agreements
Section 32, Block 2, H&GN Ry. Co. Survey – M-112118
Section 6, Block 3, H&GN Ry. Co. Survey – M-112119
Section 10, Block 54, Tsp. 04S, T&P Ry. Co. Survey – M-112120
Reeves County, Texas

Dear Mr. Morgan:

Enclosed please find duplicate partially executed originals of the captioned Agreements.
Thank you for your assistance. Should you have any questions or need additional
information, please contact the undersigned at (832) 636-4033.

Sincerely,


Lindsay Jaffee

5.

File No. MF 112118

Anadarko letter

Date Filed: 3/14/11

Jerry E. Patterson, Commissioner

By 

**MINERAL PRODUCTION ALLOCATION AGREEMENT PROVIDING A
CARRIED INTEREST TO THE STATE OF TEXAS
633 ACRES
REEVES COUNTY, TEXAS
M-112118**

THIS MINERAL PRODUCTION ALLOCATION AGREEMENT PROVIDING A CARRIED INTEREST TO THE STATE OF TEXAS (Agreement), entered into and effective as of the 18th day of January, 2011, by and between the **SCHOOL LAND BOARD** (hereinafter referred to as SLB) AND EXECUTED BY THE **COMMISSIONER OF THE TEXAS GENERAL LAND OFFICE** (hereinafter referred to as Commissioner), on behalf of the **STATE OF TEXAS** (hereinafter referred to as State), pursuant to the authority granted by Texas Natural Resources Code § 52.154 (said Code being hereinafter referred to as N.R.C.), and subject to all rules and regulations promulgated by the SLB and/or the Commissioner pursuant thereto, all other statutory provisions and amendments in said N.R.C. and any other applicable Texas law, and Anadarko Petroleum Corporation (hereinafter referred to as Operator), whose mailing address is P. O. Box 1330, Houston, Texas 77251-1330, the State and Operator sometimes being collectively referred to as the Parties;

WHEREAS, the State's best interests are promoted by granting the right to Operator to develop mineral interests belonging to the Permanent School Fund underlying Section 32, Block 2, H. & G. N. Ry. Co. Survey containing approximately 633 acres in Reeves County, Texas because (i) Operator will continue operations on the Mako State 2-32, Well No. 1H, API# 42-389-32695, in good faith and in a workman like manner towards the completion of a well, and (ii) Operator has agreed to pay the State a fixed rate of 27% of the production.

NOW, THEREFORE, the Parties hereto, for \$6,000.00 paid to the State and other good and valuable consideration and in order to encourage and promote the development of oil, gas, and other liquid or gaseous hydrocarbons in solution and produced with oil or gas from an oil well or a gas well as recognized by the Railroad Commission (RRC) as well as carbon black, sulphur or any products produced or manufactured from gas, hereinafter sometimes referred to as "hydrocarbons" or "minerals," and in further consideration of both the State and Operator having concluded that it is in their mutual interest, enter into this Agreement, the terms of which are as follows:

I. There is hereby created and established an Agreement for the exploration for and the development of minerals (said minerals limited to oil and gas and related hydrocarbons produced from an oil well or a gas well as such wells are recognized by the RRC but also including carbon black, sulphur or any products produced or manufactured from gas) which may be produced from Section 32, Block 2, H. & G. N. Ry. Co. Survey containing approximately 633 acres in Reeves County, Texas, said 633 acres hereinafter referred to as the "Tract".

II. This Agreement is granted and accepted without warranty of title and without any recourse against the State whatsoever either expressed or implied.

III. The State hereby grants to Operator the exclusive right to conduct all operations on and under the Tract relating to the exploration for and the development, production, and marketing of minerals under the Tract. Operator shall perform such duties in good faith and develop and operate the Tract as a reasonably prudent operator for the mutual benefit of Operator and the State. Operator shall conduct all operations in a diligent and workmanlike manner. Operator shall have the exclusive charge, control, supervision, and management of all such operations, including the mining, drilling, production, gathering, treating, processing, handling, transporting, and storing of minerals in, on and under the Tract and that may be produced from or allocated by the Agreement to the Tract. There is hereby excepted and reserved to the State the full use of the property covered hereby and all rights with respect to the surface and subsurface thereof for any and all purposes except those granted and to the extent herein granted to Operator, together with the rights of ingress and egress and use of said Tract by the State and its mineral lessees, for purposes of exploring for or producing the minerals which are not covered, or which may not be covered in the future, under the terms of this Agreement, but which may be located within the surface boundaries of the Tract. All of the rights in and to the Tract retained by the State and all of the rights in and to the Tract granted to Operator herein shall be exercised in such a manner that neither shall unduly interfere with the operations of the other.

IV. All minerals produced from or allocated to the Tract by virtue of any wells drilled thereon or on lands pooled therewith shall be accounted for as between the State and Operator in proportion to the stipulated basis hereinafter set forth. The Parties agree that this stipulation of the sharing of interests in the Tract is just, fair, equitable, and proper, and to their mutual benefit and advantage, and that the same shall be and remain binding and shall not be superseded. Operator shall pay the State a twenty-seven percent (27%) Allocated Carried Interest of the gross mineral production allocated to the Tract and which is produced from any well now or hereafter situated under the Tract or lands pooled or unitized therewith and for as long as this Agreement remains in force and effect. The calculation and payment of the aforesaid Allocated Carried Interest shall be made in accordance with the provisions of Article V below. As used herein, "Allocated Carried Interest" shall mean the stipulated 27% interest in

11-911

gross mineral production attributable to the Tract with no obligation to the State for operating costs of any kind, including drilling, equipping, completion, treating, transporting, marketing, plugging, abandonment or restoration.

V. Upon production of minerals, Operator agrees to pay or cause to be paid to the Commissioner in Austin, Texas, for the use and benefit of the State, during the term of this Agreement:

(A) OIL: As payment for oil production, which is defined as including all hydrocarbons produced in a liquid form at the mouth of the well and also all condensate, distillate, and other liquid hydrocarbons recovered from oil or gas run through a separator or other equipment, as hereinafter provided, the Allocated Carried Interest of the gross production or the market value thereof, at the option of the State, 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. Operator agrees that before any gas produced from the Tract or lands pooled or unitized therewith, is sold, used or processed in a plant, it will be run free of cost to the State through an adequate oil and gas separator of conventional type or other equipment at least as efficient to the end that all liquid hydrocarbons recoverable from the gas by such means will be recovered. Upon written consent of the State, the requirement that such gas be run through such a separator or other equipment may be waived upon such terms and conditions as prescribed by the State.

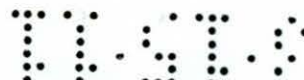
(B) NON-PROCESSED GAS: As a payment on gas production, which is defined as all hydrocarbons and gaseous substances not defined as oil in subparagraph (A) above, produced from any well on the Tract or lands pooled or unitized therewith (except as provided herein with respect to gas processed in a plant for the extraction of gasoline, liquid hydrocarbons or other products) the Allocated Carried Interest of the gross production or the market value thereof, at the option of the State, such value to be based on the (higher of the) highest market price paid or offered for gas of comparable quality in the general area where produced and when run, or the highest market price paid or offered for gas that meets transmission pipeline specifications in the general area or the gross price paid or offered to the operator, whichever is greater provided that the maximum pressure base in measuring the gas under this Agreement shall not at any time exceed 14.65 pounds per square inch absolute, and the standard base temperature shall be sixty (60) degrees Fahrenheit, correction to be made for pressure according to Boyle's Law, and for specific gravity according to test made by the Balance Method or by the most approved method of testing being used by the industry at the time of testing.

(C) PROCESSED GAS: As its share of any gas processed at a gasoline plant or other plant for the recovery of gasoline or other liquid hydrocarbons, Operator shall pay the State the Allocated Carried Interest of the residue gas and the liquid hydrocarbons extracted or the market value thereof, at the option of the State. All payments due herein shall be based on One Hundred Percent (100%) of the total plant production of residue gas attributable to gas produced from the Tract or lands pooled or unitized therewith, and on Fifty Percent (50%) or that percent accruing to Operator, whichever is the greater, of the total plant production of liquid hydrocarbons, attributable to the gas produced from the Tract or lands pooled or unitized therewith; provided that if liquid hydrocarbons are recovered from gas processed in the plant in which Operator (or its parent, subsidiary, or affiliate) owns an interest, then the percentage applicable to liquid hydrocarbons shall be Fifty Percent (50%) or the highest percent accruing to a third party processing gas through such plant under a processing agreement negotiated at arms' length (or if there is no such third party, the highest percent then being specified in processing agreements or contracts in the industry), whichever is the greater. The respective Allocated Carried Interest 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 payments made under this paragraph be less than the payments which would have been due had the gas not been processed.

(D) OTHER PRODUCTS: As a payment 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, the Allocated Carried Interest of gross production of such products, or the market value thereof, at the option of the State, such market value to be determined as follows:

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

(E) NO DEDUCTIONS: Operator agrees that all payments accruing to the State under this Agreement shall be without deduction for the cost of producing, transporting, treating, marketing, and otherwise making the oil, gas, and other products produced hereunder ready for sale or use.



(F) PRODUCTION IN KIND: Notwithstanding anything contained herein to the contrary, the State may, at its option, upon not less than sixty (60) days notice to Operator, require at any time or from time to time payment of all or any of its Allocated Carried Interest share of production accruing to the State under this Agreement be made in kind without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, and otherwise making the hydrocarbons produced hereunder ready for sale or use. The State's right to take its Allocated Carried Interest share of production in kind shall not diminish or negate the State's rights or Operator's obligations, whether express or implied, under this Agreement. If the State shall not exercise its option to take in kind, Operator may sell the State's share of hydrocarbon production and, except where in conflict with this Agreement, such sale and the payments therefor will be made in accordance with this Agreement.

(G) PAYMENTS AND REPORTS: The parties agree that this Agreement does not create a royalty obligation, however payments to the State shall be made in the following manner: Payment on production of oil and gas shall be as provided in the rules set forth in the Texas Register for royalties paid to the State. 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 Operator herein must be filed in the General Land Office. Each payment shall be accompanied by a check stub, schedule, summary, or other remittance advice showing the amount of payment allocated to the Tract. If Operator makes its payment on or before thirty (30) days after the payment was due, then Operator owes a penalty of 5% on the payment or \$25.00, whichever is greater. A payment which is over thirty (30) days late shall accrue a penalty of 10% of the amount due or \$25.00, whichever is greater. In addition to a penalty, payments shall accrue interest at a rate of 12% per year, such interest will begin accruing when the payment 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 Operator shall bear all responsibility for paying or causing payments 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 payments were originally due. The above penalty provisions shall not apply in cases of title dispute as to the State's portion of payment or to that portion of the payment in dispute as to fair market value.

(H) PLANT FUEL AND RECYCLED GAS: No payment shall be made to the State on any gas as may represent the Tract's allocated share of any fuel used to process gas produced hereunder in a processing plant that produces residue gas with a Btu content of 1,200 or less. On a written application and for good cause shown, the State may grant an exception to this provision on an annual basis. Notwithstanding anything contained herein to the contrary, and subject to the consent in writing of the Commissioner, Operator may recycle gas for gas lift purposes on the Tract or lands pooled therewith after the liquid hydrocarbons contained in the gas have been removed, and no payments shall be made on the gas so recycled until such time as the same may thereafter be produced and sold or used by the Operator in such manner as to entitle the State to a payment thereon under Article V of this Agreement.

(I) The State shall have a first lien upon all oil and gas produced from the Tract to secure payment of all unpaid carried interest allocations and other sums of money that may become due under this Agreement.

VI. (A) All costs and expenses incurred in connection with the operations hereunder shall be advanced and borne solely by Operator (in accordance with its separate contracts), and the State shall be held free and harmless from liability or responsibility for any and all costs and expenses so incurred under the terms of this Agreement. All wells, pipelines, tank batteries, and other facilities and equipment presently existing in or on or subsequently placed in or on the Tract or lands pooled or unitized therewith and used in connection with the development and operation thereof, shall be owned by Operator (in accordance with its contracts), and State shall have no interest therein.

(B) Operator shall furnish or cause to be furnished to the General Land Office proof of self-insurance or a certificate of insurance evidencing public liability insurance issued by an insurance company qualified to do business in Texas. The insurance coverage shall afford protection against third persons sustaining injury or damage as a result of the negligent construction, drilling, operation, and maintenance of any well, pipeline or other similar facility or facilities used in any of the activities set forth above by Operator and shall name the General Land Office and the State as additional insured thereunder for such coverage only, and shall not have less than the following limits of liability:

- (1) For each accident causing bodily injury: One Million Dollars (\$1,000,000) for each person so injured, and One Million Dollars (\$1,000,000) for each accident; and



- (2) One Million Dollars (\$1,000,000) for property damage sustained in any one accident. The policy shall remain in full force and effect so long as any well, pipeline, or other equipment is maintained and operated on the Tract, and shall provide that the State shall be given at least ten (10) days written notice prior to its cancellation. In the event notice of cancellation is given and another certificate of insurance evidencing the issuance of a policy meeting all terms and conditions hereof is not furnished prior to the end of the ten (10) day period, this Agreement shall automatically be forfeited and Operator shall immediately discontinue operations hereunder. It is provided, however, that the reinstatement of the insurance coverage provided herein and the furnishing of a certificate of such insurance coverage to the Texas General Land Office shall entitle Operator to immediate reinstatement of this Agreement.

(C) Operator agrees to indemnify and hold the State free and harmless of and from any and all claims of whatsoever kind or nature, including but not limited to, damages to persons or property that may arise out of, or by reason of, the performance of all services and obligations under this Agreement by Operator, or any of Operator's employees, and that may be due to the negligence, commission, or omission of any act by Operator, or any of its employees performing work hereunder, and of and from any and all costs and expenses relating to the defense of any such claims, including reasonable attorney's fees incident thereto.

VII. Operator shall keep accurate records of all accounts hereunder showing the value of the hydrocarbons produced, saved, and marketed or used in operations on the Tract, or lands pooled or unitized therewith, which records shall be available at all reasonable times for examination and inspection by the State. The State shall have access at all reasonable times to the Tract, or lands pooled therewith, and any well drilled or being drilled or reworked on the Tract, or lands pooled therewith, and to all records and reports relating thereto. Operator agrees, upon written request by the State, to furnish promptly to the State the following information, to-wit:

1. A daily drilling report giving depth, with corresponding lithological information, unusual drilling difficulties or delays, if any, and any other pertinent information relative thereto.
2. Samples of cuttings and cores to be shipped to the address designated in the request, with information marked thereon, as to the depth from which the same were taken.
3. A full and complete copy of the driller's log of the well within thirty (30) days after the completion or abandonment thereof as well as any rate of penetration log if one is made.
4. A composite electrical log upon the completion of each well, and current copies of any runs that are made during the drilling of said well, and, if same are made, any radioactivity log, temperature survey, deviation or directional survey, caliper log, and any other pertinent and like information or data.
5. Complete report of any analysis of all cores, when and if any analysis is made.
6. A copy of tank tables for each stock tank.
7. A copy of each oil run ticket.
8. Daily gauge reports showing opening and closing gauges of oil stocks to be furnished no more often than one per week.
9. Monthly report on the production and the volume and value of gas sales from each producing gas well being operated on the Tract, or lands pooled or unitized therewith.
10. Report or analysis of all oil, distillate, and gas produced when an analysis of same is made.
11. Copies of any and all reports made to any regulatory body or bodies.
12. Copy of any report which is made to any regulatory body showing the gauge taken on each well producing during the preceding month, which gauge shall show oil or distillate production, water production, choke size, tubing pressure, casing pressure, gas-oil ratio, gravity of oil or distillate, and date of such tests; however, if no such report is made, then a special report showing same shall be furnished.
13. Report of subsurface pressure observed in all producing and shut-in wells.



Operator further agrees, upon written request from the State, to furnish timely to the State all other pertinent information relating to any well or wells drilled on the Tract, or lands pooled or unitized therewith. Any information furnished by Operator to the State or otherwise examined and studied by the State shall be retained in confidence as allowed by law. If the State may not maintain the confidentiality of any report, data or information to be produced to the State that is described above, other than such data that is otherwise publicly available, then Operator shall have no obligation to provide such data, information or report but upon written request, Operator will make such information available for review by GLO staff. Notwithstanding the foregoing, nothing in this Article VII shall require that Operator furnish or permit inspection of any interpretations of any of the types of data referred to above, and nothing herein shall be construed as requiring Operator to obtain any such data solely for the purposes of this Article.

VIII. This Agreement shall be in force and effect from January 18, 2011, until July 18, 2011, hereinafter called the "primary term" and as long thereafter as hydrocarbons are produced in paying quantities from the Tract or lands pooled or unitized therewith.

VIII. Notwithstanding any provision of this Agreement to the contrary, after a well producing or capable of producing oil or gas has been completed on the Tract, Operator 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 Tract and in marketing the production thereon.

(A) VERTICAL: In the event this Agreement is in force and effect two (2) years after the expiration date of the primary term it shall then terminate, except as to (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 XIII hereof), or a well upon which Operator is then engaged in continuous drilling or reworking operations, or (2) the number of acres included in a producing pooled unit pursuant to Natural Resources Code Sections 52.151-52.153, or (3) the 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. After partial termination pursuant to this subparagraph, each tract held by a well shall be considered a separate tract under this Agreement and must be maintained independently. Within 90 days of a partial termination of this Agreement in accordance with this subparagraph and upon payment of the minimum filing fee set by General Land Office rules in effect at the time of the partial termination, Operator shall have the right to obtain a surface lease for ingress and egress on and across the terminated portion of the Tract as may be reasonably necessary for the continued operation of the portions of the Tract remaining in force and effect under this Agreement. If Operator fails to apply for a surface lease within the 90 day period specified above, Operator may apply for a surface lease from the General Land Office, but the Land Commissioner has the discretion to grant or deny such application and to set the fee for such surface lease.

(B) HORIZONTAL: In the event this Agreement is in force and effect two (2) years after the expiration date of the primary term it shall further terminate as to all depths below 100 feet below the total depth drilled (hereinafter "deeper depths") in each well located on acreage retained in Paragraph 7 (A) above, unless on or before two (2) years after the primary term Operator pays an amount equal to \$1,250 per acre for each acre retained. If such amount is paid, this Agreement 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 Agreement.

(C) IDENTIFICATION AND FILING: The surface acreage retained hereunder as to each well shall, as nearly as practical, be in the form of a square with the well located in the center thereof, or such other shape as may be approved by the School Land Board. Within thirty (30) days after partial termination of this lease as provided herein, Operator 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 Operator 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 Operators expense in Reeves County and in the official records of the General Land Office and such designation shall be binding upon Operator for all purposes. If at any time after the effective date of the partial termination provisions hereof, the applicable field rules are changed or the well or wells located thereon are reclassified so that less acreage is thereafter allocated to said well or wells for production purposes, this Agreement shall thereupon terminate as to all acreage not thereafter allocated to said well or wells for production purposes.

X. If, after the primary term, production of oil or gas from the Tract, or lands pooled or unitized therewith, after once obtained, should cease from any cause, this Agreement shall not terminate if Operator commences additional drilling or reworking operations within sixty (60) days after such cessation, and this Agreement 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 Agreement shall remain in full force and



effect for so long as oil or gas is produced from the Tract in paying quantities or payment of shut-in oil or gas payment or payment of compensatory payment 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 Agreement will not terminate if the Operator commences additional drilling or reworking operations within sixty (60) days after the completion of the well as a dry hole, and this Agreement shall remain in effect so long as Operator continues drilling or reworking operations in good faith and in a workmanlike manner without interruptions totaling more than sixty (60) days. Operator shall give written notice to the State within thirty (30) days of any cessation of production.

XI. If minerals should be produced in commercial quantities from a well located on land privately owned or on State lands leased at less than the rate of the Allocated Carried Interest, which well is within one thousand (1,000) feet of the Tract, or which well is draining the area covered by this Agreement, the Operator shall, within sixty (60) days after such initial production from the draining well or the well located within one thousand (1,000) feet from the area covered by this Agreement, begin in good faith and prosecute diligently the drilling of an offset well on the area covered by this Agreement, and such offset well shall be drilled to such depth as may be necessary to prevent the undue drainage of the area covered by this Agreement, and the Operator shall use all means necessary in a good faith effort to make such offset well produce hydrocarbons in commercial quantities. Only upon the determination of the Commissioner may the tender of a compensatory payment satisfy the obligation to drill an offset well or wells required under this Article.

XII. For purposes of this Article, "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, a well capable of producing oil or gas in paying quantities is located on the Tract, but oil or gas is not being produced for lack of suitable production facilities or lack of a suitable market, then Operator may pay as a shut-in oil or gas payment an amount equal to \$20.00 per acre for each acre held under this Agreement, but not less than \$1,200.00 a year for each well capable of producing oil or gas in paying quantities. To be effective, each initial shut-in oil or gas payment must be paid on or before (1) 60 days after the Operator ceases to produce oil or gas from the Tract, or (2) 60 days after Operator completes a drilling or reworking operation in accordance with this Agreement, whichever date is later. If the shut-in oil or gas payment is made, this Agreement shall be maintained in force and effect, and the payment shall extend the term of the Agreement for a period of one year 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, Operator may extend the Agreement for two more successive periods of one (1) year by paying the same amount each year on or before the expiration of each shut-in year.

XIII. If, during the period the Agreement is kept in effect by a shut-in oil or gas payment, oil or gas is sold and delivered in paying quantities from a well located within one thousand (1,000) feet of the Tract and completed in the same producing reservoir, or in any case in which drainage is occurring, the right to continue to maintain the Agreement by paying the shut-in oil or gas payment shall cease, but the Agreement shall remain effective for the remainder of the year for which the shut-in payment has been paid. The Operator may maintain the Agreement for two more successive years by making compensatory payments at the rate provided in the Agreement 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 Tract. The compensatory payment is to be made monthly to the State 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 Tract; if the compensatory payment paid in any 12-month period is an amount less than the annual shut-in payment, Operator shall pay an amount equal to the difference within thirty (30) days from the end of the 12-month period; and none of these provisions will relieve Operator of the obligation of reasonable development nor the obligation to drill offset wells as provided in N.R.C. Section 52.034; however, at the determination of the Commissioner, and with the Commissioner's written approval, the tender of compensatory payments shall satisfy the obligation to drill offset wells.

XIV. This Agreement may be maintained in force and effect by directional drilling operations (deviation from vertical) for a well intended to be completed under the Tract or on land pooled therewith, in which event actual drilling operations shall be considered to have commenced when the drill bit penetrates the surface of the earth.

XV. Wherever used in this agreement, drilling operations means actual drilling commenced by spudding in of a new well, or the good faith deepening, sidetracking, or the plugging back or attempted recompletion in a separate interval of an existing well (all such operations being commenced by actual downhole operations); and reworking operations means reconditioning, cleaning out, or otherwise attempting in good faith to establish, increase, or restore production in an existing well by downhole operations. Once commenced, any such operations shall be deemed to continue so long as they are conducted in good faith without lapse of more than sixty (60) days. Drilling operations shall be deemed to terminate on the last day actual drilling operations of any kind, such as drilling, testing, or installation of equipment, are conducted in good faith for the purpose of attempting to discover minerals or to complete a well as a producer. Reworking operations shall be deemed to terminate on the last day such operations are conducted in good faith for the purpose of establishing, increasing, or restoring production.

XVI. Operator may relinquish the rights granted hereunder to the State at any time by recording the relinquishment in the county where the Tract is situated and filing the recorded relinquishment or certified copy of same in the General Land Office



within ninety (90) days after its execution accompanied by the filing fee prescribed by the General Land Office rules in effect on the date of receipt by the General Land Office of such relinquishment or certified copy thereof. Such relinquishment will not have the effect of releasing Operator from any liability theretofore-accrued in favor of the State.

XVII. It is understood and agreed that this Agreement shall not create the relationship of a partnership between the Parties and that no act done by any party pursuant to the provisions hereof shall operate to create such relationship, nor shall the provisions of this Agreement be construed as creating such relationship, and all undertakings of Operator under this Agreement shall be those of an independent contractor and this Agreement shall be so construed under all circumstances and conditions. Operator agrees to hold and protect the State of Texas and the General Land Office free and harmless from and against any and all costs and expenses, claims, liability, and responsibility of all and every nature and kind whatsoever arising from, or in connection with, operations performed under this Agreement.

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

XIX. Should Operator be prevented from complying with any express or implied covenant of this Agreement, from conducting drilling operations thereon, or from producing oil and/or gas therefrom, after effort made in good faith, by reason of war, rebellion, riots, strikes, fires, acts of God, any order, rule or regulation of governmental authority, then while so prevented, Operator's obligation to comply with such covenant shall be suspended upon proper and satisfactory proof presented to the Commissioner in support of Operator's contention and Operator shall not be liable for damages for failure to comply therewith (except in the event of operations suspended as provided in the rules and regulations adopted by the School Land Board); and this Agreement shall be extended while and so long as Operator is prevented, by any such cause, from drilling, reworking operations, or producing hydrocarbons from the Tract; provided, however, that nothing herein shall be construed to abridge Operator's right to a suspension under any applicable statute of this State.

XX. All of the terms and provisions of this Agreement are hereby expressly made subject to all federal and State laws and to all orders, rules and regulations of any duly constituted authority having jurisdiction in the premises. The Commissioner may terminate this Agreement on a determination that the operator's action or failure to act is a material breach of any term or condition of this Agreement.

XXI. All notices, reports, statements, and any and all written documents herein required to be given or furnished by any of the parties hereto shall be in writing and mailed or delivered to the following addresses of the parties hereto:

State:	General Land Office Attn: Minerals Leasing 1700 N. Congress Ave., Room 600 Austin, Texas 78701
Operator:	Attn: Land Manager, Delaware Basin Anadarko Petroleum Corporation P. O. Box 1330 Houston, Texas 77251-1330

Any party may change its address as above stated by notifying the other parties hereto in writing.

XXII. Operator may not transfer any rights under this Agreement without prior written consent of the General Land Office. All transfers must describe this Agreement and must be recorded in the county in which the Tract is located and the recorded transfer or a copy certified to by the County Clerk of such county must be filed in the General Land Office within ninety (90) days of the execution date, accompanied by the filing fee prescribed by the General Land Office rules in effect on the date of receipt by the General Land Office of such transfer or certified copy thereof. Every transferee shall succeed to all rights and be subject to all obligations, liabilities, and penalties owed to the State by Operator, including any liabilities to the State for unpaid amounts due under this Agreement.



XXIII. The covenants, conditions, and agreements contained herein shall extend to and be binding upon the heirs, executors, administrators, successors, or assigns of Operator and the State.

XXIV. If a portion of the land covered by this Agreement is included within the boundaries of a pooled unit that has been approved by the School Land Board, or if, at any time, this Agreement 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 Agreement shall be calculated based upon the number of acres actually retained and covered by this Agreement.

XXV. The State and Operator, including their successors and assigns, hereby agree that venue for any dispute arising out of a provision of this Agreement, whether express or implied, regarding interpretation of this Agreement or to applicable case law, statutes, or administrative rules, shall be in a court of competent jurisdiction located in Travis County, State of Texas.

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

Date Executed 3/21/2011

TEXAS GENERAL LAND OFFICE

Legal
Content
Geology
Executive

AS
me
3m
3

By:

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

Date Executed 03-14-2011

ANADARKO PETROLEUM CORPORATION

By:

James K. Ary
James K. Ary

Its: Agent and Attorney-in-Fact

CERTIFICATE

I, Stephanie Crenshaw, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 1st day of March, 2011, the foregoing instrument was presented to and approved by order of said Board under the provisions of Subchapter A-E and H, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the 22nd day of March, 2011.

Stephanie Crenshaw
Secretary of the School Land Board

100/10/8



James K. Ary
Agent and Attorney-in-Fact

Wm. H. H. H.
Wm. H. H. H.

11.2.11

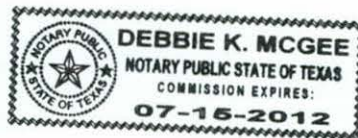
STATE OF TEXAS

COUNTY OF Montgomery

The foregoing instrument was acknowledged before me on this 14th day of MARCH, 2011,
by James K. Ary, as Agent & Attorney-in-Fact of Anadarko Petroleum
Corporation, a Delaware corporation, on behalf of said corporation.

Debbie K. McGee

Notary Public in and for the
State of Texas



7.5.12

6.

File No. MF 117118
Mineral Production
Allocation Agreement
Date Filed: 3/15/11
Jerry E. Patterson, Commissioner
By [Signature]





MEMORANDUM

Texas General Land Office • Jerry Patterson • Commissioner

TIME SENSITIVE: Action Required by: (March 23, 2011)

DATE: March 16, 2011
TO: Commissioner Patterson
FROM: J. Daryl Morgan
SUBJECT: Mineral Production Allocation Agreements for signature

SUMMARY: Attached for your approval and signature are duplicate originals of three Mineral Production Allocation Agreements that were approved by the School Land Board on March 1, 2011.

DETAILS: These agreements comply with existing GLO rules and policies and have been reviewed and approved by Energy Resources staff and the Legal Services Division. Chapter 52 of the Texas Natural Resources Code gives authority to the School Land Board to approve such agreements and gives the Commissioner authority to execute such agreements that provide for the development of State minerals.

Document Name	Recipient
Mineral Production Allocation Agreement M-112118 – Section 32, Block 2, H&GN Ry Co M-112119 – Section 6, Block 3, H&GN Ry Co M-112120 – Section 10, Block 54, Tsp. 04s, T&P Ry Co Reeves County, Texas	Anadarko Petroleum Corporation

Recommendation: Please sign and return to J. Daryl Morgan in Energy Resources (5-9106).

Attachments: Six Mineral Production Allocation Agreements

Thru: LaNell Aston

7.

File No. MF 117-118

Sto Memorandum

Date Filed: 3/16/11

Jerry E. Patterson, Commissioner

By [Signature]

From: Landia Robinson
To: Morgan, Daryl
Date: 3/21/2011 8:03 AM
Subject: Re: money transfer

Good morning Daryl,

I will apply the money as specified below. Thanks

Landia Robinson
Revenue Accountant, Cash Management Division
Financial Management Program Area
General Land Office and Veterans' Land Board
Tel: (512) 475-1490
Fax: (512) 475-2295
Email: landia.robinson@glo.texas.gov

>>> Daryl Morgan 3/18/2011 9:34 AM >>>
Landia:

We received three \$3,000.00 checks from Doug Ferguson (on behalf of Anadarko) on February 7, 2011, being #s 11705493, 11705494 and 11705495 and three \$3,000.00 checks from Anadarko on February 14, 2011, being #s 11705848, 11705849 and 11705850. These remittances were extension payments for State Leases M-106117, M-106119 and M-106132. The initial payments were not timely made and the leases expired at the end of their primary terms.

The GLO has entered into new agreements with Anadarko and has agreed to apply the previously paid money (\$6,000.00 each) as the bonus for the new agreements. Please have the monies applied as follows:

11705494 and 11705850 to M-112118
11705495 and 11705848 to M-112119
11705493 and 11705849 to M-112120

Thank you and let me know if you have any questions or need any more information.

Daryl

J. Daryl Morgan, CPL
Texas General Land Office
Energy Resources
(512) 305-9106

8,

File No. MF11218

Enail

Date Filed: 3/21/11

Jerry E. Patterson, Commissioner

By [Signature]

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

March 23, 2011

Ms. Lindsay Jaffee
Anadarko Petroleum Corporation
Delaware Basin Land Group
P. O. Box 1330
Houston, Texas 77251-1330

Re: Mineral Production Allocation Agreements
M-112118 - Section 32, Block 2, H. & G. N. Ry. Co. Survey
M-112119 - Section 6, Block 3, H. & G. N. Ry. Co. Survey
M-112120 - Section 10, Block 54, Tsp. 04S, T. & P. Ry. Co. Survey
Reeves County, Texas

Dear Ms. Jaffee:

Enclosed is a duplicate original of each of the above referenced Mineral Production Allocation Agreements that have been executed by Jerry E. Patterson, Commissioner of the Texas General Land Office. We have retained the other original of the Agreements and they will be filed in the Mineral Files as referenced above in the bold type. Please refer to these mineral file numbers in all future correspondence with the State involving the tracts covered by the Agreements.

Thank you for your assistance with this matter, if you have any questions, please do not hesitate to contact me.

Sincerely,

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

Enclosures

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

9.

File No. MF 112118

Jerry E. Patterson

Date Filed: 3/33/11

Jerry E. Patterson, Commissioner

By [Signature]

From: Harriet Dunne
To: Landia Robinson
Date: 4/1/2011 10:42 AM
Subject: Need to move 3 register numbers

Landia,
Daryl Morgan sent an e-mail on March 18 that explained two sets of three extension payments by Anadarko, all of which we received in February, needed to be moved to new MF numbers.

We have now received three more extension payments and Anadarko has given you wrong numbers on their transmittal letter.

Please move the following register numbers to these new MF numbers:

Register #11706978 move to MF 112118.
Register #11706977 move to MF 112119.
Register #11706979 move to MF 112120.

Thank you for handling this.

Harriet

Daryl Morgan - money transfer

From: Daryl Morgan
To: Robinson, Landia
Date: 3/18/2011 9:34 AM
Subject: money transfer
CC: Dunne, Harriet; Nguyen, Brent

Landia:

We received three \$3,000.00 checks from Doug Ferguson (on behalf of Anadarko) on February 7, 2011, being #s 11705493, 11705494 and 11705495 and three \$3,000.00 checks from Anadarko on February 14, 2011, being #s 11705848, 11705849 and 11705850. These remittances were extension payments for State Leases M-106117, M-106119 and M-106132. The initial payments were not timely made and the leases expired at the end of their primary terms.

The GLO has entered into new agreements with Anadarko and has agreed to apply the previously paid money (\$6,000.00 each) as the bonus for the new agreements. Please have the monies applied as follows:

11705494 and 11705850 to M-112118
11705495 and 11705848 to M-112119
11705493 and 11705849 to M-112120

Thank you and let me know if you have any questions or need any more information.

Daryl

J. Daryl Morgan, CPL
Texas General Land Office
Energy Resources
(512) 305-9106

File No.

MF 112-118

10.

Enail requests for
extension of payment transfer

Date Filed

4-1-11

Jerry E. Patterson, Commissioner

By



ANADARKO PETROLEUM CORPORATION
PO BOX 1330
HOUSTON, TX 77251-1330

11706978

PAGE: 1 of 1

DATE: March 1, 2011
TRACE NUMBER: 0110510724
CHECK NUMBER: 0110510724
AMOUNT PAID: \$3,000.00

ACCOUNTS PAYABLE INQUIRIES: (800) 370-9867



00009 CKS 6A 11060 - 0110510724 NNNN 0605100004502 X392D1 C

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

MF 112118

121

VENDOR NO: 0007004311

DOCUMENT #	VENDOR INV #/ REMARKS	INVOICE DATE	TOTAL AMOUNT	PRIOR PMTS & DISCOUNTS	NET AMOUNT
1900015923	CKRQ022511A	02/25/11	\$3,000.00	\$0.00	\$3,000.00
STATE OF TEXAS M-106117-MARCH EXTENSION PAYMENT					
TOTALS			\$3,000.00	\$0.00	\$3,000.00



060510000400001201



March 7, 2011

Commissioner of the General Land Office
1700 North Congress Avenue
Austin, Texas 78701

Re: Texas General Land Office Lease M-~~106117~~ 112118
All of Section 32, Block 2, H&GN Ry. Co. Survey
633.00 acres, Reeves County, Texas

Gentlemen:

Enclosed you will find duplicate originals of Anadarko Petroleum Corporation's Application for Extension of the captioned lease in Reeves County, Texas. Anadarko has reached a total depth of 14,457 feet in the Mako State 2-32 1H and has successfully completed the well in the Bone Spring formation.

Please find enclosed the Application for Extension of the captioned lease along with the required affidavit and fee. Should you have any questions or need additional information, please contact the undersigned at (832) 636-4033.

Sincerely,

A handwritten signature in blue ink, appearing to read "Lindsay Jaffee".

Lindsay Jaffee

Application for 30 Day Extension of State Oil and Gas Lease

Jerry E. Patterson, Commissioner
General Land Office
1700 North Congress Avenue
Austin, Texas 78701

General Land Office
P. O. Box 12873
Austin, Texas 78711-2873

Under the provisions of Section 52.031 of the Natural Resources Code, providing for extensions of valid and subsisting leases issued pursuant to Subchapter B and C, Chapter 52 of the Natural Resources Code, and other applicable laws, the undersigned hereby applies for a thirty (30) day extension of the oil and gas lease held by the lessee on the tract of land described below.

Enclosed herewith is the extension payment in the amount of \$3,000.00 and when applicable, a copy of Railroad Commission Form W-1, Application for Permit to Drill, for the well on which drilling operations have been commenced prior to the end of the primary term. **NOTE:** (the W-1 is only required with the initial extension application, it is not needed for additional extensions)

STATE LEASE NO. M- 106117 LEASE DATE: January 17, 2006,
All OF SECTION 32, BLOCK 2, H&GN RY. CO. SURVEY, ACRES 633.00,
COUNTY OF REEVES, TEXAS

(Only one lease should be included in this application, and the land must be described the same as in the original lease as granted, unless the amount of acreage held at the end of the primary term is less than was originally covered by the lease)

ANADARKO PETROLEUM CORPORATION

By: 
Lindsay Jaffee
Date: March 7, 2011

Application for 30 Day Extension of State Oil and Gas Lease

Jerry E. Patterson, Commissioner
General Land Office
1700 North Congress Avenue
Austin, Texas 78701

General Land Office
P. O. Box 12873
Austin, Texas 78711-2873

Under the provisions of Section 52.031 of the Natural Resources Code, providing for extensions of valid and subsisting leases issued pursuant to Subchapter B and C, Chapter 52 of the Natural Resources Code, and other applicable laws, the undersigned hereby applies for a thirty (30) day extension of the oil and gas lease held by the lessee on the tract of land described below.

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All OF SECTION 32, BLOCK 2, H&GN RY. CO. SURVEY, ACRES 633.00,
COUNTY OF REEVES, TEXAS

(Only one lease should be included in this application, and the land must be described the same as in the original lease as granted, unless the amount of acreage held at the end of the primary term is less than was originally covered by the lease)

ANADARKO PETROLEUM CORPORATION

By: 
Lindsay Jaffee
Date: March 7, 2011

File No. MF 112118 11.
Application & Payment
for 30 day extension
Date Filed 3-8-11
Jerry E. Patterson, Commissioner
By [Signature]

112118 MF

112118 MF

ANADARKO E&P ONSHORE LLC

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

13711452

MF 11/2/18

INSTRUCTIONS TO PAYEE:

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

INSTRUCTIONS TO DEPOSITORY:

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

Lease Number: TX-000135622

DEPOSIT TO THE CREDIT OF	BA NUMBER	CHECK DATE	CHECK NUMBER	AMOUNT
STATE OF TEXAS GENERAL LAND OFFICE	LA45678203	May-17-2013	30069458	***\$791,250.00*

121

ANADARKO E&P ONSHORE LLC

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

13711452

INSTRUCTIONS TO PAYEE:

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INSTRUCTIONS TO DEPOSITORY:

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Lease Number: TX-000135622

DEPOSIT TO THE CREDIT OF	BA NUMBER	CHECK DATE	CHECK NUMBER	AMOUNT
STATE OF TEXAS GENERAL LAND OFFICE	LA45678203	May-17-2013	30069458	***\$791,250.00*

121

DETACH STUB AND RETAIN FOR YOUR RECORDS

THE FACE OF THIS DOCUMENT HAS A BLUE BACKGROUND AND A TRUE WATERMARK. HOLD AT AN ANGLE TO VIEW. DO NOT ACCEPT OR CASH IF THESE FEATURES ARE NOT PRESENT.

ANADARKO E&P ONSHORE LLC

BNY Mellon, N.A.
Pittsburgh, PA

LEASE NUMBER TX-000135622
LEASE DATE 01-18-2011
OPTION TO EXTEND
Book 876 Page 100 Reception # 2425
REEVES TX

none
07-18-2013

ACRES
PAID FOR
633.000

LESSOR REFERENCE

ST TX M-112118 (MINERAL PRODUCTION AGMT)

05-17-2013

PAY TO THE ORDER OF: EXACTLY **\$791,250dols00cts**

***\$791,250.00*

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

Adrian Riley

AUTHORIZED REPRESENTATIVE(S) OF THE COMPANY



May 22, 2013

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

RE: Bonus for Extension of Deep Rights
ST TX M-112118 Mineral Production Allocation Agreement dated 1/18/11
Anadarko Lease No. TX-000135622
Section 32, Block 2, H&GN Ry Co Survey
Reeves County, Texas

Gentlemen:

Enclosed please find Anadarko E&P Onshore LLC Check No. 30069458 dated 5/17/13 in the amount of \$791,250.00 which represents bonus for Extension of Deep Rights under the captioned agreement.

If you have any questions, please do not hesitate to contact pat.kennedy@anadarko.com, 832-636-1482 or Landman, Joe Colerick, joe.colerick@anadarko.com, 832-636-1729.

Sincerely,

ANADARKO E&P ONSHORE LLC

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

Pat Kennedy
Sr. Staff Land Analyst

Encl: as stated

File No. MF112118

(12)

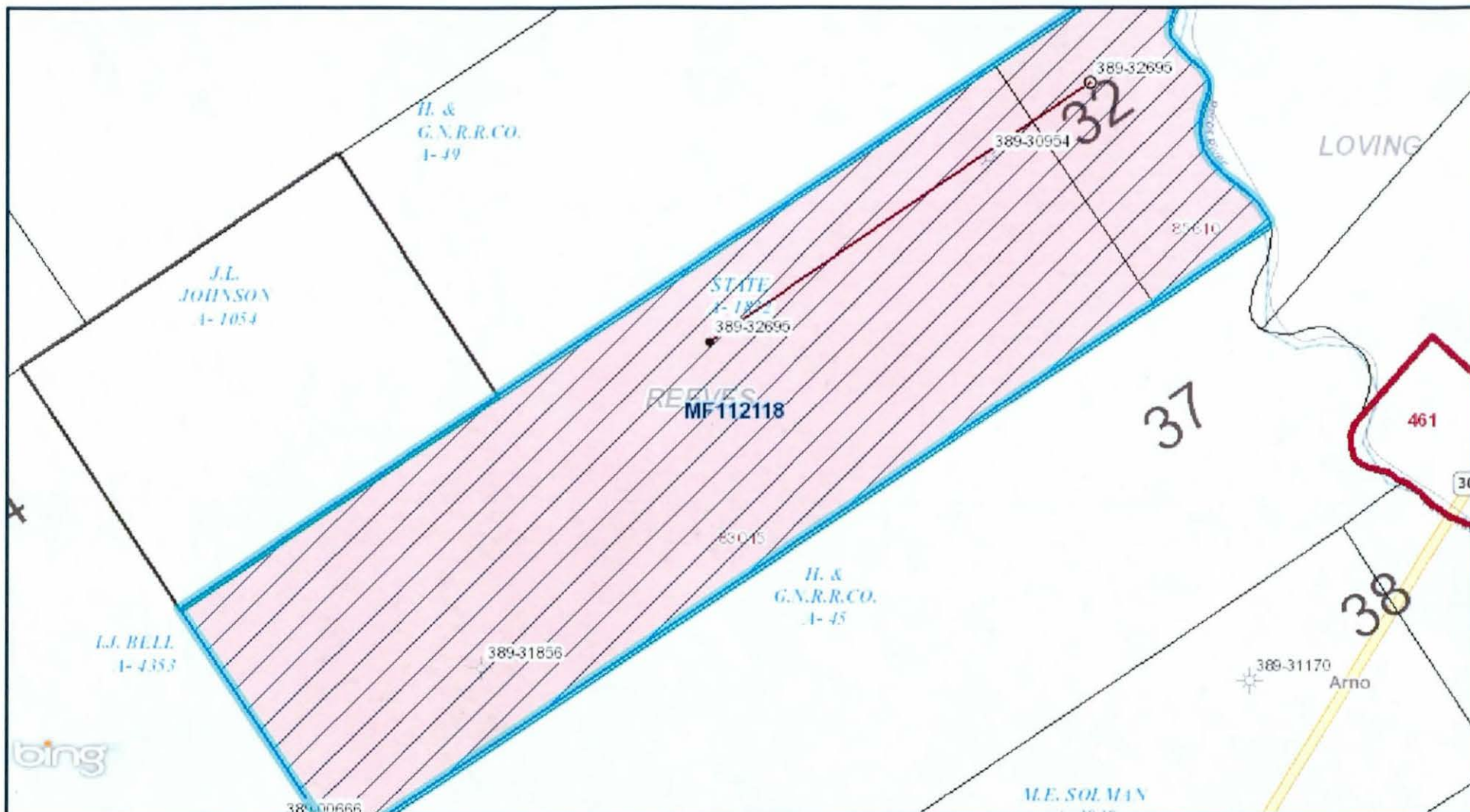
Bonus To Extend Deep Rights

Date Filed: 05/29/2013

Jerry E. Patterson, Commissioner

By JEP

2.58.13



MF112118

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.

Printed: Jun 05, 2013

 ONLINE SYSTEM

Oil & Gas Data Query

Query Menu Help

Specific Lease Query Results

Query Path: [Search Criteria](#) > District: 08Date Range: Apr 2012 to Mar 2013

Related Links

[O&G Directory](#)
[O&G Proration Schedule](#)
[Offshore County Map](#)
[Production and Total Disposition](#) [Disposition Details](#) [County Production](#)

Search Criteria:

Lease Name: MAKO STATE 2-32 , Lease No.: 41569

Well Type: Oil

District: 08

Lease Production and Disposition

Date Range: Apr 2012 - Mar 2013

11 - 12 of 12 results

[<<First] [[Previous](#)] [Next>] [Last>>] | Page: 1 2 of 2

Page Size: 10

Date	OIL (BBL)		Casinghead (MCF)		Operator Name	Operator No.	Field Name	Field No.
	Production	Disposition	Production	Disposition				
Feb 2013	667	848	90	90	ANADARKO PETROLEUM CORPORATION	020572	PHANTOM (WOLFCAMP)	71052900
Mar 2013	807	804	1,326	1,326				
Total	8,674	8,808	17,741	17,741				

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 ONLINE SYSTEM

Oil & Gas Data Query

Query Menu Help

Specific Lease Query Results

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Search Criteria:

Lease Name: MAKO STATE 2-32 , Lease No.: 41569

Well Type: Oil

District: 08

Lease Production and Disposition

Date Range: Apr 2012 - Mar 2013

1 - 10 of 12 results

[<<First] [<Previous] [Next>] [Last>>] | Page: 1 2 of 2

Page Size: 10

Date	OIL (BBL)		Casinghead (MCF)		Operator Name	Operator No.	Field Name	Field No.
	Production	Disposition	Production	Disposition				
Apr 2012	718	769	1,353	1,353	ANADARKO PETROLEUM CORPORATION	020572	PHANTOM (WOLFCAMP)	71052900
May 2012	387	427	297	297				
Jun 2012	10	0	0	0				
Jul 2012	998	1,018	2,183	2,183				
Aug 2012	1,152	1,212	4,735	4,735				
Sep 2012	1,071	829	2,523	2,523				
Oct 2012	1,027	932	1,689	1,689				
Nov 2012	712	898	956	956				
Dec 2012	653	506	1,248	1,248				
Jan 2013	472	565	1,341	1,341				

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DrillingInfo One-Page Production Summary



Tag This
Element

API# 42-389-32695
Well# 1H
Lease MAKO STATE 2-32
Field PHANTOM (WOLFCAMP)
Lease ANADARKO E&P ONSHORE LLC
Operator [Well Op History](#)
County Reeves
State Texas
Location 660.0 N / 5712.0 W, H&GN RR CO A-33?
Block:2 Section:32
Elevation 2672 GL
Date Spud --
Date TD --
Logs Run GAMMA,RAY,(MWD),

	First Production	Most Recent Production	Cumulative (MCF & BBL)	Gravity (SG & API)	Gatherer
Oil	6/1/11	3/1/13	19,471	0.00	PLAML
Gas	6/1/11	3/1/13	37,893	0.00	SOUUG

Most Recently Reported Monthly Production (12 Months)

Mo/Yr	Gas (MCF)					Oil (BBL)				Water (BW)	#Wells Flowing	#Wells Other	Avg Gas (MCF/D)	Avg Oil (BBL/D)	Avg Wtr (BW/D)
	Produced	Sold	Used	Vented/Flared	Other	Produced	Sold	Other	Closing						
4/2012	1,353	1,282	71	0	0	718	563	206	351	0	1	---	45.10	23.93	0.00
5/2012	297	277	20	0	0	387	371	56	311	0	1	---	9.58	12.48	0.00
6/2012	0	0	0	0	0	10	0	0	321	0	1	---	0.00	0.33	0.00
7/2012	2,183	2,032	151	0	0	998	920	98	301	0	1	---	70.42	32.19	0.00
8/2012	4,735	4,395	340	0	0	1,152	921	291	241	0	1	---	152.74	37.16	0.00
9/2012	2,523	2,211	312	0	0	1,071	556	273	483	0	1	---	84.10	35.70	0.00
10/2012	1,689	1,481	208	0	0	1,027	747	185	578	0	1	---	54.48	33.13	0.00
11/2012	956	812	144	0	0	712	743	155	392	0	1	---	31.87	23.73	0.00
12/2012	1,248	1,246	2	0	0	653	371	135	539	0	1	---	40.26	21.06	0.00
1/2013	1,341	1,330	11	0	0	472	350	215	446	0	1	---	43.26	15.23	0.00
2/2013	90	32	58	0	0	667	675	173	265	0	1	---	3.21	23.82	0.00
3/2013	1,326	1,146	180	0	0	807	565	239	268	0	1	---	42.77	26.03	0.00
Totals	17,741	16,244	1,497	0	0	8,674	6,782	2,026	4,496	0	---	---	---	---	---

Annual Production

Year	Gas (MCF)	Oil (BBL)	Water (BW)	#Wells Flowing	#Wells Other	Avg Gas (MCF/D)	Avg Oil (BBL/D)	Avg Wtr (BW/D)	Annual Dec. Gas	Annual Dec. Oil
2011	18,743	7,970	---	1	---	88.08	37.45	0.00	---	---
2012	16,393	9,555	---	1	---	44.94	26.19	0.00	12.5%	---
2013	2,757	1,946	---	1	---	30.23	21.34	0.00	83.2%	79.6%
Totals	37,893	19,471	---	---	---	---	---	---	---	---

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File No. MF112118

(13)

Plat and Production Review

Date Filed: 06/05/2013

Jerry E. Patterson, Commissioner

By JP

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

PERMIT NUMBER 704294	DATE PERMIT ISSUED OR AMENDED Oct 27, 2010	DISTRICT * 08
API NUMBER 42-389-32695	FORM W-1 RECEIVED Oct 25, 2010	COUNTY REEVES
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Horizontal	ACRES 640
OPERATOR ANADARKO PETROLEUM CORPORATION		NOTICE This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. District Office Telephone No: (432) 684-5581
LEASE NAME MAKO STATE 2-32		WELL NUMBER 1H
LOCATION 19.5 miles NW direction from PECOS		TOTAL DEPTH 16000
Section, Block and/or Survey SECTION ◀ 32 BLOCK ◀ 2 ABSTRACT ◀ SURVEY ◀ H&GN RR CO		
DISTANCE TO SURVEY LINES 660 ft. NORTH 5712 ft. WEST		DISTANCE TO NEAREST LEASE LINE 500 ft.
DISTANCE TO LEASE LINES 660 ft. NORTH 5712 ft. WEST		DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below
FIELD(s) and LIMITATIONS: * SEE FIELD DISTRICT FOR REPORTING PURPOSES *		
FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH NEAREST WE
-----	-----	-----
PHANTOM (WOLFCAMP)	640.00	16,000
MAKO STATE 2-32	500	0

WELLBORE PROFILE(s) FOR FIELD: Horizontal		

RESTRICTIONS: Lateral: TH1 Penetration Point Location Lease Lines: 660.0 F NORTH L 6312.0 F WEST L Terminus Location BH County: REEVES Section: 32 Block: 2 Abstract: Survey: H&GN RR CO Lease Lines: 660.0 F NE L 500.0 F EAST L Survey Lines: 660.0 F NE L 500.0 F EAST L		
THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS This well shall be completed and produced in compliance with applicable special field or statewide spacing and density rules. If this well is to be used for brine mining, underground storage of liquid hydrocarbons in salt formations, or underground storage of gas in salt formations, a permit for that specific purpose must be obtained from Environmental Services prior to construction, including drilling, of the well in accordance with Statewide Rules 81, 95, and 97.		

RAILROAD COMMISSION OF TEXAS

Tracking No.: 16246

Status: Work in Progress

Oil and Gas Division

This facsimile W-2 was generated electronically
from data submitted to the RRC.

API No. 42- 389-32695

7. RRC District No.

08

8. RRC Lease No.

Oil Well Potential Test, Completion or Recompletion Report, and Log

1. FIELD NAME (as per RRC Records or Wildcat) PHANTOM (WOLFCAMP)		2. LEASE NAME MAKO STATE 2-32		9. Well No. 1H
3. OPERATOR'S NAME (Exactly as shown on Form P-5, Organization Report) ANADARKO PETROLEUM CORPORATION		RRC Operator No. 020572		10. County of well site REEVES
4. ADDRESS ATTN FRANK A DAVIS PO BOX 1330 HOUSTON, TX 77251-1330				11. Purpose of filing Initial Potential ☒ Retest ☐ Reclass ☐ Well record only (Explain in remarks) ☐
5. If Operator has changed within last 60 days, name former operator				
6a. Location (Section, Block, and Survey) 32, 2, H&GN RR CO		6b. Distance and direction to nearest town in this county. 19.5 MILES NW FROM PECOS		
12. If workover or reclass, give former field (with reservoir) & Gas ID or oil lease no. FIELD & RESERVOIR N/A		GAS ID or OIL LEASE #	Oil-O Gas-G	Well #
13. Type of electric or other log run Gamma Ray (MWD)		14. Completion or recompletion date 02/23/2011		

SECTION I- POTENTIAL TEST DATA IMPORTANT: Test should be for 24 hours unless otherwise specified infield rules.

15. Date of test 03/01/2011	16. No. of hours tested 24	17. Production method (Flowing, Gas Lift, Jetting, Pumping- Size & Type of pump) Flowing			18. Choke size 22/64
19. Production during Test Period	Oil - BBLS 167.0	Gas - MCF 1429	Water - BBLS 1568	Gas - Oil Ratio 8556	Flowing Tubing Pressure 3748.0 PSI
20. Calculated 24-Hour Rate	Oil - BBLS 167.0	Gas - MCF 1429	Water - BBLS 1568	Oil Gravity-API-60° 46.0	Casing Pressure 2200.0 PSI
21. Was swab used during this test? Yes ☐ No ☒		22. Oil produced prior to test (New & Reworked wells) 447.0			23. Injection Gas-Oil Ratio
REMARKS: N/A					

INSTRUCTIONS: File an original and one copy of the completed Form W-2 in the appropriate RRC District Office within 30 days after completing a well and within 10 days after a potential test. If an operator does not properly report the results of a potential test within the 10-day period, the effective date of the allowable assigned to the well will not extend back more than 10 days before the W-2 was received in the District Office. (Statewide Rules 16 and 51) To report a completion or recompletion, fill in both sides of this form. To report a retest, fill in only the front side.

WELL TESTERS CERTIFICATION

I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I conducted or supervised this test by observation of (a) meter readings or (b) the top and bottom gauges of each tank into which production was run during the test. I further certify that the potential test data shown above is true, correct, and complete, to the best of my knowledge.

Signature: Well Tester

Name of Company

RRC Representative

OPERATOR'S CERTIFICATION

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

Type or printed name of operator's representative

(832) 636-1162 04/06/2011

Telephone: Area Code Number Month Day Year

Staff Regulatory Analyst

Title of Person

Cari Vaughn

Signature

SECTION III										DATA ON WELL COMPLETION AND LOG (Not Required on Retest)									
24. Type of Completion New Well ☒ Deepening ☐ Plug Back ☐ Other ☐										25. Permit to Drill, Plug Back or <u>Deepen</u> DATE <u>10/27/2010</u> PERMIT NO. <u>704294</u> Rule 37 Exception CASE NO. _____ Water Injection Permit PERMIT NO. _____ Salt Water Disposal Permit PERMIT NO. _____ Other PERMIT NO. _____									
26. Notice of Intention to Drill this well was filed in Name of ANADARKO PETROLEUM CORPORATION																			
27. Number of producing wells on this lease in this field (reservoir) including this well 1					28. Total number of acres in this lease 640.0														
29. Date Plug Back, Deepening, Workover or Drilling Operations: <u>11/24/2010</u>					Commenced <u>12/24/2010</u>					30. Distance to nearest well, Same Lease & Reservoir 0.0									
31. Location of well, relative to nearest lease boundaries 660.0 Feet From North Line and 5712.0 Feet from West Line of the MAKO STATE 2-32 Lease																			
32. Elevation (DF, RKB, RT, GR ETC.) 2672 GL										33. Was directional survey made other than inclination (Form W-12)? ☒ Yes ☐ No									
34. Top of Pay 11167 MD:11167		35. Total Depth 10552 MD:14456		36. P. B. Depth 10552 MD:14456		37. Surface Casing Determined by: Field Rules ☐		Recommendation of T.D.W.R. ☒ Railroad Commission (Special) ☐		Dt. of Letter <u>10/19/2010</u>									
38. Is well multiple completion? ☐ Yes ☒ No																			
39. If multiple completion, list all reservoir names (completions in this well) and Oil Lease or Gas ID No. FIELD & RESERVOIR N/A										GAS ID or OIL LEASE #		Oil-G Gas-G		Well #					
40. Intervals Drilled by:		Rotary Tools ☒ Cable Tools		41. Name of Drilling Contractor PRECISION						42. Is Cementing Affidavit Attached? ☒ Yes ☐ No									
43. CASING RECORD (Report All Strings Set in Well)																			
CASING SIZE	WT #/FT.	DEPTH SET	MULTISTAGE TOOL DEPTH	TYPE & AMOUNT CEMENT (sacks)	HOLE SIZE	TOP OF CEMENT	SLURRY VOL. cu. ft.												
13 3/8	54.5	976		CLASS C 885	17 1/2	SURFACE	1818.0												
9 5/8	40.0	4315		CLASS C 1114	12 1/4	SURFACE	2300.0												
7	29.0	10737		CLASS C 663	8 3/4	3315	1780.0												
44. LINER RECORD																			
Size		Top		Bottom		Sacks Cement		Screen											
4 1/2		11092		14453				PERF'D											
45. TUBING RECORD														46. Producing Interval (this completion) Indicate depth of perforation or open hole					
Size	Depth Set	Packer Set	From L1 11167		To 14342														
2 7/8	9768	9760	From		To														
			From		To														
			From		To														
47. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.																			
Depth Interval				Amount and Kind of Material Used															
11167.0		14342.0		7 STG FRAC: 25317 TOTAL FLUID 1,4000,000# 18/40 VERSA PROP															
48. FORMATION RECORD (LIST DEPTHS OF PRINCIPAL GEOLOGICAL MARKERS AND FORMATION TOPS)																			
Formations		Depth		Formations		Depth													
BONE SPRINGS 1		8620.0 MD: 8622.0																	
BONE SPRINGS 2		9198.0 MD: 9202.0																	
BONE SPRINGS 3		10252.0 MD: 10303.0																	
REMARKS: N/A																			

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

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

Form W-15
Cementing Report
Rev. 4/1/83
483-045

1. Operator's Name (As shown on Form P-5, Organization Report) ANADARKO Petroleum Corp	2. RRC Operator No. 020572	3. RRC District No. 08	4. County of Well Site REEVES
5. Field Name (Wildcat or exactly as shown on RRC Records) Phantom (Wolfcamp)		6. API No. 42-389-32695	7. Drilling Permit No. 704294
8. Lease Name MAKO STATE 2-32	9. Rule 37 Case No.	10. Oil Lease/Gas ID No.	11. Well No. 1H

CASING CEMENTING DATA:		SURFACE CASING	INTER-MEDIATE CASING	PRODUCTION CASING		MULTI-STAGE CEMENTING PROCESS	
				Single String	Multiple Parallel Strings	Tool	Shoe
12. Cementing Date		11-26-10					
13. • Drilled Hole Size		17 1/2					
• Est. % wash or hole enlargement							
14. Size of casing (in. O.D.)		13 3/8					
15. Top of liner (ft.)							
16. Setting depth (ft.)		976					
17. Number of centralizers used		10					
18. Hrs. Waiting on cement before drill-out		24					
1 st Slurry	19. API cement used: No. of sacks ▶	622					
	Class ▶	C					
	Additives ▶	Remark A					
2 nd Slurry	No. of sacks ▶	263					
	Class ▶	C					
	Additives ▶	NEAT					
3 rd Slurry	No. of sacks ▶						
	Class ▶						
	Additives ▶						
1st	20. Slurry pumped: Volume (cu. ft.) ▶	1468					
	Height (ft.) ▶	2113					
2nd	Volume (cu. ft.) ▶	350					
	Height (ft.) ▶	446					
3rd	Volume (cu. ft.) ▶						
	Height (ft.) ▶						
Total	Volume (cu. ft.) ▶	1818					
	Height (ft.) ▶	2559					
21. Was cement circulated to ground surface (or bottom of cellar) outside casing?		YES					

REMARK A: C+ 3% SALT+ .25#/SK CELLO FLAKE+2#/SK KOL SEAL+2.5% SMS
CIRCULATED =238 SACKS TO PIT

CEMENTING TO PLUG AND ABANDON	PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7	PLUG #8
23. Cementing date								
24. Size of hole or pipe plugged (in.)								
25. Depth to bottom of tubing or drill pipe (ft.)								
26. Sacks of cement used (each plug)								
27. Slurry volume pumped (cu. ft.)								
28. Calculated top of plug (ft.)								
29. Measured top of plug, if tagged (ft.)								
30. Slurry wt. (lb/gal)								
31. Type cement								

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

Trenton Avera Service Supervisor

Name and title of cementer's representative

BJ Services Company

Cementing Company

Signature

P.O. Box 4717

Address

Odessa,

City,

Texas

State,

79760

Zip Code

(432) 381-2301

Tel: Area Code

Number

11-26-10

Date: mo. day yr.

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

Cari Vaughn

Typed or printed name of operator's representative

Staff Reg. Analyst

Title

Cari Vaughn

Signature

P.O. Box 1330

Address

Houston

City,

Tx 77251

State,

Zip Code

832-636-1162

Tel.: Area Code

Number

3/30/11

Date: mo. day yr.

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

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

Form W-15
Cementing Report
Rev. 4/1/83
483-045

1. Operator's Name (As shown on Form P-5, Organization Report) <i>Anadarko Petroleum Corp</i>	2. RRC Operator No. <i>020572</i>	3. RRC District No. <i>08</i>	4. County of Well Site <i>REEVES</i>
5. Field Name (Wildcat or exactly as shown on RRC Records) <i>Phantom (Wolfcamp)</i>		6. API No. <i>4238932695</i>	7. Drilling Permit No. <i>704294</i>
8. Lease Name <i>MAKO STATE 2-32</i>	9. Rule 37 Case No.	10. Oil Lease/Gas ID No.	11. Well No. <i>1H</i>

CASING CEMENTING DATA:		SURFACE CASING	INTER-MEDIATE CASING	PRODUCTION CASING		MULTI-STAGE CEMENTING PROCESS	
				Single String	Multiple Parallel Strings	Tool	Shoe
12. Cementing Date		<i>12-1-2010</i>	<i>12-1-2010</i>				
13. • Drilled Hole Size			<i>12 7/8</i>				
• Est. % wash or hole enlargement							
14. Size of casing (in. O.D.)			<i>9 5/8</i>				
15. Top of liner (ft.)							
16. Setting depth (ft.)			<i>4315</i>				
17. Number of centralizers used			<i>24</i>				
18. Hrs. Waiting on cement before drill-out		<i>→</i>	<i>24</i>				
1 st Slurry	19. API cement used: No. of sacks ▶	<i>845</i>	<i>845</i>				
	Class ▶	<i>C</i>	<i>C</i>				
	Additives ▶	<i>Remarks #1</i>	<i>Remarks #1</i>				
2 nd Slurry	No. of sacks ▶	<i>269</i>	<i>269</i>				
	Class ▶	<i>C</i>	<i>C</i>				
	Additives ▶	<i>.25% R-21</i>	<i>.25% R-21</i>				
3 rd Slurry	No. of sacks ▶						
	Class ▶						
	Additives ▶						
1 st	20. Slurry pumped: Volume (cu. ft.) ▶	<i>1943</i>	<i>1943</i>				
	Height (ft.) ▶	<i>6013</i>	<i>6013</i>				
2 nd	Volume (cu. ft.) ▶	<i>357</i>	<i>357</i>				
	Height (ft.) ▶	<i>1142</i>	<i>1142</i>				
3 rd	Volume (cu. ft.) ▶						
	Height (ft.) ▶						
Total	Volume (cu. ft.) ▶	<i>2300</i>	<i>2300</i>				
	Height (ft.) ▶	<i>7155</i>	<i>7155</i>				
21. Was cement circulated to ground surface (or bottom of cellar) outside casing ?		<i>Yes</i>	<i>Yes</i>				
(22).Remarks #1 1.5%R-3 + 1/4# CELLO FLAKE + 2#/SK KOL-SEAL + 2.5% SODIUM METASILICATE + .005#/SK STATIC FREE+.005 GPS FP-131							
Remarks #2 10%R-21+.005 gps fp131							
CIRCULATED... 60 BBLS-146 SKS							

CEMENTING TO PLUG AND ABANDON	PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7	PLUG #8
23. Cementing date								
24. Size of hole or pipe plugged (in.)								
25. Depth to bottom of tubing or drill pipe (ft.)								
26. Sacks of cement used (each plug)								
27. Slurry volume pumped (cu. ft.)								
28. Calculated top of plug (ft.)								
29. Measured top of plug, if tagged (ft.)								
30. Slurry wt. (lb/gal)								
31. Type cement								

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

RENE MARTINEZ Service Supervisor

Name and title of cementer's representative

BJ Services Company

Cementing Company

Rene Martinez
Signature

P.O. Box 4717

Address

Odessa,

City,

Texas

State,

79760

Zip Code

(432) 381-2301

Tel: Area Code

Number

Date: mo. Day yr.

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

Cari Vaughn

Typed or printed name of operator's representative

Staff Reg. Analyst

Title

Cari Vaughn
Signature

P.O. Box 1330

Address

Houston Tx 77251

City,

State,

Zip Code

832-636-1162

Tel: Area Code

Number

3/30/11

Date: mo. day yr.

Instructions to Form W-15, Cementing Report

IMPORTANT: Operators and cementing companies must comply with the requirements of the Commission's Statewide Rules 8 (Water Protection), 13 (Casing, Cementing, Drilling, and Completion), and 14 (Well Plugging). For offshore operations, see the requirements of Rule 13 (c).

A. What to file. An operator should file an original and one copy of the completed Form W-15 for each cementing company used on a well. The cementing of different casing strings on a well by one cementing company may be reported on one form. Form W-15 should be filed with the following.

- An initial oil or gas completion report, Form W-2 or G-1, as required by Statewide or special field rules;
- Form W-4, Application for Multiple Completion, if the well is a multiple parallel casing completion; and
- Form W-3, Plugging Record, unless the W-3 is signed by the cementing company representative. When reporting dry holes, operators must complete Form W-15, in addition to Form W-3, to show any casing cemented in the hole.

B. Where to file. The appropriate Commission District Office for the county in which the well is located.

C. Surface Casing. An operator must set and cement sufficient surface casing to protect all usable-quality water strata, as defined by the Texas Department of Water Resources, Austin. Before drilling a well in any field or area in which no field rules are in effect or in which surface casing requirements are not specified in the applicable rules, an operator must obtain a letter from the Department of Water Resources stating the protection depth. Surface casing should not be set deeper than 200 feet below the specified depth without prior approval from the Committee.

D. Centralizers. Surface Casing must be centralized at the shoe, above and below a stage collar or diverting tool, if run, and through usable-quality water zones. In Non-deviated holes, a centralizer must be placed every fourth joint from the cement shoe to the ground surface or to the bottom of the cellar. All centralizers must meet API specifications.

E. Exceptions and alternative casing programs. The District Director may grant an exception to the requirements of Statewide Rule 13. In a written application, an operator must state the reason for the requested exception and outline an alternate program for casing and cementing through the protection depth for strata containing usable-quality water. The District Director may approve, modify, or reject a proposed program. An operator must obtain approval of any exception before beginning casing and cementing operations.

F. Intermediate and production casing. For specific technical requirements, operators should consult Statewide Rule 13 (3) and (4).

G. Plugging and abandoning. Cement plugs must be placed in the wellbore as required by Statewide Rule 14. The District Director may require additional cement plugs. For onshore or inland wells, a 10-foot cement plug must be placed in the top of the well, and the casing must be cut off three foot below the ground surface. All cement plugs, except the top plug, must have sufficient slurry volume to fill 100 feet of hole, plus ten percent for each 1,000 feet of depth from the ground surface to the bottom of the plug.

To plug and abandon a well, operators must use only cementers approved by the Director of Field Operations, Cementing companies, service companies or operators can qualify as approved cementers by demonstrating that they are able to mix and pump cement in compliance with Commission rules and regulations.

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

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

Form W-15
Cementing Report
Rev. 4/1/83
483-045

1. Operator's Name (As shown on Form P-5, Organization Report) ANADARKO PETROLEUM Corp	2. RRC Operator No. 020572	3. RRC District No. 08	4. County of Well Site REEVES
5. Field Name (Wildcat or exactly as shown on RRC Records) Phantom (Wolfcamp)		6. API No. 42-389-32695	7. Drilling Permit No. 704294
8. Lease Name MAKO STATE 2-32	9. Rule 37 Case No.	10. Oil Lease/Gas ID No.	11. Well No. 1H

CASING CEMENTING DATA:		SURFACE CASING	INTER-MEDIATE CASING	PRODUCTION CASING		MULTI-STAGE CEMENTING PROCESS	
				Single String	Multiple Parallel Strings	Tool	Shoe
12. Cementing Date			12/13/10				
13. • Drilled Hole Size			8 3/4				
• Est. % wash or hole enlargement							
14. Size of casing (in. O.D.)			7				
15. Top of liner (ft.)							
16. Setting depth (ft.)			10737				
17. Number of centralizers used			24				
18. Hrs. Waiting on cement before drill-out							
1 st Slurry	19. API cement used: No. of sacks ▶		324				
	Class ▶		C				
	Additives ▶		Remarks1				
2 nd Slurry	No. of sacks ▶		339				
	Class ▶		H				
	Additives ▶		Remarks2				
3 rd Slurry	No. of sacks ▶						
	Class ▶						
	Additives ▶						
1st	20. Slurry pumped: Volume (cu. ft.) ▶		1377				
	Height (ft.) ▶		6120				
2nd	Volume (cu. ft.) ▶		403				
	Height (ft.) ▶		1702				
3rd	Volume (cu. ft.) ▶						
	Height (ft.) ▶						
Total	Volume (cu. ft.) ▶		1780				
	Height (ft.) ▶		7822				
21. Was cement circulated to ground surface (or bottom of cellar) outside casing?			NO				
Remarks 1: C(60POZ:40C)+5#/SKLCM-1+0.8%ASA301+5%A10+4%SMS+1%BA10A+2.9%R-21+15#/SKCSE2+0.5%FL52A+4%MPA5							
Remarks 2: H+1.2%FL62+0.1%ASA301+0.15%SMS							

CEMENTING TO PLUG AND ABANDON	PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7	PLUG #8
23. Cementing date								
24. Size of hole or pipe plugged (in.)								
25. Depth to bottom of tubing or drill pipe (ft.)								
26. Sacks of cement used (each plug)								
27. Slurry volume pumped (cu. Ft.)								
28. Calculated top of plug (ft.)								
29. Measured top of plug, if tagged (ft.)								
30. Slurry wt. (lb/gal)								
31. Type cement								

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

Gerron McClure

Name and title of cementer's representative

BJ Services Company

Cementing Company

Signature

P.O. Box 4717

Address

Odessa,

City,

Texas

State,

79760

Zip Code

(432) 381-2301

Tel.: Area Code Number

12/13/2010

Date: mo. day yr.

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

Cari Vaughn

Typed or printed name of operator's representative

Staff Reg. Analyst

Title

Cari Vaughn

Signature

P.O. Box 1330

Address

Houston

City,

Tx 77251

State,

Zip Code

832-636-1162

Tel.: Area Code Number

3/30/11

Date: mo. day yr.

Instructions to Form W-15, Cementing Report

IMPORTANT: Operators and cementing companies must comply with the requirements of the Commission's Statewide Rules 8 (Water Protection), 13 (Casing, Cementing, Drilling, and Completion), and 14 (Well Plugging). For offshore operations, see the requirements of Rule 13 (c).

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- An initial oil or gas completion report, Form W-2 or G-1, as required by Statewide or special field rates;
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- Form W-3, Plugging Record, unless the W-3 is signed by the cementing company representative. When reporting dry holes, operators must complete Form W-15, in addition to Form W-3, to show any casing cemented in the hole.

B. Where to file. The appropriate Commission District Office for the county in which the well is located.

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RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

**ELECTRIC LOG
STATUS REPORT**

FORM L-1

Tracking No.: 16246

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

Instructions

When to File Form L-1:

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

When is Form L-1 NOT required:

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

Where to File Form L-1:

- with the appropriate Commission district office

Filling out Form L-1:

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

Type of log required:

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

SECTION I. IDENTIFICATION

Operator Name: ANADARKO PETROLEUM CORPORATION	District No. 08	Completion Date: 02/23/2011
Field Name PHANTOM (WOLFCAMP)	Drilling Permit No. 704294	
Lease Name MAKO STATE 2-32	Lease/ID No.	Well No. 1H
County REEVES	API No. 42- 389-32695	

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

☐ A. BASIC ELECTRIC LOG NOT RUN

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

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

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

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

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

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

Lease or ID No(s). _____

Well No(s). _____

Cari Vaughn

Signature

Name (print)

Staff Regulatory Analyst

Title

(832) 636-1162

Phone

04/06/2011

Date

-FOR RAILROAD COMMISSION USE ONLY-



Gamma Ray
Azimuthal Gamma Ray
Propagation Resistivity
Azimuthal Resistivity

INTEQ

Realtime Log

Company Anadarko Petroleum Corporation Well Mako State 2-32 No. 1H Field (Mako) County Reeves State Texas Country U.S.A.	Company				Anadarko Petroleum Corporation						
	Well				Mako State 2-32 No. 1H						
	Field				(Mako)						
	County				Reeves						
	State				Texas						
Country				U.S.A.							
Well Location:				Surface Location:				Other Services Directional			
Latitude:				31° 40' 22.372" N							
Longitude:				103° 38' 51.705" W							
API Number				SEC		TWP		RNG			
4238932695				NA		NA		NA			

Log Measured From	Drill Floor	25 ft.	Above Permanent Datum	Elevation KB	NA
Depth In	9600 ft.	MWD Start	09 Dec 2010	Permanent Datum	Elevation DF2722 ft.
Depth Out	10854 ft.	MWD End	17 Dec 2010	Mean Sea Level	Sea Bed/GL 2697 ft.

BOREHOLE RECORD			CASING RECORD		
Hole Diameter	From	To	Casing Size	From	To
8.75 in.	9600 ft.	10738 ft.	20 in.	Surface	36 ft.
6.125 in.	10738 ft.	10900 ft.	13.375 in.	36 ft.	972 ft.
			9.625 in.	972 ft.	4315 ft.
			7 in.	4315 ft.	10738 ft.

Drilling Contractor:	Precision	Rig:	104
1:1200			
TRUE VERTICAL DEPTH		FINAL PRINT	
Company Representative:	Wade Love	Manny Heald	
Field	Luke Moses	Calvin Jones	
Personnel:	Chris Russell	Toby Sanders	Job#: 3523651

STATEMENT OF PRODUCTIVITY OF ACREAGE
ASSIGNED TO PRORATION UNITS

Form P-15

Tracking No.: 16246

This facsimile P-15 was generated electronically
from data submitted to the RRC.

The undersigned states that he is authorized to make this statement; that he has knowledge of the facts concerning the ANADARKO PETROLEUM CORPORATION ,

OPERATOR

MAKO STATE 2-32 , No. 1H ; that such well is
LEASE WELL

completed in the PHANTOM (WOLFCAMP) Field, REEVES County,

Texas and that the acreage claimed, and assigned to such well for proration purposes as authorized by special rule and as shown on the attached certified plat embraces _____

640.0 acres which can reasonably be considered to be productive of hydrocarbons.

- CERTIFICATE -

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

Date 04/06/2011 Signature Cari Vaughn

Telephone (832) 636-1162 Title Staff Regulatory Analyst
AREA CODE

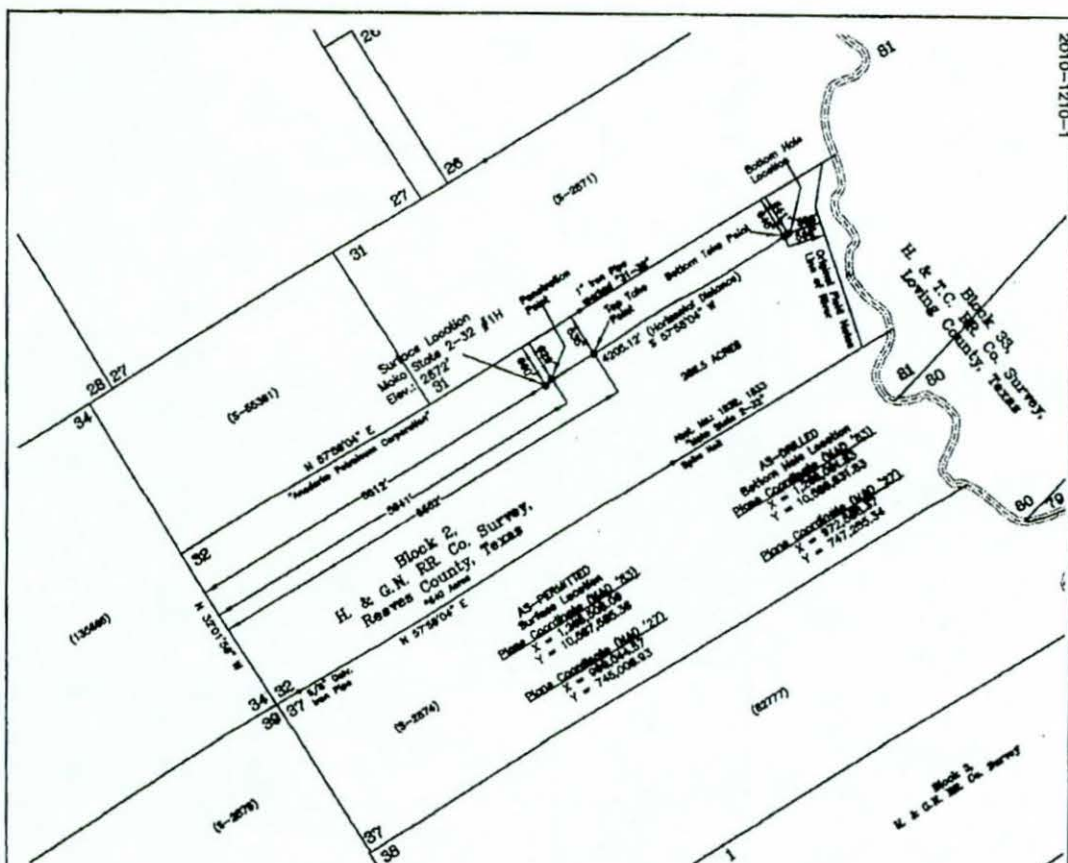
CERTIFICATE OF COMPLIANCE
AND TRANSPORTATION AUTHORITY

P-4

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

Tracking No.: 16246

1. Field name exactly as shown on proration schedule PHANTOM (WOLFCAMP)		2. Lease name as shown on proration schedule MAKO STATE 2-32					
3. Current operator name exactly as shown on P-5 Organization Report ANADARKO PETROLEUM CORPORATION		4. Operator P-5 no. 020572	5. Oil Lse/Gas ID no.	6. County REEVES	7. RRC district 08		
8. Operator address including city, state, and zip code ATTN FRANK A DAVIS PO BOX 1330 HOUSTON, TX 77251-1330		9. Well no(s) (see instruction E) 1H					
		10. Classification ☒ Oil ☐ Gas ☐ Other (see instruction A)			11. Effective Date 02/23/2011		
12. Purpose of Filing. (Complete section a or b below.) (See instructions B and G) a. Change of: ☐ operator ☐ oil or condensate gatherer ☐ gas gatherer ☐ gas purchaser ☐ gas purchaser system code ☐ field name from _____ ☐ lease name from _____ OR b. New RRC Number for: ☒ oil lease ☐ gas well ☐ other well (specify) _____ Due to: ☒ new completion or recompletion ☐ reclass oil to gas ☐ reclass gas to oil ☐ consolidation, unitization, or subdivision (oil lease only)							
13. Authorized GAS WELL GAS or CASINGHEAD GAS Gatherer(s) and/or Purchaser(s). (See instruction G).							
Gatherer	Purchaser	Name of GAS WELL GAS or CASINGHEAD GAS Gatherer(s) or Purchaser(s) As Indicated in Columns to the Left (Attach an additional sheet in same format if more space is needed)			Purchaser's RRC Assigned System Code	Percent of Take	Full-well stream
X		SOUTHERN UNION GAS SERVICES, LTD(805477)				100.0	
	X	ANADARKO ENERGY SERVICES COMPANY(020548)			0001	100.0	
14. Authorized OIL or CONDENSATE Gatherer(s). (See instruction G).							
Name of OIL or CONDENSATE Gatherer(s) - List Highest Volume Gatherer First (Attach an additional sheet in same format if more space is needed)						Percent of Take	
SHELL TRADING (US) COMPANY(774715)						100.0	
15. PREVIOUS OPERATOR CERTIFICATION FOR CHANGE OF OPERATOR P-4 FILING. Being the PREVIOUS OPERATOR, I certify that operating responsibility for the well(s) designated in this filing, located on the subject lease has been transferred in its entirety to the above named Current Operator. I understand, as Previous Operator, that designation of the above named operator as Current Operator is not effective until this certificate is approved by the Commission.							
Name of Previous Operator Name (print) Title				Signature ☐ Authorized Employee of previous operator ☐ Authorized agent of previous operator (see instruction G) Date Phone with area code			
16. CURRENT OPERATOR CERTIFICATION. By signing this certificate as the Current Operator, I certify that all statements on this form are true and correct and I acknowledge responsibility for the regulatory compliance of the subject lease including plugging of well(s) pursuant to Rule 14. I further acknowledge that I assume responsibility for the physical operation, control, and proper plugging of each well designated in this filing. I also acknowledge that I will remain designated as the Current Operator until a new certificate designating a new Current Operator is approved by the Commission.							
Name (print) Staff Regulatory Analyst Title cari.vaughn@anadarko.com E-mail Address (optional)				Signature Cari Vaughn ☐ Authorized Employee of current operator ☐ Authorized agent of current operator (see instruction G) 04/06/2011 Date (832) 636-1162 Phone with area code			



Date Surveyed: October 12, 2010
Weather: Mild & Sunny

As-drilled information provided by
Baker Hughes, report dated 12/28/2010

THE MAKO STATE 2-32 #1H IS LOCATED APPROXIMATELY 19.5 MILES NORTHWEST OF PECOS, TEXAS

**AS-PERMITTED
SURFACE HOLE LOCATION**
Geodetic Coordinates (NAD '83)
Latitude = 31°40'22.84" N
Longitude = 103°38'53.36" W

Geodetic Coordinates (NAD '27)
Latitude = 31°40'22.37" N
Longitude = 103°38'51.71" W

Decimal Degrees (NAD '27)
Latitude = 31.672551185° N
Longitude = 103.647895939° W

**AS-DRILLED
BOTTOM HOLE LOCATION**
Geodetic Coordinates (NAD '83)
Latitude = 31°40'46.11" N
Longitude = 103°38'13.03" W

Geodetic Coordinates (NAD '27)
Latitude = 31°40'45.84" N
Longitude = 103°38'11.37" W

Decimal Degrees (NAD '27)
Latitude = 31.679344656° N
Longitude = 103.638492146° W

NOTE:

- Coordinates, Bearings, Distances and Areas shown hereon are Lambert Grid and Conform to the "Texas Coordinate System", Texas Central Zone, North American Datum of 1983, Tri-Station Lindley, Ward County, Texas (N:10808316.42 E:1216572.62) having a Theta angle of -01°47'21.77" combined grid factor of 0.999825705.
- See information filed in the office of this Surveyor which describes the reconstruction of this Section.

Base Drawing: Reeves_Block1.dwg

I HEREBY CERTIFY THAT THIS PLAT WAS
FROM NOTES TAKEN IN THE FIELD IN A BONA
SURVEY MADE UNDER MY SUPERVISION.

MARCUS L. HOSTAS TEXAS R.P.L.S. No. 5643
J. FRANK NEWMAN TEXAS R.P.L.S. No. 5643
MACON McDONALD TEXAS R.P.L.S. No. 5643
R. CRAIG ALDERMAN TEXAS R.P.L.S. No. 5643

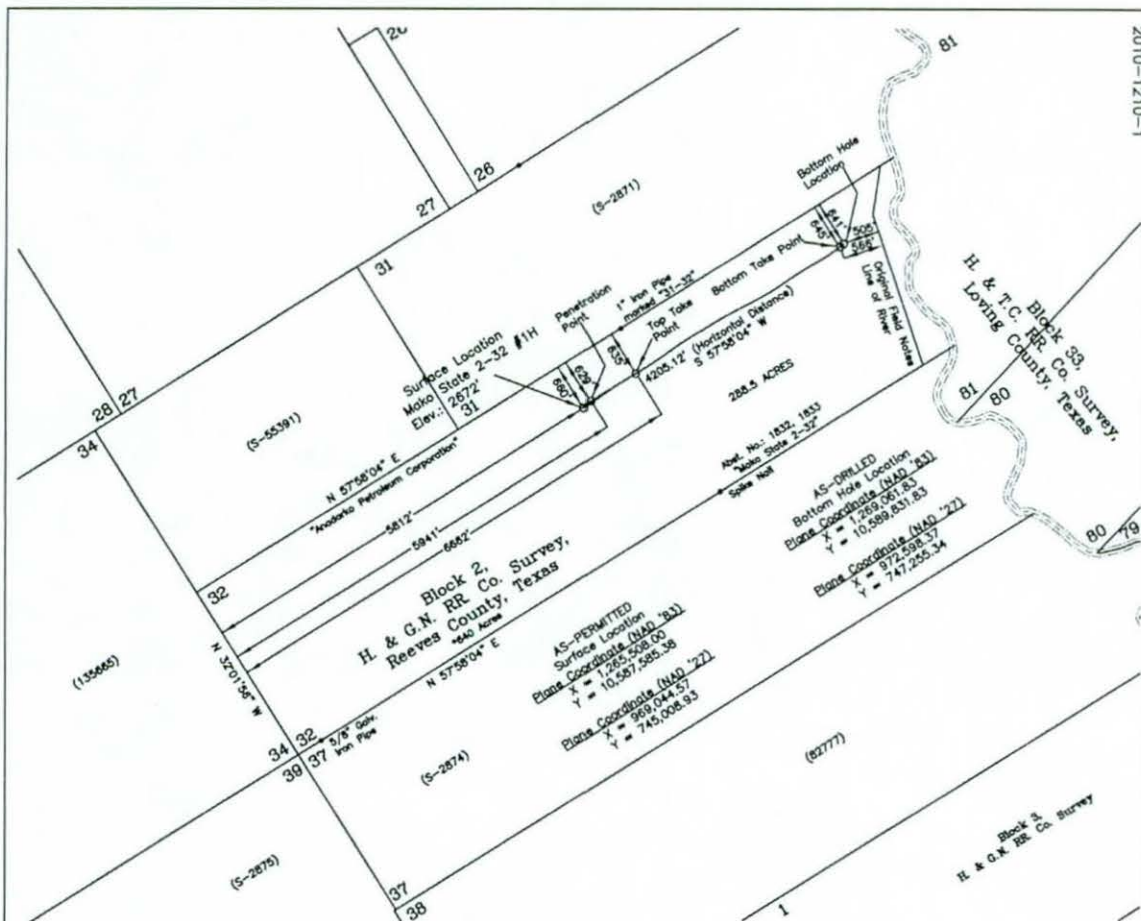
WEST COMPANY
of Midland, Inc.
110 W. LOUISIANA, STE. 110
MIDLAND TEXAS, 79701
(432) 687-0865 - (432) 687-0868 FAX

*Acreage as reported by
Anadarko Petroleum Corporation
2000 0 2000 4000
Graphic Scale in Feet

Anadarko
Petroleum Corporation

As-drilled Bottom Hole Location of the
Mako State 2-32 #1H
As-Permitted Surface Location of the
5812' PSWL and 660' PNWL
Section 32, Block 2,
H. & G.N. R.R. Company Survey
Reeves County, Texas

Drawn By: ML	Date: October 15, 2010
Scale: 1"=2000'	Field Book: A2 / 52-53
Revision Date: 11/10/2010	Quadrangle: Soda Lake SE
W.O. No: 2010-1210-1	Dwg. No.: 2010-1210-1.dwg



Date Surveyed: October 12, 2010
Weather: Mild & Sunny

As-drilled information provided by
Baker Hughes, report dated 12/28/2010

- LEGEND**
- - Denotes Proposed Well Location
 - ⊙ - Denotes Found Monument (As Described)
 - (F-12345) - Denotes General Land Office File No.

THE MAKO STATE 2-32 #1H IS LOCATED APPROXIMATELY 19.5 MILES NORTHWEST OF PECOS, TEXAS

**AS-PERMITTED
SURFACE HOLE LOCATION**
Geodetic Coordinate (NAD '83)
Latitude = 31°40'22.84" N
Longitude = 103°38'53.36" W

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Latitude = 31°40'22.37" N
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BOTTOM HOLE LOCATION**
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Base Drawing: Reeves_Block1.dwg

I HEREBY CERTIFY THAT THIS PLAT WAS MADE FROM NOTES TAKEN IN THE FIELD IN A BONA FIDE SURVEY MADE UNDER MY SUPERVISION.

MARCUS L. HOSTAS TEXAS R.P.L.S. No. 5643
J. FRANK NEWMAN TEXAS R.P.L.S. No. 5071
MACON McDONALD TEXAS R.P.L.S. No. 4398
R. CRAIG ALDERMAN TEXAS R.P.L.S. No. 5285

WEST COMPANY
of Midland, Inc.

110 W. LOUISIANA, STE. 110
MIDLAND TEXAS, 79701
(432) 687-0865 - (432) 687-0868 FAX

*Acreage as reported by
Anadarko Petroleum Corporation

2000 0 2000 4000

Graphic Scale in Feet

Anadarko
Petroleum Corporation

As-drilled Bottom Hole Location of the
Mako State 2-32 #1H
As-Permitted Surface Location of the
5812' FSWL and 660' FNWL
Section 32, Block 2,
H. & G.N. R.R. Company Survey
Reeves County, Texas

Drawn By: ML	Date: October 15, 2010
Scale: 1"=2000'	Field Book: A2 / 52-53
Revision Date: 11/10/2010	Quadrangle: Soda Lake SE
W.O. No: 2010-1210-1	Dwg. No.: 2010-1210-1.dwg

From: "Kennedy, Pat" <Pat.Kennedy@anadarko.com>
To: Linda Price <Linda.Price@GLO.TEXAS.GOV>
Date: 6/5/2013 10:29 AM
Subject: RE: MF112118
Attachments: MakoState2-32#1H (3).pdf; MakoState2-32#1H (5).pdf; MakoState2-32#1H.pdf

Linda,

Copies attached of completion paperwork for Mako State 2-32 1H. Let me know if additional information is needed.

Thanks,

Pat

-----Original Message-----

From: Linda Price [mailto:Linda.Price@GLO.TEXAS.GOV]
Sent: Wednesday, June 05, 2013 9:52 AM
To: Kennedy, Pat
Subject: MF112118

Pat:

The GLO has received a payment which the cover letter states is for the deep rights extension of State Lease MF112118. The lease tract is described as Section 32, Block 2, H & G N Ry Co. Survey and the lease well is the Mako State 2-32 #1H.

The State has never received copies of the well records filed with RRC as required by the TAC (Texas Administrative Code), nor do we find them available on the RRC website. Please email me a copy of the W-1, completion report, "As-Drilled" plat, clearly labeled as such and with the total length of the lateral typed on it, a Directional Survey showing the TVD and the P-4 for this well.

The lease cannot be evaluated for the extension until we receive those records.

Thank you.

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

File No. ME112118

(14)

Well Records & email: 42-389-326 95

Date Filed: 06/05/2013

Jerry E. Patterson, Commissioner

By JP

MEMO TO FILE MF112118

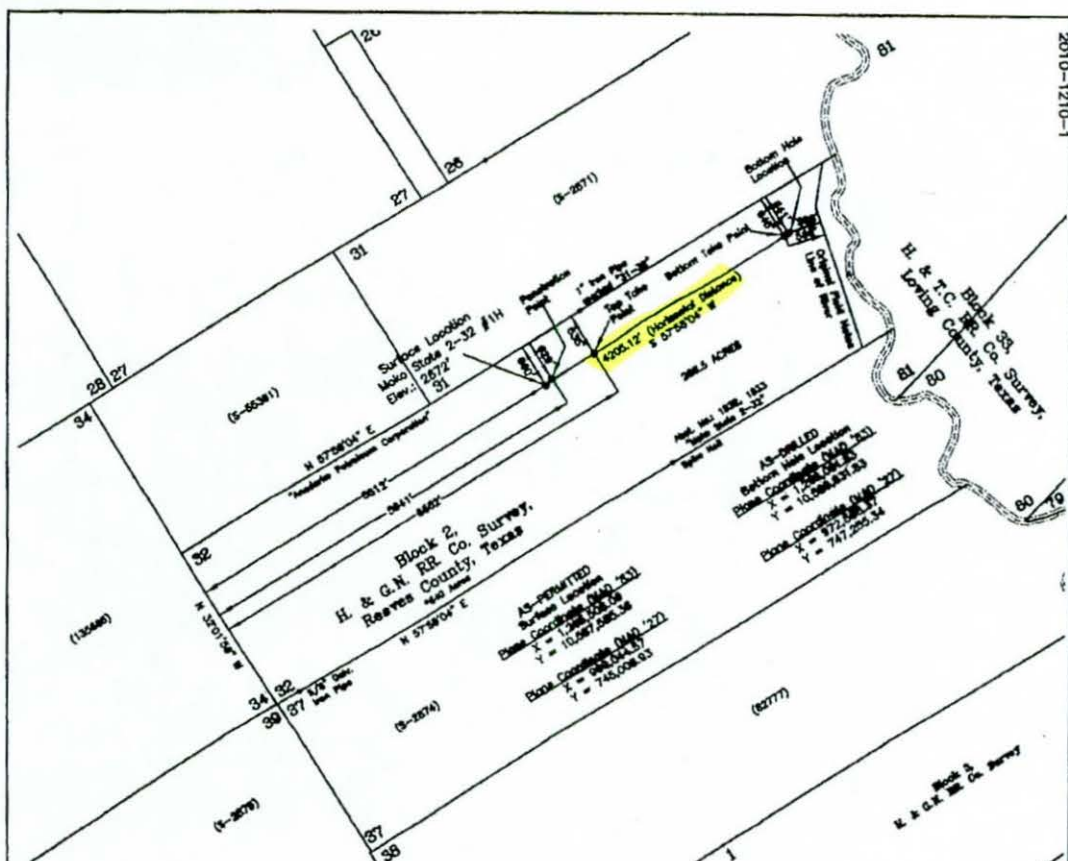
Date: 06/05/2013

From: Linda Price

RE: Deep Rights Extension

The lease well, the Mako State 2-32 #1H, was completed as a horizontal oil well in the Phantom (Wolfcamp) field. Under RRC Oil & Gas Docket 08-0274237, Rule 3a and b, the acreage assigned to a 3a)gas or an 3b)oil well proration unit is 320 acres with additional acreage allowed depending upon the length of the lateral. The lateral of the well is 4,205.12' (see attached plat), which allows for a maximum 640 acre proration unit. Therefore, by the terms of the Special Field Rules and under Paragraph VIII (A) [there are two Paragraph VIIIs on this agreement-this is in reference to the second one], all lease acres are held.

As provided for under Paragraph VIII (B) of the subject MPAA, (there are two Paragraph VIIIs on this agreement-this is in reference to the second one) Anadarko paid \$791,250.00, which is \$1,250.00 per acre times 633 acres on the unexpired lease acreage in order to extend the deep rights of the lease acreage for two additional years. The deep rights will expire July 18, 2015 unless there is production to hold the deep rights at that time.



Date Surveyed: October 12, 2010
Weather: Mild & Sunny

As-drilled information provided by
Baker Hughes, report dated 12/28/2010

LEGEND
○ - Denotes Proposed Well Location
● - Denotes Found Monument (As Described)
(F-12345) - Denotes General Land Office File No.

THE MAKO STATE 2-32 #1H IS LOCATED APPROXIMATELY 19.5 MILES NORTHWEST OF PECOS, TEXAS

AS-PERMITTED
SURFACE HOLE LOCATION
Geodetic Coordinates (NAD '83)
Latitude = 31°40'22.84" N
Longitude = 103°38'53.38" W

Geodetic Coordinates (NAD '27)
Latitude = 31°40'22.37" N
Longitude = 103°38'51.71" W

Decimal Degrees (NAD '27)
Latitude = 31.672551185° N
Longitude = 103.647895939° W

AS-DRILLED
BOTTOM HOLE LOCATION
Geodetic Coordinates (NAD '83)
Latitude = 31°40'46.11" N
Longitude = 103°38'13.03" W

Geodetic Coordinates (NAD '27)
Latitude = 31°40'45.64" N
Longitude = 103°38'11.37" W

Decimal Degrees (NAD '27)
Latitude = 31.679344656° N
Longitude = 103.638492146° W

NOTE:

- Coordinates, Bearings, Distances and Areas shown hereon are Lambert Grid and Conform to the "Texas Coordinate System", Texas Central Zone, North American Datum of 1983. Tri-Station Lindsey, Ward County, Texas (N:10808316.42 E:1216572.82) having a Theta angle of -01°47'21.77" combined grid factor of 0.999825705.

- See information filed in the office of this Surveyor which describes the reconstruction of this Section.

Base Drawing: Reeves_Block1.dwg

I HEREBY CERTIFY THAT THIS PLAT WAS
FROM NOTES TAKEN IN THE FIELD IN A BONA
SURVEY MADE UNDER MY SUPERVISION.

MARCUS L. HOSTAS TEXAS R.P.L.S. No. 5643
J. FRANK NEWMAN TEXAS R.P.L.S. No. 5643
MACON MCDONALD TEXAS R.P.L.S. No. 5643
R. CRAIG ALDERMAN TEXAS R.P.L.S. No. 5643

WEST COMPANY
of Midland, Inc.
110 W. LOUISIANA, STE. 110
MIDLAND TEXAS, 79701
(432) 887-0865 - (432) 887-0868 FAX

*Acreage as reported by
Anadarko Petroleum Corporation
2000 0 2000 4000
Graphic Scale in Feet

Anadarko
Petroleum Corporation

As-drilled Bottom Hole Location of the
Mako State 2-32 #1H
As-Permitted Surface Location of the
5812' FSWL and 660' PNWL
Section 32, Block 2,
H. & G.N. R.R. Company Survey
Reeves County, Texas

Drawn By: ML	Date: October 15, 2010
Scale: 1"=2000'	Field Book: A2 / 52-53
Revision Date: 11/10/2010	Quadrangle: Soda Lake SE
W.O. No: 2010-1210-1	Dwg. No.: 2010-1210-1.dwg

File No. MF112118

(15)

Memo To File re DRE

Date Filed: 06/05/2013

Jerry E. Patterson, Commissioner

By JEP

MEMO TO FILE MF112118

Date: 11/19/2013

From: Linda Price

RE: MPAA

The original lease for this interest was MF106117 (see copy of page 1 of original lease attached). The Mako State 2-32 #1H (API #: 42-389-32695) well was drilling over the end of the primary term, which expired January 17, 2011. Anadarko's extension application and payment were received on February 7, 2011. Anadarko requested, and the School Land Board approved, MPAA (MF112118) for Section 32, Block 2, H&GN Ry Co. "...in force and effect from January 18, 2011, until July 18, 2011, ...the 'primary term' and as long thereafter as hydrocarbons are produced in paying quantities...".

As provided for under Paragraph VIII (B) of the subject MPAA, (there are two Paragraph Vllls on this agreement-this is in reference to the second one) Anadarko paid \$791,250.00, which is \$1,250.00 per acre times 633 acres on the unexpired lease acreage in order to extend the deep rights of the lease acreage for two additional years. The deep rights will expire July 18, 2015 unless there is production to hold the deep rights at that time.

Well production for the period from October 2012 through September 2013 has been reported to the RRC (see attached reports).

The State of Texas



Austin, Texas

OIL AND GAS LEASE NO. M-106117

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

SECTION 32, BLOCK 2, H. & G. N. RY. CO. SURVEY, REEVES COUNTY, TEXAS, CONTAINING APPROXIMATELY 633 ACRES, AS SHOWN ON THE OFFICIAL MAP OF REEVES COUNTY, TEXAS NOW ON FILE IN THE TEXAS GENERAL LAND OFFICE, AUSTIN, TEXAS,

was, after being duly advertised, offered for lease on the 17th day of January, 2006, at 10:00 o'clock a.m., by the Commissioner of the General Land Office of the State of Texas and the School Land Board of the State of Texas, for the sole and only purpose of prospecting and drilling for, and producing oil and/or gas that may be found and produced from the above described area; and

WHEREAS, after all bids and remittances which were received up to said time have been duly considered by the Commissioner of the General Land Office and the School Land Board at a regular meeting thereof in the General Land Office, on the 17th day of January, 2006, hereinafter the "effective date" and it was found and determined that WL&T SERVICES whose address is P.O. BOX 1125, CAMERON, TEXAS 76502 had offered the highest and best bid for a lease of the area above described and is, therefore, entitled to receive a lease thereon:

NOW, THEREFORE, I, Jerry E. Patterson, Commissioner of the General Land Office of the State of Texas, hereinafter sometimes referred to as "Lessor," whose address is Austin, Texas, by virtue of the authority vested in me and in consideration of the payment by the hereinafter designated Lessee, the sum of One Million Five Hundred Eighty-Two Thousand Five Hundred Three and 00/100 Dollars (\$1,582,503.00), receipt of which is hereby acknowledged and of the royalties, covenants, stipulations and conditions contained and hereby agreed to be paid, observed and performed by Lessee, do hereby demise, grant, lease and let unto the above mentioned bidder the exclusive right to prospect for, produce and take oil and/or gas from the aforesaid area upon the following terms and conditions, to-wit:

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

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

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

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

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

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

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



Oil & Gas Data Query

[Query Menu](#) [Help](#)

Specific Lease Query Results

Query Path: [Search Criteria](#) > District: 08Date Range: Oct 2012 to Sep 2013 [Production and Total Disposition](#) [Disposition Details](#) [County Production](#)

Search Criteria:

Lease Name: MAKO STATE 2-32 , Lease No.: 41569

Well Type: Oil

District: 08

Lease Production and Disposition

Date Range: Oct 2012 - Sep 2013

11 - 12 of 12 results

[\[<<First\]](#) [\[<Previous\]](#) [\[Next>\]](#) [\[Last>>\]](#) | Page: 1 2 of 2

Date	OIL (BBL)		Casinghead (MCF)		Operator Name	Operator No.	
	Production	Disposition	Production	Disposition			
Aug 2013	759	803	1	1	ANADARKO E&P ONSHORE LLC	020528	PH.
Sep 2013	741	587	0	0			
Total	8,340	8,495	7,962	7,962			

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ONLINE SYSTEM

Oil & Gas Data Query

[Query Menu](#) [Help](#)

Specific Lease Query Results

Query Path: [Search Criteria](#) > District: 08Date Range: Oct 2012 to Sep 2013
[Production and Total Disposition](#) [Disposition Details](#) [County Production](#)

Search Criteria:

Lease Name: MAKO STATE 2-32 , Lease No.: 41569

Well Type: Oil

District: 08

Lease Production and Disposition

Date Range: Oct 2012 - Sep 2013

1 - 10 of 12 results

[\[<<First\]](#) [\[<Previous\]](#) [\[Next>\]](#) [\[Last>>\]](#) | Page: 1 2 of 2

Date	OIL (BBL)		Casinghead (MCF)		Operator Name	Open
	Production	Disposition	Production	Disposition		
Oct 2012	1,027	932	1,689	1,689	ANADARKO PETROLEUM CORPORATION	02
Nov 2012	712	898	956	956		
Dec 2012	653	506	1,248	1,248		
Jan 2013	472	565	1,341	1,341		
Feb 2013	667	848	90	90		
Mar 2013	807	804	1,326	1,326		
Apr 2013	230	260	428	428	ANADARKO E&P ONSHORE LLC	02
May 2013	575	660	622	622		
Jun 2013	917	823	179	179		
Jul 2013	780	809	82	82		

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File No. ME112118

(16)

Memo To File & Production Report

Date Filed: 11/19/2013

Jerry E. Patterson, Commissioner

By JP



January 29, 2014

VIA Overnight Mail

State of Texas
Commissioner of General Land Office
1700 Congress Ave.
Austin, TX 78701-1495

RE: Consent to Assignment
TX-000135622 Mineral Production Allocation Agreement
Lease dated effective January 18, 2011
Instrument Number M-112118
Mako State 2-32 1H Well
633 acres, Reeves County, Texas

Gentlemen:

Pursuant to Article XXII of that certain Mineral Production Allocation Agreement ("Agreement") number M-112118, Anadarko E&P Onshore LLC ("Anadarko"), a subsidiary of Anadarko Petroleum Corporation, requests consent to the partial assignment of a 59.42% working interest in the Agreement to SWEPI LP.

AGREEMENT SUMMARY:

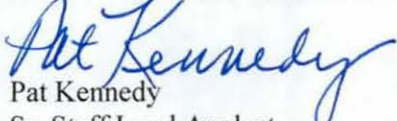
Lessor: School Land Board, executed by the
Commissioner of the GLO on behalf of the State of Texas
Lessee: Anadarko Petroleum Corporation
Effective Date: January 18, 2011
Recorded: Volume 876, Page 100, Reeves County, Texas Recorder's Office
Description: Section 32, Block 2, H&GN RR Co. Survey, Reeves County, Texas
Being 633 acres, more or less
Instrument No: M-112118

ASSIGNEE:

SWEPI LP
Attn: Mr. Cliff Pulpan
150C North Dairy Ashford
Houston, Texas 77079

Please indicate your consent to the partial assignment by executing in the space provided below. Feel free to contact the undersigned at 832-636-1578 with any questions you may have.

Sincerely,
ANADARKO E&P ONSHORE LLC


Pat Kennedy
Sr. Staff Land Analyst

Please indicate your consent by checking the appropriate box

- ☒ The State of Texas / Commissioner of General Land Office hereby CONSENTS to the partial assignment of a 59.42% working interest in the Agreement to SWEPI LP
- ☐ The State of Texas / Commissioner of General Land Office hereby DOES **NOT** CONSENT to the partial assignment of a 59.42% working interest in the Agreement to SWEPI LP

Agreed and accepted this _____ day of _____, 2014 by:

STATE OF TEXAS
COMMISSIONER OF GENERAL LAND OFFICE

Signature

Printed Name

Title



(17)

File No. M-112118
Ltr. From Anadarko

Date Filed: 10/29/14
Jerry E. Patterson, Commissioner

By [Signature]

10.29.14

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Anadarko E & P OIL SERVICE
Attn. Libby Kinder
PO Box 1330
Houston, TX.
77251-1330

2. Article Number

(Transfer from service label)

7011 1150 0001 2419 4551

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent☐ Addressee

B. Received by (Printed Name)

JAMES FELDER

C. Date of Delivery

D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ NoMF 112118
Lynn

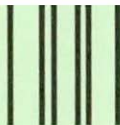
3. Service Type

☐ Certified Mail☐ Express Mail☐ Registered☐ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

UNITED STATES POSTAL SERVICE



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

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



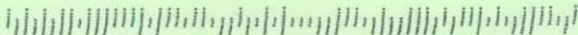
Texas General Land Office

Jerry Patterson, Commissioner

P.O. Box 12873

Austin, Texas 78711-2873

21510





Texas General Land Office

Reconciliation Billing

Jerry Patterson, Commissioner

PO Box 12873
Austin, TX 78711-2873
(800) 998-4456
7:30 - 5:30 M-F

Anadarko E&P Onshore LLC
Attn: Libby Kinder
PO Box 1330
Houston, TX 77251-1330

Billing Date: 11/7/2014
Billing Due Date: 12/7/2014
Customer Number: C000044444

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
15I00161	MF112118	\$0.00	\$938.28	\$121.44	\$45.45	\$1,105.17
Total Due		\$0.00	\$938.28	\$121.44	\$45.45	\$1,105.17

Penalty and interest have been calculated thru 11/30/2014. Payment remitted after 11/30/2014 will result in additional penalty and interest charges.

Contact Info: Lynn Buentgen (512) 475-1457 or lynn.buentgen@glo.texas.gov

NOTICE

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

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

Detach and return with payment

Reconciliation Billing

Anadarko E&P Onshore LLC

Billing Date: 11/7/2014

Billing Due Date: 12/7/2014

Customer Number: C000044444

Remit Payment To:

Texas General Land Office

PO Box 12873

Austin, TX 78711-2873

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
15I00161	MF112118	\$0.00	\$938.28	\$121.44	\$45.45	\$1,105.17
Total Due		\$0.00	\$938.28	\$121.44	\$45.45	\$1,105.17
Amt. Paid						

Customer ID: C000044444

Invoice Number:

GLO Lease: MF112118

GLO Review: ANADARKO E&P ONSHORE LLC

Review Period JAN 2013 Through DEC 2013

Auditor/AE: LBUENTGE

Billing Date: 11/7/2014

P&I Calculation Date: 11/30/2014

Royalty Rate: 27.00%

Month / Year	RRC Number	(1) Oil Volume	(2) Tract Participation Rate	(3) Price	(4) Gross Value	(5) Royalty Due	(6) Royalty Paid	(7) Additional Royalty Due	(8) Number of Days Late	(9) Interest Rate For Additional Royalty	(10) Penalty From Additional Royalty	(11) Interest From Additional Royalty	Revenue Due
					(1)x(2)x(3)	(4) * Royalty Rate							(7)+(10)+(11)
Feb-13	08-41569	17	1	81.36177	\$1,383.15	\$373.45	\$0.00	\$373.45	604	4.25%	\$37.35	\$23.70	\$434.50
Mar-13	08-41569	6	1	87.80899	\$526.85	\$142.25	\$0.00	\$142.25	574	4.25%	\$25.00	\$8.53	\$175.78
Jul-13	08-41569	3	1	100.8133	\$302.44	\$81.66	\$0.00	\$81.66	451	4.25%	\$25.00	\$3.73	\$110.39
Dec-13	08-41569	14	1	90.18952	\$1,262.65	\$340.92	\$0.00	\$340.92	298	4.25%	\$34.09	\$9.49	\$384.50
TOTALS		40			\$3,475.10	\$938.28	\$0.00	\$938.28			\$121.44	\$45.45	\$1,105.17

SALES VOLUMES REPORTED TO RRC WERE COMPARED TO SALES VOLUME REPORTED TO GLO. AS A RESULT OF THIS COMPARISON, IT HAS BEEN DETERMINED THAT THE VOLUME IN DRIP OIL HAS NOT BEEN REPORTED AND PAID TO GLO DURING JAN - DEC 2013.

COLUMN (1) VOLUME: REPRESENTS THE VOLUME IN DRIP OIL WHICH HAS NOT REPORTED FOR WELL # 08-41569.

COLUMN (3) PRICE: TAKEN FROM GLO PRODUCTION ROYALTY REPORT (GLO-1E) SUBMITTED TO GLO.

COLUMN (10), (11): SEE ATTACHMENT III, "SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES", FOR EXPLANATION OF PENALTY AND INTEREST CALCULATIONS.

CERTIFIED MAIL NUMBER: 7011 1150 0001 2419 4551

ATTENTION: Libby Kinder
Libby.Kinder@anadarko.com

File No. ME 112118 (18)

Reconciliation Billing

Date Filed: 12/5/14.

Jerry E. Patterson, Commissioner

By Nayda Ramirez



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

April 7, 2015

David C. Taylor
Anadarko E&P Onshore LLC
9950 Woodloch Forest Drive
Woodlands, Texas 77251

RE: GLO Assignment ID # 9310

Dear Mr. Taylor,

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

Term Assignment of Leasehold Rights, Bill of Sale and Conveyance, is effective July 14th, 2014 from ConocoPhillips Company, as assignor, to BHP Billiton Petroleum Properties (N.A.) L.P., as assignee, as filed for record in Reeves County, in volume 1097, page 693.

Please see attached "Exhibit A" for reference. Filing fees of \$150.00 were received in connection with the above assignment. Please feel free to contact me if you have any questions.

Best Regards,

Alberto Amesquita
Mineral Leasing
Energy Resources

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

P.O. Box 12873 • Austin, Texas 78711-2873

512.463.5001 • 800.998.4GLO

glo.texas.gov

Exhibit "A"

<i>GLO ID</i>		<i>County</i>	<i>Lease</i>
9310	Reeves		MF112118
9310	Reeves		MF112119
9310	Reeves		MF112120

Tuesday, April 07, 2015



December 23, 2014

SENT VIA EMAIL & OVERNIGHT DELIVERY

PO BOX 12873
Austin TX 78711-2873
ATTN: Mark Adams

Re: Partial Assignment of Oil and Gas Leases & Proof of Self-Insurance

Dear Mark,

Enclosed please find the following:

1. A certified copy of Partial Assignment of Oil and Gas Leases by and between Anadarko E&P Onshore LLC ("Anadarko") and SWEPI LP.

The leases assigned under this agreement are:

- Lessor: ST TX M-112118, Vol 876, Pg 100, Blk 2, Sec 32, Reeves County, TX
 - Lessor: ST TX-M112119, Vol 876, Pg 109, Blk 3, Sec 6, Reeves County, TX
 - Lessor: ST TX-M112120, Vol 876, Pg 118, Blk 54, Sec 10, Reeves County, TX
2. A check in the amount of \$150.00 (\$50.00 fee per lease).
 3. A letter stating Anadarko's proof of self-insurance. Please deliver this letter to Director Robert Hatter for further handling.

If you have any questions or concerns, please do not hesitate to contact the undersigned at (832) 636-2715.

Sincerely,

A handwritten signature in blue ink, appearing to read "David C. Taylor".

David C. Taylor, RPL

Landman – Delaware Basin
Anadarko E & P Onshore LLC
9950 Woodloch Forest Drive | The Woodlands, Texas 77380
Office: 832.636.1000 | Direct: 832.636.2715 | Fax: 832.636.5599

ANADARKO E&P ONSHORE LLC
PO BOX 1330
HOUSTON, TX 77251-1330

PAGE: 1 of 1

DATE: December 23, 2014
TRACE NUMBER: 626169478
CHECK NUMBER: 626169478
AMOUNT PAID: \$150.00

15705970



00008 CKS 6A 14357 - 0626169478 NNNNNNNNNN 3575100005503 X39291 C

GENERAL LAND OFFICE
COMMISSIONER STATE OF TEXAS
1700 N CONGRESS
AUSTIN TX 78701



VENDOR NO: 0007010348

DOCUMENT #	VENDOR INV #/ REMARKS	INVOICE DATE	TOTAL AMOUNT	DISCOUNT/ WITHHOLDING AMOUNT	NET AMOUNT
1300004497	PMTRQ122214	12/22/14	\$150.00	\$0.00	\$150.00
FILING FEE-PARTIAL ASSIGNMENT OF OIL AND GAS LEASES-MAKO STATE 2-32 2H AND 3H, REEVES COUNTY, TEXAS					
TOTALS			\$150.00	\$0.00	\$150.00

X
129



November 24, 2014

General Land Office
Attn: Minerals Leasing
1700 N. Congress Ave, Rom 600
Austin, Texas 78701

RE: Anadarko Petroleum Corporation, Self-Insurance

To Whom It May Concern:

In reference to the agreement between Anadarko Petroleum Corporation and the General Land Office and further to your request for Anadarko to provide you with evidence of \$1,000,000 in liability insurance coverage, I provide the following explanation which I trust you will find acceptable. Anadarko retains certain insurable risks, as do other companies of its size and in its peer group. Therefore, please accept this letter as confirmation that Anadarko's self-insurance will respond to the same extent as if an insurance policy had been purchased naming the General Land Office as an additional insured, but only to the extent of those liabilities assumed by Anadarko in the aforementioned agreement.

Anadarko Petroleum Corporation is among the largest independent oil and natural gas exploration and production companies in the world, is publicly traded on the New York Stock Exchange, and has maintained an S&P credit rating of at least BBB-. I trust that you will find Anadarko's financial strength more than adequate to fulfill any obligations that may arise out of the written agreement.

Should you have any questions or require further information, please do not hesitate to contact me directly at 832-636-2931.

Best regards,

A handwritten signature in blue ink that reads "Kristina Mobley". The signature is stylized, with the first name "Kristina" written in a cursive-like script and the last name "Mobley" in a more formal, slightly cursive script.

Kristina Mobley
Risk Analyst I, Risk Management
Anadarko Petroleum Corporation
1201 Lake Robbins Drive
The Woodlands, TX 77380
(832) 636-2931
Kristina.Mobley@anadarko.com

PARTIAL ASSIGNMENT OF OIL AND GAS LEASES

STATE OF TEXAS
COUNTY OF REEVES

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

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WITNESSETH:

THAT Anadarko E&P Onshore LLC, a Delaware limited liability company, whose address is P.O. Box 1330, Houston, Texas 77251-1330 ("Assignor"), for and in consideration of TEN DOLLARS (\$10.00) and other good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, does hereby ASSIGN, TRANSFER, SELL, GRANT and CONVEY unto SWEPI LP, a Delaware limited partnership, whose address is P. O. Box 576, Houston, Texas 77001-0576 ("Assignee"), its successors and assigns, subject to the reservations, exceptions, terms, covenants, and conditions below stated, an undivided fifty-nine point forty-two percent (59.42%) of Assignor's right, title and interest in and to the leases described on Exhibit "A" attached hereto (the "Leases"). The Leases and related real and personal property herein assigned shall be referred to as the "Property Interests".

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Assignor does hereby except from this Partial Assignment of Oil and Gas Leases ("this Partial Assignment") and reserve unto itself, its successors and assigns, the right of Assignor in and to any and all applicable easements, rights-of-way, surface contracts or other agreements relating to interests not assigned hereby, and which are necessary or convenient to the possession, exploration, production, operations and enjoyment of any such reserved and excepted interests, including but not limited to the right to drill and/or produce through the assigned Property Interests to reach and/or produce formations and depths not included in this Partial Assignment. [If applicable]

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This Partial Assignment is made by Assignor and accepted by Assignee subject to the following:

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1. All the terms, provisions and conditions of that certain Delaware Basin Participation Agreement dated effective March 31, 2007, by and between Assignor and Assignee (the "Agreement");
2. All interests, rights, duties and obligations previously reserved, either directly or indirectly, by those from whom Assignor acquired the Leases;
3. All operating agreements, letter agreements, farmouts, farmins, and/or any other agreement relating to the Property Interests and/or the sale of oil and gas that may be produced therefrom, whether executed by Assignor and/or its predecessors in title, and whether recorded or unrecorded; and
4. The interest acquired by Assignee bearing its proportionate share of all overriding royalties and other lease burdens in existence as of the effective date that Assignor acquired its interest.

Assignee expressly assumes its proportionate share of all responsibilities of and agrees to perform all of the express and implied obligations and covenants of the Leases, as well as any other contractual or statutory commitments and/or obligations appurtenant thereto, as if Assignee were the original Lessee to the Leases, or an original party to the agreements.

THIS PARTIAL ASSIGNMENT IS MADE WITH WARRANTY OF TITLE BY, THROUGH AND UNDER ASSIGNOR, BUT NOT OTHERWISE, AND ASSIGNOR ASSIGNS TO ASSIGNEE THE WARRANTIES WHICH WERE MADE TO ASSIGNOR AND ASSIGNOR'S PREDECESSORS. THIS PARTIAL ASSIGNMENT IS MADE WITHOUT ANY OTHER REPRESENTATION OR WARRANTY OF ANY TYPE WHATSOEVER, EITHER STATUTORY OR IMPLIED, INCLUDING BUT NOT LIMITED TO WARRANTY OF FITNESS FOR ANY PURPOSE, CONDITIONS OR MERCHANTABILITY, AND WITHOUT WARRANTY OF ANY KIND OR NATURE WHATSOEVER RELATING TO THE PHYSICAL, OPERATIONAL OR ENVIRONMENTAL CONDITION OF THE PROPERTY INTERESTS ASSIGNED HEREUNDER; HOWEVER, ASSIGNOR AGREES TO BE RESPONSIBLE FOR ANY AND ALL NOTICES, CONSENTS OR ANY OTHER REQUIREMENTS NECESSARY TO THIS ASSIGNMENT.

The terms and provisions of this Partial Assignment shall extend to and bind the respective heirs, successors, representatives, and assigns of Assignor and Assignee.

In the event of a conflict between this Partial Assignment and the Agreement, the Agreement shall control.

This instrument may be executed in counterpart, but shall not bind any party hereto unless and until it is executed by all parties hereto.

IN WITNESS WHEREOF, this Partial Assignment is executed by Assignor and Assignee as of the respective acknowledgement dates set out below, but after execution by all parties, shall be effective for all purposes as of January 18, 2011, (the "Effective Date").

ASSIGNOR

ANADARKO E&P ONSHORE LLC

By:

Lindsay Jaffee
Agent and Attorney-in-Fact

ASSIGNEE

SWEPI LP

By:

Clifford A. Pulpan
Attorney-in-Fact

ACKNOWLEDGMENTS

STATE OF TEXAS

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COUNTY OF MONTGOMERY

This instrument was acknowledged before me on this 19th day of February, 2014, by Lindsay Jaffee, as Agent and Attorney-in-Fact, for ANADARKO E&P ONSHORE LLC, a Delaware limited liability company, on behalf of said company.



Patricia A. Kennedy
Signature

PATRICIA A. KENNEDY
Name (Print)

My commission expires: 12-18-14

STATE OF TEXAS

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COUNTY OF HARRIS

This instrument was acknowledged before me on this 25th day of February, 2014, by Clifford A. Pulpan, as Attorney-in Fact for SWEPI LP, a Delaware limited partnership, on behalf of said limited partnership.

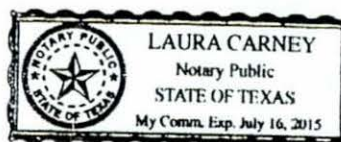


True and Correct
copy of
Original filed in
Reeves County
Clerks Office

Laura Carney
Signature

Laura Carney
Name (Print)

My commission expires: 7-16-2015



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VOL 1061 PG 0356

EXHIBIT "A"

Attached to and made a part of that certain Partial Assignment of Oil and Gas Leases dated effective January 18, 2011, by and between Anadarko E&P Onshore LLC, as Assignor and SWEPI LP, as Assignee.

APC LEASE NUMBER	LESSOR	LESSEE	LEASE DATE	VOL	PAGE	COUNTY	STATE	LEGAL
TX-000135622	ST TX M-112118	ANADARKO PETROLEUM CORPORATION	1/18/2011	876	100	REEVES	TX	Section 32, Block 2, H&GN Ry. Co. Survey
TX-000135623	ST TX M-112119	ANADARKO PETROLEUM CORPORATION	1/18/2011	876	109	REEVES	TX	Section 6, Block 3, H&GN Ry. Co. Survey
TX-000135624	ST TX M-112120	ANADARKO PETROLEUM CORPORATION	1/18/2011	876	118	REEVES	TX	Section 10, Block 54, -4S, T&P Ry. Co. Survey

[End of Exhibit "A"]

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



Inst No. 14-02208
DIANNE O. FLOREZ
COUNTY CLERK
2014 Mar 14 at 02:46 PM
REEVES COUNTY, TEXAS
By: SV *Sarah Viquez* DEPUTY

47.02.07

19

File No. MF112118
Assignment #9310 Concho Phillips
County
to BHP Billiton Petro
Date Filed: 12.30.14
George P. Bush, Commissioner
By da

12.30.14

THE STATE OF TEXAS
COUNTY OF REEVES
I, Dianne O. Florez, Clerk of the County Court in and
for said County and State do hereby certify that the foregoing is a true and correct copy of
Partial Assignment of oil and gas lease dated January 18, 2011
Filed for record in my office this 14 day of March at
246P M, under Clerk's File No. 14-02208, to be recorded in the
Official Public Records
Records of Reeves County, Texas.
TO CERTIFY WHICH, Witness my hand and official seal at Pecos, Texas
this 24th day of November, 2014.
By Dianne O. Florez Deputy.
DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

PERMIT NUMBER 801017	DATE PERMIT ISSUED OR AMENDED Dec 11, 2014	DISTRICT * 08			
API NUMBER 42-389-34691	FORM W-1 RECEIVED Dec 02, 2014	COUNTY REEVES			
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Horizontal	ACRES 632.74			
OPERATOR ANADARKO E&P ONSHORE LLC ATTN FRANK A. DAVIS PO BOX 1330 HOUSTON, TX 77251-1330		NOTICE This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. District Office Telephone No: (432) 684-5581			
LEASE NAME MAKO STATE 2-32		WELL NUMBER 2H			
LOCATION 18.21 miles SE direction from ORLA		TOTAL DEPTH 14000			
Section, Block and/or Survey SECTION ◀ 32 BLOCK ◀ 2 ABSTRACT ◀ 1832 SURVEY ◀ H&GN RR CO					
DISTANCE TO SURVEY LINES 310 ft. SW 725 ft. NW		DISTANCE TO NEAREST LEASE LINE 467 ft.			
DISTANCE TO LEASE LINES 310 ft. SW 725 ft. NW		DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below			
FIELD(s) and LIMITATIONS: * SEE FIELD DISTRICT FOR REPORTING PURPOSES *					
FIELD NAME LEASE NAME		ACRES NEAREST LEASE	DEPTH NEAREST LEASE	WELL # NEAREST WE	DIST
PHANTOM (WOLFCAMP) MAKO STATE 2-32		632.74 467	14,000	2H 168	08
WELLBORE PROFILE(s) FOR FIELD: Horizontal					
RESTRICTIONS: Permitted for oil only. Lateral: TH1 Penetration Point Location Lease Lines: 310.0 F SW L 725.0 F NW L Terminus Location BH County: REEVES Section: 32 Block: 2 Abstract: 1833 Survey: H&GN RR CO Lease Lines: 467.0 F NW L 10165.0 F SW L Survey Lines: 467.0 F NW L 10165.0 F SW L					
THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS					
This well shall be completed and produced in compliance with applicable special field or statewide spacing and density rules. If this well is to be used for brine mining, underground storage of liquid hydrocarbons in salt formations, or underground storage of gas in salt formations, a permit for that specific purpose must be obtained from Environmental Services prior to construction, including drilling, of the well in accordance with Statewide Rules 81, 95, and 97.					

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

PERMIT NUMBER 801017	DATE PERMIT ISSUED OR AMENDED Dec 11, 2014	DISTRICT * 08
API NUMBER 42-389-34691	FORM W-1 RECEIVED Dec 02, 2014	COUNTY REEVES
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Horizontal	ACRES 632.74
OPERATOR ANADARKO E&P ONSHORE LLC ATTN: FRANK A. DAVIS PO BOX 1330 HOUSTON, TX 77251-1330		020528 NOTICE This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. District Office Telephone No: (432) 684-5581
LEASE NAME MAKO STATE 2-32		WELL NUMBER 2H
LOCATION 18.21 miles SE direction from ORLA		TOTAL DEPTH 14000
Section, Block and/or Survey SECTION ◀ 32 BLOCK ◀ 2 ABSTRACT ◀ 1832 SURVEY ◀ H&GN RR CO		
DISTANCE TO SURVEY LINES 310 ft. SW 725 ft. NW		DISTANCE TO NEAREST LEASE LINE 467 ft.
DISTANCE TO LEASE LINES 310 ft. SW 725 ft. NW		DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below
FIELD(s) and LIMITATIONS: * SEE FIELD DISTRICT FOR REPORTING PURPOSES *		
FIELD NAME LEASE NAME		ACRES DEPTH WELL # DIST NEAREST LEASE NEAREST WE
This well must comply to the new SWR 3.13 requirements concerning the isolation of any potential flow zones and zones with corrosive formation fluids. See approved permit for those formations that have been identified for the county in which you are drilling the well in.		

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

REEVES (389) County

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

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

20
File No. MF 112118
perm 389-37691

Date Filed: 12-11-17
Jerry E. Patterson, Commissioner
By JEP

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

PERMIT NUMBER 801019	DATE PERMIT ISSUED OR AMENDED Dec 11, 2014	DISTRICT * 08
API NUMBER 42-389-34712	FORM W-1 RECEIVED Dec 02, 2014	COUNTY REEVES
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Horizontal	ACRES 632.74
OPERATOR ANADARKO E&P ONSHORE LLC ATTN FRANK A. DAVIS PO BOX 1330 HOUSTON, TX 77251-1330		NOTICE This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. District Office Telephone No: (432) 684-5581
LEASE NAME MAKO STATE 2-32		WELL NUMBER 3H
LOCATION 18.21 miles SE direction from ORLA		TOTAL DEPTH 14000
Section, Block and/or Survey SECTION ◀ 32 BLOCK ◀ 2 ABSTRACT ◀ 1832 SURVEY ◀ H&GN RR CO		
DISTANCE TO SURVEY LINES 750 ft. NW 310 ft. SW		DISTANCE TO NEAREST LEASE LINE 567 ft.
DISTANCE TO LEASE LINES 750 ft. NW 310 ft. SW		DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below
FIELD(s) and LIMITATIONS: * SEE FIELD DISTRICT FOR REPORTING PURPOSES *		
FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH NEAREST LEASE
PHANTOM (WOLFCAMP) MAKO STATE 2-32	632.74 567	14,000 272
WELLBORE PROFILE(s) FOR FIELD: Horizontal		
RESTRICTIONS: Permitted for oil only. Lateral: TH1 Penetration Point Location Lease Lines: 750.0 F NW L 310.0 F SW L Terminus Location BH County: REEVES Section: 32 Block: 2 Abstract: 1833 Survey: H&GN RR CO Lease Lines: 907.0 F NW L 433.0 F NE L Survey Lines: 907.0 F NW L 10140.0 F SW L		
THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS This well shall be completed and produced in compliance with applicable special field or statewide spacing and density rules. If this well is to be used for brine mining, underground storage of liquid hydrocarbons in salt formations, or underground storage of gas in salt formations, a permit for that specific purpose must be obtained from Environmental Services prior to construction, including drilling, of the well in accordance with Statewide Rules 81, 95, and 97.		

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

PERMIT NUMBER 801019	DATE PERMIT ISSUED OR AMENDED Dec 11, 2014	DISTRICT * 08										
API NUMBER 42-389-34712	FORM W-1 RECEIVED Dec 02, 2014	COUNTY REEVES										
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Horizontal	ACRES 632.74										
OPERATOR ANADARKO E&P ONSHORE LLC ATTN: FRANK A. DAVIS PO BOX 1330 HOUSTON, TX 77251-1330		020528 NOTICE This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. District Office Telephone No: (432) 684-5581										
LEASE NAME MAKO STATE 2-32		WELL NUMBER 3H										
LOCATION 18.21 miles SE direction from ORLA		TOTAL DEPTH 14000										
Section, Block and/or Survey SECTION ◀ 32 BLOCK ◀ 2 ABSTRACT ◀ 1832 SURVEY ◀ H&GN RR CO												
DISTANCE TO SURVEY LINES 750 ft. NW 310 ft. SW		DISTANCE TO NEAREST LEASE LINE 567 ft.										
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FIELD(s) and LIMITATIONS: * SEE FIELD DISTRICT FOR REPORTING PURPOSES *												
<table style="width: 100%; border: none;"> <tr> <td style="width: 60%;">FIELD NAME</td> <td style="width: 10%;">ACRES</td> <td style="width: 10%;">DEPTH</td> <td style="width: 10%;">WELL #</td> <td style="width: 10%;">DIST</td> </tr> <tr> <td>LEASE NAME</td> <td>NEAREST LEASE</td> <td></td> <td>NEAREST WE</td> <td></td> </tr> </table> This well must comply to the new SWR 3.13 requirements concerning the isolation of any potential flow zones and zones with corrosive formation fluids. See approved permit for those formations that have been identified for the county in which you are drilling the well in.			FIELD NAME	ACRES	DEPTH	WELL #	DIST	LEASE NAME	NEAREST LEASE		NEAREST WE	
FIELD NAME	ACRES	DEPTH	WELL #	DIST								
LEASE NAME	NEAREST LEASE		NEAREST WE									

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

REEVES (389) County

Formation	Shallow Top	Deep Top	Remarks	Geological Order	Effective Date
FORD-DELAWARE	2,500	2,500		1	12/17/2013
CASTILLE	2,800	2,800		2	12/17/2013
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DELAWARE	2,500	5,700		4	12/17/2013
DELAWARE CONSOLIDATED GAS	6,500	6,500		5	12/17/2013
CHERRY CANYON	3,800	7,800		6	12/17/2013
BONE SPRINGS	7,500	9,800		7	12/17/2013
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ELLENBURGER	15,000	20,800		14	12/17/2013

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<http://www.rrc.state.tx.us/oil-gas/compliance-enforcement/rule-13-geologic-formation-info>

21
File No. MF 112118
permif 389-39712

Date Filed: 12-11-17
Jerry E. Patterson, Comissioner
By JP

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

INSTRUCTIONS TO PAYEE:

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

INSTRUCTIONS TO DEPOSITORY:

In case of any difficulty, promptly communicate with the rental section of Land Administration of this company at 1-800-359-1692 Option 6, explaining the circumstances and further instructions will be given.

Lease Number: 1319395000

DEPOSIT TO THE CREDIT OF	BA NUMBER	CHECK DATE	CHECK NUMBER	AMOUNT
STATE OF TEXAS GENERAL LAND OFFICE	LA45678203	Jun-02-2015	50007530	***\$12,660.00*

M-112118SHUT-IN PMT FOR DEEP RTSMako STATE 2-32 2HJ007
7/01

42 38934691
08-41569

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DETACH STUB AND RETAIN FOR YOUR RECORDS

THE FACE OF THIS DOCUMENT HAS A BLUE BACKGROUND AND A TRUE WATERMARK. HOLD AT AN ANGLE TO VIEW. DO NOT ACCEPT OR CASH IF THESE FEATURES ARE NOT PRESENT.

ANADARKO E&P ONSHORE LLC

JPMorgan Chase Bank, N.A.
Dearborn, MI 74-1292
724

LEASE NUMBER	LEASE DATE	MONTHS PAID FOR	FOR PERIOD BEGINNING	ACRES PAID FOR	LESSOR REFERENCE
1319395000	01-18-2011	12	07-01-2015	633	

Shut-In Royalty
BOOK: 876 PAGE: 100 RECEPTION #: 2425
Reeves TX

ST TX M-112118 (MINERAL PRODUCTION AGMT)

PAY EXACTLY **\$12,660dols00cts**

CHECK NO.	50007530
CHECK DATE	06-02-2015

AMOUNT	***\$12,660.00*
--------	-----------------

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

Auth. Rep.

AUTHORIZED REPRESENTATIVE(S) OF THE COMPANY

⑈ 50007530 ⑈

File No. MF 112118
Shut in Payment County

Date Filed: 6/8/15
George P. Bush, Commissioner
By SSD

OSBORN, GRIFFITH & HARGROVE

ATTORNEYS AT LAW
515 CONGRESS AVENUE, SUITE 2450
AUSTIN, TEXAS 78701

512/476-3529
FACSIMILE:
512/476-8310

WILLIAM S. OSBORN
ANA MARIA MARSLAND-GRIFFITH
ROBERT G. HARGROVE

ON
HOLD
D. CHRISTIAN
REVISING IT
(NARRATIVE)

ELMER F. PATMAN
(1907-1987)
PHILIP F. PATMAN
(1937-2005)

February 22, 2016

Mr. Matthew Scott
Energy Division
General Land Office of the State of Texas
1700 Congress Avenue
Austin Texas 78701

Via Hand Delivery

Re: Request of Anadarko E & P Onshore LLC for Permission Under 31 TAC Rule 9.35(a)(3) for Facilities in the Phantom (Wolfcamp) Field, Loving, Reeves and Ward Counties, Texas.

Dear Mr. Scott,

Anadarko E & P Onshore LLC (AEP) requests permission pursuant to 31 TAC Rule 9.35(a)(3) for the configuration and flow of certain surface facilities from wells identified as the Mako State 2-32 Lease in which the State of Texas has interests, which are or will be producing from the Phantom (Wolfcamp) Field. A narrative description of the separation, measurement and allocation of gas and condensate general area plat is attached as Exhibit A. A plat showing the location of the subject wells is attached as Exhibit B. A copy of the flow schematic showing the facilities and process is attached as Exhibit C. We are also enclosing a copy of the table of wells identified as the Commingling Form you have asked us to use as Exhibit D.

AEP seeks to modify the facilities for wells on the identified state properties in the Phantom (Wolfcamp) Field as shown on the proposed flow schematic to flow production through a dedicated three phase production separator for each well. The gas streams from the wells are combined downstream of separation and initial measurement, as are the liquid hydrocarbon streams at a central processing facility identified as Mako State 2-32 Tank Battery Facility on Exhibit A. As the narrative indicates, this commingling request is necessary because fluids from a non-state lease will be commingled as shown, with production from wells in which the state has interests.

If you have any questions or require additional information, please feel free to contact me.

Sincerely,



Ana Maria Marsland-Griffith

91.33.7

Exhibit A

Description of the Separation, Measurement and Allocation of Gas and Oil at the Mako State 2-32 Tank Battery Facility

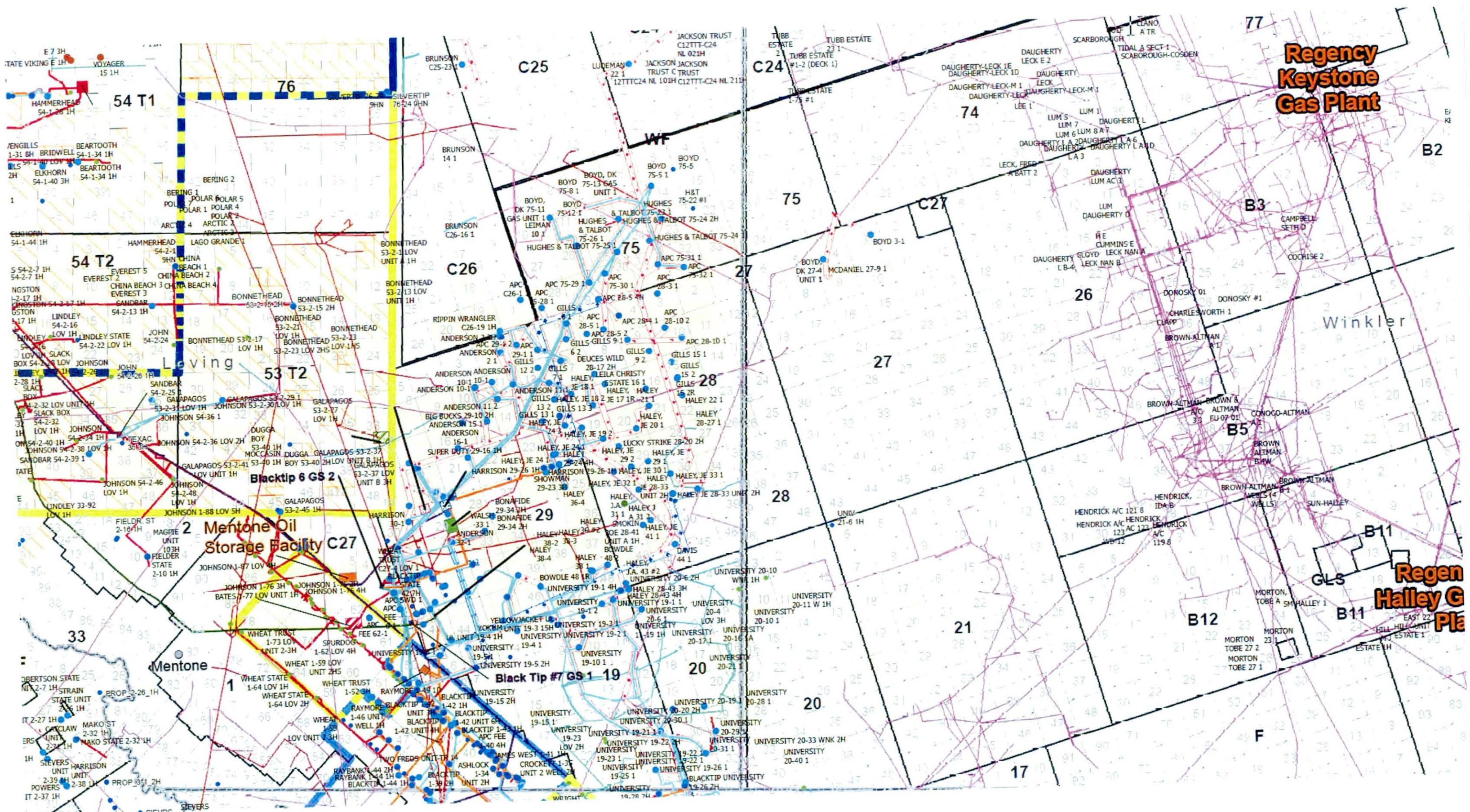
Anadarko's Mako State 2-32 Tank Battery central separation and measurement facility is intended to process production from wells drilled on the Mako State 2-32 Lease and the Catclaw Unit 2-31. To date, only two wells have been drilled on the Mako State 2-32 Lease and one well has been drilled on the Catclaw Unit 2-31. The Mako State Lease has been producing since March 2011 from the #1H well. The #1H well produces through a single well facility and does not flow to the Mako State 2-32 Tank Battery facility and is not part of the following discussion. The #2H well began producing in June 2015 and is the only well on the Mako State 2-32 lease that is producing through the Mako State 2-32 Tank Battery facility. The Catclaw Unit 2-31#1H is expected to begin producing in March 2016. The attached plat (titled Exhibit B) shows the outline of the leases, the wells surface locations/paths, and the location of the Mako State 2-32 Tank Battery facility.

The attached facility diagram (titled Exhibit C) shows how the separation and measurement equipment will be configured. Note that each well will be served by a dedicated 3-phase production separator. Each of the 3-phase separators is equipped with an orifice tube gas meter that will measure the gas stream and with a coriolis type meter that will measure the oil stream. This ensures that the gas and the oil production from each well is separated and measured to custody transfer quality prior to being combined or commingled. The gas streams from the two wells are combined downstream of initial separation and measurement. The oil streams from the two wells are combined and travel through a heater-treater where small quantities of additional gas are liberated and flow directly into the same pipeline as the gas from the 3-phase separators.

Gas from the Mako State 2-32 Tank Battery facility is processed by Energy Transfer's JAL Complex. The residue gas volume and recovered NGL's are allocated back to the facility by volume and quality. The gas volume and quality allocated to the facility is then allocated back to each well/lease based on the gas volume measured by the orifice tube meter and gas analysis of the gas stream from each separator.

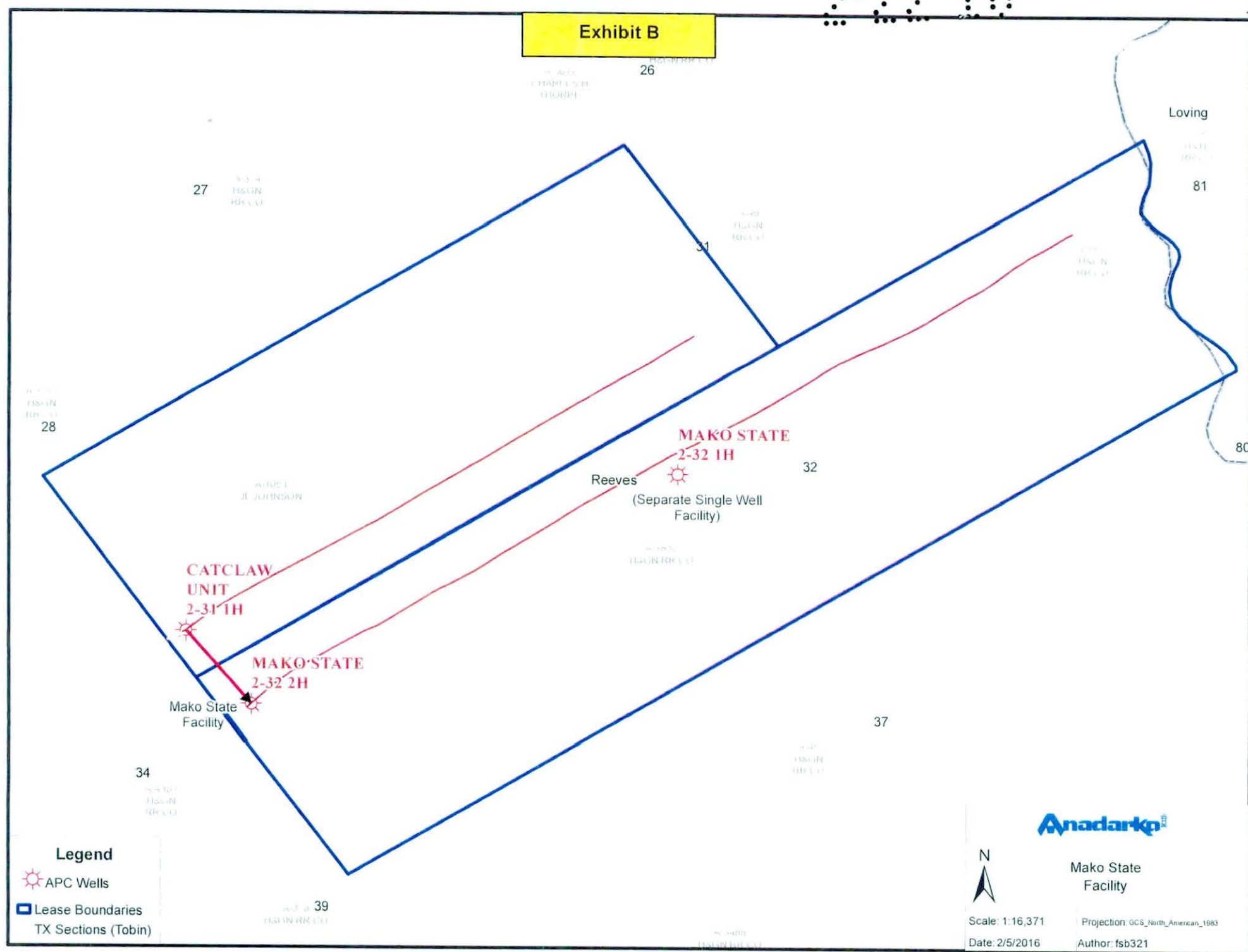
The oil stream from the heater-treater flows into tanks for custody transfer by truck. The volume of oil from the tanks is allocated back to each well in proportion to the oil volume measured by the coriolis meters on each separator.

In the future additional wells may be drilled on each lease. Each well will have its own 3-phase separator for custody quality measurement. These separators will be set on the Mako State Tank Battery facility.



2016

Exhibit B



Loving

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Legend

- APC Wells
- Lease Boundaries
- TX Sections (Tobin)



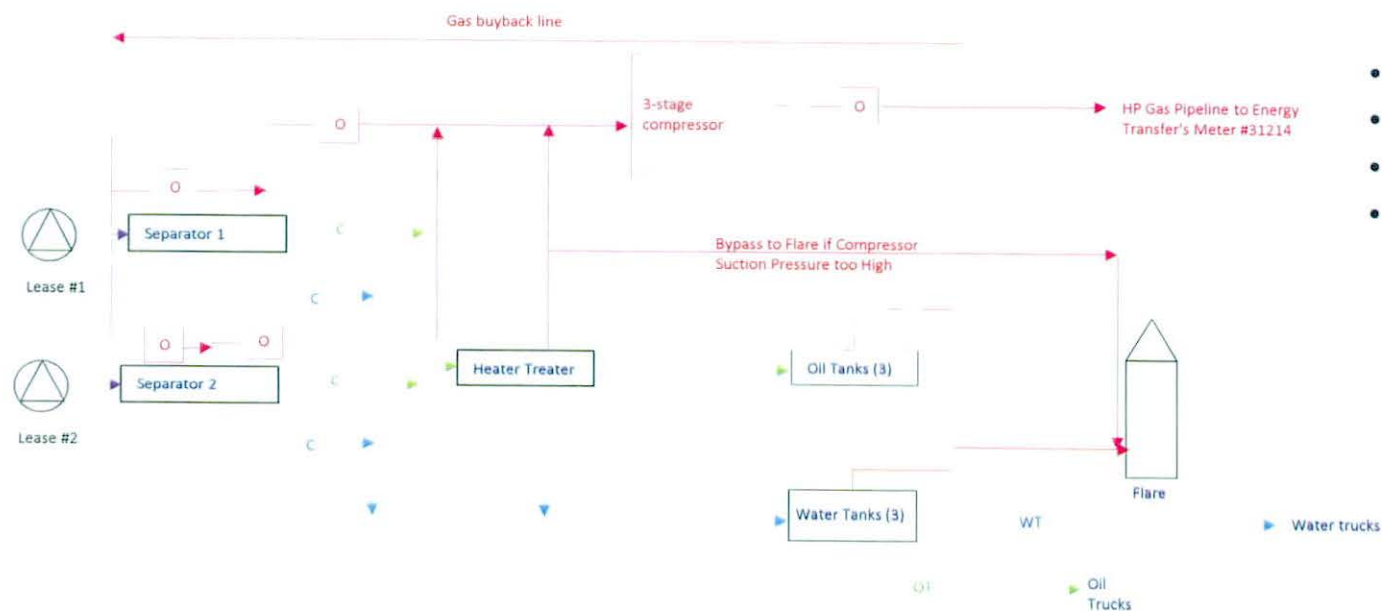
Scale: 1:16,371
Date: 2/5/2016



Mako State
Facility

Projection: GCS_North_American_1983
Author: fsb321

20218



- Tank Battery
- HP Gas Pipeline (has compressor)
- Does not have SWD Pump
- Has 2 wells

- Lease #1 - Mako State 2-32 (#1H not incl.)
- Lease #2 - Catclaw Unit 2-31

Exhibit C

reports oil Production on form PR and each State lease is equipped with an oil and gas separator with oil and gas separately metered before commingling with other leases
Mako State 2-32 Facility

P-17 RRC Request Status	P-17 RRC Permit No.	Lease Commingle Facility Name	RRC Field Name	Other Lease and Well Name Used by Lease (if any)	RRC Lease Name	RRC Well No.	RRC Lease/ID No.	Wellbore 10 Digit API No.	State Mineral Lease No.	GLO or Private Unit Name (if Unitized)	GLO Unit No.	State Mineral Lease or Unit Net Royalty Interest
1 pending	pending	Mako State 2-32	Phantom (Wolfcamp)	N/A	Mako State 2-32	2H	pending	4238933912	M-112118	N/A	N/A	0.270000 ✓
1 pending	pending	Mako State 2-32	Phantom (Wolfcamp)	N/A	Catclaw Unit 2-31	1H	pending	4238935049 ✓	N/A	N/A	N/A	none

08-276545
MAKO STATE 3-6
WRONG API
MPAA

LEASE LIST
INCOMPLETE,
DOES NOT INCLUDE
ALL COMPLETIONS
1H
2H
3H

File No. MF12/18REEVES County
REQUEST TO COMMINGLE
2-22-16Date Filed: 8/10/2016

George P. Bush, Commissioner

By MTSCOTT

OSBORN, GRIFFITH & HARGROVE

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ELMER F. PATMAN
(1907-1987)
PHILIP F. PATMAN
(1937-2005)

March 17, 2016

Via Hand Delivery

Mr. Matthew Scott
Energy Division
General Land Office of the State of Texas
1700 Congress Avenue
Austin Texas 78701

Re: Request of Anadarko E & P Onshore LLC for Permission Under 31 TAC Rule 9.35(a)(3)
for Facilities in the Phantom (Wolfcamp) Field, Loving, Reeves and Ward Counties, Texas.

Dear Mr. Scott,

Anadarko E & P Onshore LLC (AEP) has requested permission pursuant to 31 TAC Rule 9.35(a)(3) for the configuration and flow of certain surface facilities from wells identified as the Mako State 2-32 Lease in which the State of Texas has interests, which are or will be producing from the Phantom (Wolfcamp) Field. Anadarko respectfully submits an amended narrative description of the separation, measurement and allocation of gas and condensate general area plat attached as a new Exhibit A and an amended copy of the flow schematic showing the facilities and process attached as a new Exhibit C.

AEP seeks to modify the facilities for wells on the identified state properties in the Phantom (Wolfcamp) Field as shown on the proposed flow schematic to flow production through a dedicated three phase production separator for each well. The gas streams from the wells are combined downstream of separation and initial measurement, as are the liquid hydrocarbon streams at a central processing facility identified as Mako State 2-32 Tank Battery Facility on Exhibit A. As the narrative indicates, this commingling request is necessary because fluids from a non-state lease will be commingled as shown, with production from wells in which the state has interests.

If you have any questions or require additional information, please feel free to contact me.

Sincerely,



Ana Maria Marsland-Griffith



Exhibit A

Description of the Separation, Measurement and Allocation of Gas and Oil at the Mako State 2-32 Tank Battery Facility

Anadarko's Mako State 2-32 Tank Battery central separation and measurement facility is intended to process production from wells drilled on the Mako State 2-32 Lease and the Catclaw Unit 2-31. To date, only two wells have been drilled on the Mako State 2-32 Lease and one well has been drilled on the Catclaw Unit 2-31. The Mako State Lease has been producing since March 2011 from the #1H well. The #1H well produces through a single well facility and does not flow to the Mako State 2-32 Tank Battery facility and is not part of the following discussion. The #2H well began producing in June 2015 and is the only well on the Mako State 2-32 lease that is producing through the Mako State 2-32 Tank Battery facility. The Catclaw Unit 2-31#1H is expected to begin producing in March 2016. The attached plat (titled Exhibit B) shows the outline of the leases, the wells surface locations/paths, and the location of the Mako State 2-32 Tank Battery facility.

The attached facility diagram (titled Exhibit C) shows how the separation and measurement equipment will be configured. Note that each well will be served by a dedicated 3-phase production separator. Each of the 3-phase separators is equipped with an orifice tube gas meter that will measure the gas stream and with a coriolis meter that will measure the oil stream. The orifice meters are verified/calibrated every six months. The Coriolis meters are proven initially and thereafter on a by exception basis. Meter health and operation is monitored through use of internal meter diagnostics. Subsequent meter proving will be performed on an as-needed basis. Meter proving will be performed offsite as per API 20.1 specifications.

This separation and measurement equipment configuration will ensure that the gas and the oil production from each well is separated and measured to custody transfer quality standards prior to being combined or commingled. The gas streams from the two wells are combined downstream of initial separation and measurement. The oil streams from the two wells are combined downstream of the coriolis meters. The combined oil streams then flow into a heater-treater where small quantities of additional gas are liberated. This flash gas flows directly into the same pipeline as the overhead gas from the 3-phase separator. Occasionally the heater-treater gas will be flared if the compressor suction pressure is too high.

Samples from each separator oil stream will be analyzed semi-annually. Once the oil compositions are deemed stable, the samples will be analyzed annually. The gas volume and quality liberated by processing the oil stream is allocated proportionally back to each well.

Gas from the Mako State 2-32 Tank Battery facility is processed by Energy Transfer's JAL Complex. The residue gas volume and recovered NGL's are allocated back to the facility by volume and quality. This gas volume and quality allocated to the facility is then allocated back to each well/lease based on the gas volume measured by the orifice tube meter and gas analysis of the gas stream from each separator. The gas analysis is performed semi-annually or less frequently if the gas composition is found to be stable over time.

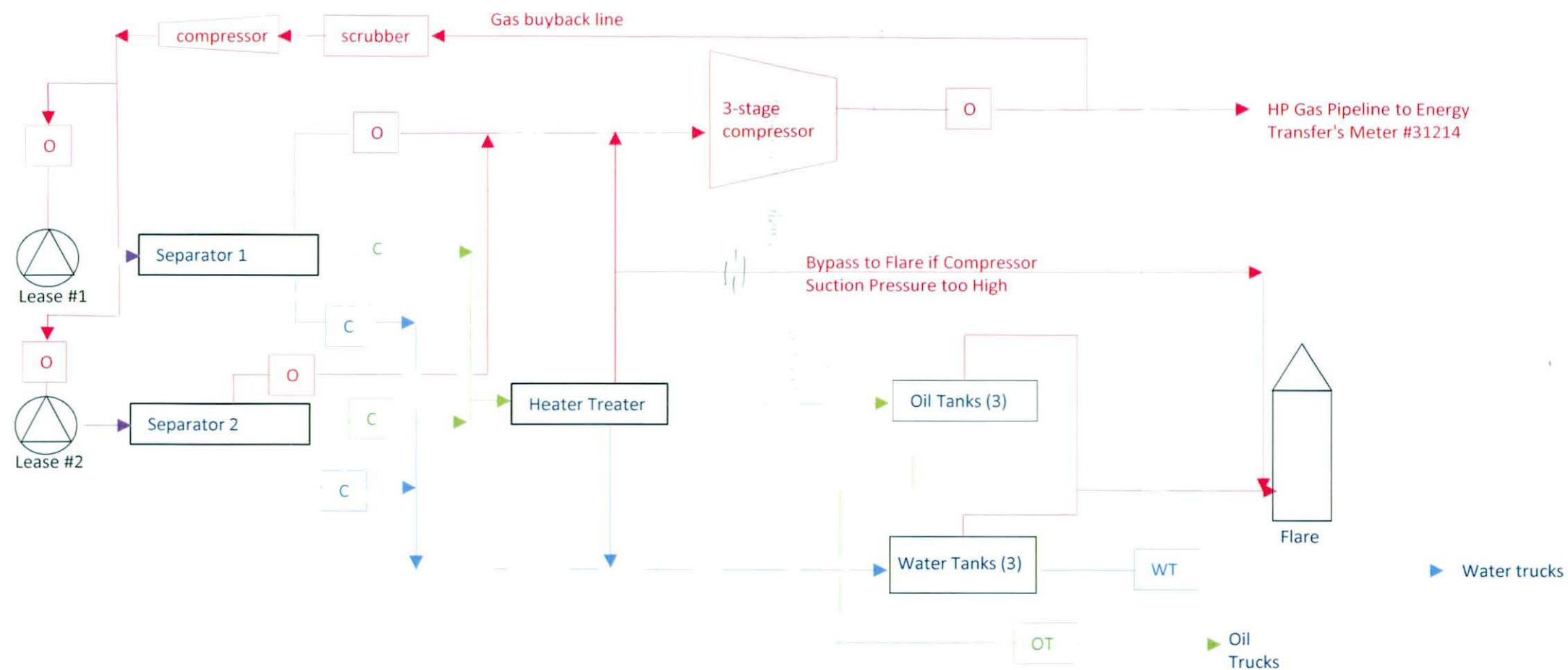


The oil stream from the heater-treater flows into tanks for custody transfer by truck. The volume of oil from the tanks is allocated back to each well in proportion to the oil volume measured by the coriolis meters on each separator.

The gas buyback is reserved for future use. When employed, this gas will be measured and analyzed for reporting purposes.

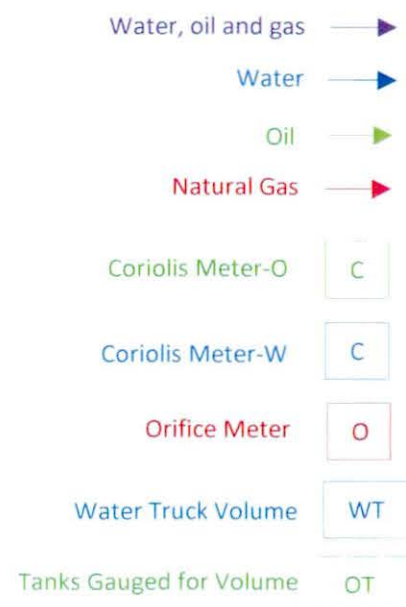
Additional wells may be drilled on each lease in the future. If so, each well will have its own 3-phase separator for custody quality measurement. These separators will be set on the Mako State 2-32 Tank Battery facility.





- Tank Battery
- HP Gas Pipeline (has compressor)
- Does not have SWD Pump
- Has 2 wells

- Lease #1 - Mako State 2-32 #2H (#1H not incl.)
- Lease #2 - Catclaw Unit 2-31 #1H



Initial Average Pressures
 Separator Discharge - 180 psi
 H/T Discharge - 40 psi
 Compressor Suction - 35 psi
 Compressor Discharge - 950 psi

Exhibit C

2578

FILE NO. MF1121/8
REEVES
County
AMENDMENT OF REQUEST
TO COMPLAINCE 3/17/16
Date Filed: 8/2/2016
George P. Bush, Commissioner
M T SCOTT

24

Matthew Scott

From: Matthew Scott
Sent: Tuesday, April 05, 2016 2:25 PM
To: David.Christian@anadarko.com
Cc: anamaria@texasenergylaw.com; Robert Hatter; Andrew Hill
Subject: Mako State 2-32 Commingling Application MF112118

David

I reviewed the application requesting permission to commingle state lease production dated February 22, 2016 and the amendment dated March 17, 2016 received from Ana Maria Marsland-Griffith, legal counsel for Anadarko.

Please be advised that I cannot accept the application as presented due to some apparent errors in the application, and issues/concerns with what is proposed by Anadarko staff with respect to process flow, metering, sampling, and allocation. Please reference the sub headers below for discussion of the issues or concerns that affect this application. You advised that Anadarko plans to build multiple facilities similar to what is presented in this application. Without the addition of certain meters, the provision of suitable drawings, and the application of the molecular balance/mass balance allocation method I see no reason to commingle the production from a State lease with another lease. The whole purpose of the commingling application process is to ensure that sufficient metering, process flow, and accounting controls are in place to apply an allocation or inventory control methodology that protects all interests and minimizes the financial risk of each working and royalty interest, if the State agrees to commingle its production.

GLO Lease List

The GLO Lease List provided with your application does not list the correct API number for the Mako State 2-32 2H well, does not list the applicable RRC Lease ID (08-41569), and does not provide all of the requested information listed in the GLO application procedure and sample tables. Please verify your data and revise the GLO Lease List accordingly. If there are plans to include the recently drilled Mako State 2-32 3H well then it may be added to the lease list. If a completion does not have a RRC Lease ID assigned to it to date then input the RRC Permit to Drill number for each commingled well per the application instructions. It appears that the sample spreadsheet Attachment No. 2 is the one applicable to this request.

GLO Request to Commingle Application

Please ensure that that all applicable State mineral lease numbers are included in the cover letter and that three copies of each document are provided with each application per the application procedure. Please include a copy of the proposed RRC Form P-17 with the application.

Facility Process Flow

In general, it appears that the process flow diagram is not complete, too simplistic, or not representative. With respect to the proposed process flow diagram (PFD), please show all major process equipment, meters, process control valves, pressure regulators, and the fuel gas supply system. As discussed below, the PFD will require revision to include a total lift gas supply meter, third party lift gas buy-back meter, third party facility

gas sales meter, total facility fuel gas and controls supply meter, dedicated compressor fuel gas supply meter(s), and flash gas meter(s). If this facility is a model for future commingled facilities, as you indicated in our discussion yesterday, then this one has to be inclusive and representative.

Based on my experience as a facility design and construction engineer and the review of other similar gas lift installations in this area I do not agree with the PFD that was provided as an attachment to the amendment dated March 17. If the facility is equipped to provide buy-back gas for facility startup and supplemental gas lift supply, then there will be a gas purchaser owned gas buy back meter with valves and pressure regulators that may tie-in upstream of the total gas lift supply meter and gas lift supply directly or it will tie-in and supply gas downstream of the compressor and upstream of the facility meter. The gas lift supply will typically tie-in downstream of the compressor and upstream of the facility meter (that is not portrayed either). I do not see the need for a compressor on the gas lift supply if the supply is already at high pressure (gas lift supply pressure). I do not believe that the lift gas supply and make-up will be installed and operated as shown on the PFD. In addition, a master or total gas lift supply meter is necessary due to allocation of the gas lift supply to the several wells that will exist in the future. Gas lift requires its own allocation methodology and accounting, since the volume and composition of the gas lift supply, the wells, and the buy-back gas all differ in a commingled facility. You may also need either a gun barrel or a VRU tower to protect your stock tanks.

A gas meter is necessary on the flash gas suction supply to the compressor downstream of the heater-treater since those volumes are accounted for using the volume and composition of the flash gas evolved from each separator as determined by multi-stage flash separation test data. It may also be necessary to provide an additional meter on the bypass to flare downstream of the heater-treater else rely on the proper application of the multi-stage flash separation data. **You have to be able to define what volumes actually went to the facility/lift gas compressor and what went to the flare.** The meter(s) are necessary to minimize inventory issues that may arise from dependence on the multi-stage flash separation data. The problem is that revenue accountants typically do not properly account for flash, vent, and flare gas volumes if there is no meter or meter volume.

A facility fuel gas meter is necessary due to the compressor(s), flare, fired equipment, and controls and each compressor requires a fuel gas meter since each compressor is used for allocation of lift gas and facility sales allocation purposes.

If plot plans, process mechanical flowsheets or P&IDs, and process flow diagrams are available as proposed construction drawings for this facility then also provide those drawings. These are the construction drawings typically developed for facility contract bids. Revise those drawings as required to add the facility, lift gas, fuel, and flash gas meters and fuel gas system as discussed above.

Oil and Gas Sampling

Please be more specific in how the oil is planned to be sampled and what tests will be applied. Due to the high separator pressures involved two distinct pressures are to be accounted for in sampling, the high pressure separator condition (180 psig) and the lower pressure heater-treater condition (40 psig). Specific test examples would include a multi-stage separation test using suitable liquid hydrocarbon samples per GPA 2174, and then, using the liquid samples, perform a Flash Liberation of Pressurized Liquid Hydrocarbons Test, such as by Fesco or its equivalent, to determine the hydrocarbon liquid Shrinkage Factor (SF), the hydrocarbon density of the high pressure separators (for the Coriolis meters), the Flash Gas or Solution Gas to Oil Ratio (GOR) of the sample when reduced from 180 psig to 40 psig and then again when the pressure is reduced from 40 psig to atmospheric pressure. The flash gas volume liberated from the liquid sample for each stage of

separation would be measured to calculate the Solution GOR and then analyzed by chromatographic analysis per GPA 2261 to report the composition of the gas, determine the dry gas gross heating value or BTU content. After our discussion yesterday I reviewed my notes from our telephone conversation on March 4 and agree that the oil samples should be obtained at least every 6 months.

After a period of time (several years), if the sample GORs and compositions are found to be relatively stable, taking into consideration seasonal variations, then, Anadarko may request a change in the sample frequency in writing from the GLO and the GLO may, at its option, agree in writing to a change in the oil sample frequency.

The reason is that the oil is the source of the flash gas at each stage of separation and the BTU content increases significantly between each stage of separation and that the oil value is the primary source of revenue. Since no VRU is shown on the PFD, assuming that one was not planned to be provided, then the low pressure stage flash gas associated with each lease well downstream of the heater-treater would always be flared since it passes through the stock tanks. That brings up another issue, usually a gun barrel or VRU tower would precede the stock tanks for separation of the vent gas before dumping oil in the stock tanks, else you risk blowing up your stock tanks. The allocation of the high pressure stage flash separation data is important with respect to allocation of the (flash) gas evolved from the oil when the pressure is dropped from the high pressure separators to the heater-treater pressure. The flash gas measured by the compressor suction is then allocated to each respective lease based on a molecular balance of what each lease contributed compared to what was measured through the compressor suction meter.

The gas sampling frequency for chromatographic analysis and recorder calibration should be at least once per calendar quarter with all facility gas meters sampled at the same time since they are all used for the allocation of volume and energy content. The facility gas meters includes but is not limited to the buy-back gas meter, facility transfer meter, gas lift master, each well's gas lift meter, each production separator's gas meter, the flash gas compressor and flare meter, and the fuel gas meter. Did I miss any?

Allocation

The allocation basis applicable to each lease tract is based on the separated and metered volume obtained from each contributing lease well and the corresponding flash separation data obtained from the multi-stage flash separation tests for use in correcting the Coriolis oil meter per API MPMS methods and to allocate the various gas streams. The most difficult part is the accounting and allocation of the gas measured at each well's separator that includes a gas lift component that differs in volume and composition compared to the actual gas produced from the well and the volume and composition of the flash gas evolved from the high pressure separator and the heater-treater. Each gas stream differs in volume and composition and has to be allocated and accounted for since the end result is to define, by contributing lease (well), what is the plant inlet volume and composition of the produced gas that passes through the facility meter. Gas lift makes it more complex since you are commingling gas streams from multiple sources. The only way to balance this is to apply a molecular or mass balance as the allocation method due to the commingling of gas streams of varying volume and composition. Typical COPAS allocation methods using volume and energy content would misallocate royalty value and volume. If the gas from a lease is processed, then the available for sale (AFS) volume and composition of each lease directly affects the royalty value of the NGLs and residue gas. The molecular balance method also determines the plant inlet volume and composition of each lease for use in calculation of the processed gas value.

In addition, please be advised that the royalty due for the State's portion of the gas passing through the facility meter is not subject to any allocation methodology that may be applied downstream of the facility meter, in particular a gathering system similar to the JAL Complex mentioned in the narrative. Referencing the maps provided in the application, it is not clear what is actually in the scope of the JAL Complex gathering system. You advised yesterday that there are multiple plants that process the gas from the JAL complex which leads to the question how are the liquids value and residue gas value determined for such a system when the gas from each facility master meter is commingled into a common system with multiple plants?

The commingling of the Mako State and other leases like it requires Anadarko, or any other Operator, to inventory and account for what hydrocarbon amount was produced by each lease to determine its royalty value. The tendency is to over simplify the allocation process and model it as a single lease facility. When two or more lease are commingled the measurement, sampling, meter calibration, meter proving, allocation methodology, and inventory of the oil and gas becomes very important since it affects the royalty due each contributing lease

Please advise when you anticipate when the GLO Lease List, drawings, and narrative will be completed and if the facility is under construction what modifications may be required and when that may occur.

Thanks,

Matthew

Matthew T. Scott, P.E.
Petroleum Engineer
Texas General Land Office
1700 N. Congress
Energy Resources
Room 840
Austin, TX 78701
512-475-2230 Office
512-475-1404 Fax
Matthew.Scott@glo.texas.gov

File No. MF112118REEVES County
GLO EMAIL 4/5/16 REQUEST
FOR DATA AND COMMENTSDate Filed: 8/9/16

George P. Bush, Commissioner

By: MTSCOTT

OSBORN, GRIFFITH & HARGROVE

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WILLIAM S. OSBORN
ANA MARIA MARSLAND-GRIFFITH
ROBERT G. HARGROVE

ELMER F. PATMAN
(1907-1987)
PHILIP F. PATMAN
(1937-2005)

July 12, 2016

Via Hand Delivery

Matthew T. Scott, P.E.
Petroleum Engineer
Energy Resources
Texas General Land Office
1700 N. Congress, Room 840
Austin, Texas 78701

Re: Application of Anadarko E & P Onshore LLC for Approval of Surface Commingling,
Mako-State 2-32 (MF 112118)

Dear Mr. Scott,

In response to the request for additional information sought in your email of April 5, 2016,
enclosed please find three copies of the following:

1. An amended copy of the GLO Lease list which correctly lists the API number, the Railroad Commission of Texas oil lease number and/or drilling permit number for the wells listed and all available information required by the GLO instructions and sample forms.
2. A modified written description of the surface commingling and process flow explanation responsive to the questions raised in your April 5, 2016 email which includes a revised process flow diagram as its Appendix A, Figure 1 and a revised Exhibit B Plat.

If you have any questions please feel free to call me.

Sincerely,



Ana Maria Marsland

97.27.2

Commingle Permit Applicant: Anadarko E&P Onshore LLC

RRC District: 08

RRC Form P-17 Permit No.: 7503

RRC P-17 Application Date: February 26, 2016

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

P-17 RRC Request Status	Lease Commingle Facility Name	RRC Field Name	RRC Lease Name	RRC Well No.	See Note 3		RRC Lease Form P4 Operator	RRC Lease Type (Oil/Gas)	RRC Well Status	See Note 1		GLO or Private Unit Name (if Unitized)	GLO Unit No.	See Note 2	
					RRC Lease/ID No.	Wellbore 10 Digit API No.				State Mineral Lease No.				State Mineral Lease or Unit Net Royalty Interest	
	Mako State 2-32 Tank Battery	Phantom (Wolfcamp)	Mako State 2-32	2H	08-41569	42-389-34691	Anadarko E&P Onshore LLC	Oil	Active	112118		N/A	N/A	0.270000	
	Mako State 2-32 Tank Battery	Phantom (Wolfcamp)	Catclaw Unit 2-31	1H	08-47631	42-389-35049	Anadarko E&P Onshore LLC	Oil	Active	N/A		N/A	N/A	none	

Notes:

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

MTS GLO REV 2 9/16/13



	Mako State 2-32 Facility - Measurement and Allocation Philosophy	Revision: 0.0
		Date: 30-Jun-16

Anadarko's Mako State 2-32 central separation and measurement facility is intended to process production from wells drilled on the Mako State 2-32 Lease and the Catclaw Unit 2-31. To date, only two wells have been drilled on the Mako State 2-32 Lease and one well has been drilled on the Catclaw Unit 2-31. The Mako State Lease has been producing since March 2011 from the #1H well. The #1H well produces through a single well facility and does not flow to the Mako State 2-32 Tank Battery facility and is not part of the following discussion. The #2H well began producing in June 2015 and is the only well on the Mako State 2-32 lease that is producing through the Mako State 2-32 Tank Battery facility. The Catclaw Unit 2-31#1H began producing May 26th, 2016. The attached plat (titled Exhibit B) shows the outline of the leases, the wells surface locations/paths, and the location of the Mako State 2-32 Tank Battery facility.

Introduction

Anadarko West Texas production is a mixture of several different fluid types from multiple wells with gas, oil, and water separation being done at central separation and measurement facilities. In order to utilize excess capacity at the central separation and measurement facilities or for economic reasons, production from multiple leases/units may be directed to a single central separation and measurement facility. In these cases, production from each lease/unit will undergo three phase separation, with fiscal allocation quality measurement performed on each phase, before it is commingled with products from other leases/units. The commingled products are then separated for custody quality measurement.

The allocation process is based on proportional distribution of error between the theoretical calculation of the inlet streams and the outlet streams.

This document addresses the following items:

- Summary of the custody and fiscal allocation meters to be used for measurement and allocation
- Fuel, flare/vent and buy-back gas
- Process of hydrocarbon allocation given the available measurement locations

The scope of this document is to allocate the hydrocarbon production from each lease/unit through the central separation and measurement facilities to the sales points. The document does not address the monetary aspects of the allocation process.

This document is applicable for the relevant configuration of wells and central separation and measurement facilities described. The relevant configuration is schematically shown in

Appendix A, Figure 1. If the measurement principles, sampling, and or metering devices are revised and/or changed, the allocation philosophy and schematic should be revised accordingly.

Measurement

The following are required to ensure accurate measurement of the production from each lease/unit for determination of the fractional share of products attributable to each lease/unit and, in turn, to each well. All measurements are performed in accordance with the applicable industry guidance documents listed in the *Relevant Documents* section of this document.

Lease/Unit Measurement:

- Production from each lease/unit will be separated through a three phase separator.
- The volume of gas discharged from each lease/unit will be measured through an orifice meter tube.
 - Gaseous volumetric measurements will comply with the American Petroleum Institute – Manual of Petroleum Measurement Standards, Chapter 14, Section 3, and American Gas Association Report No. 3 (Latest Revisions). The tertiary measurement device will be an electronic flow meter (EFM) that includes a temperature recording system. The EFM will meet and be capable of performing volume calculations in accordance with the current standards prescribed in the American Gas Association Report No. 3, Orifice Metering of Natural Gas and Other Hydrocarbon Fluids, Parts 1-4 (Latest Revisions).
 - Verification and, if necessary, calibration of the gaseous volumetric measurement devices will be performed and documented in accordance with Anadarko Measurement Best Practices and the industry standards on a quarterly basis.
 - Gaseous volumes will be presented at standard conditions of 14.65 psia and 60° F in mscf.
 - Gaseous compositional analyses will be performed by gas chromatography in accordance with the Gas Processor's Association Standards 2261 or 2286, along with 2172 – Calculation of Gross Heating Value, Relative Density, Compressibility and Theoretical Hydrocarbon Liquid Content for Natural Gas Mixtures for Custody Transfer (Latest Revisions). Gas samples will be obtained in accordance with the procedures set forth in the Gas Processor's Association Standard 2166 (Latest Revision) – Obtaining Natural Gas Samples for Analysis by Gas Chromatography and American Petroleum Institute – Manual of Petroleum Measurement Standards, Chapter 14, Section 1 (Latest Revision).
 - Gas quality sampling and analysis will be performed for each location in accordance with Anadarko Measurement Best Practices and the industry standards using spot or heated composite samples on a quarterly basis.
 - As the buy-back gas is extracted downstream of the central separation and measurement facility discharge meter, the composition from that location will be utilized for the buy-back composition.



- The volume of buy-back gas consumed by each lease/unit will be measured through orifice meter tubes. Currently buy-back gas is being used to pressurize the separators. In the future it will be used for gas lift downstream of the current buy-back meters.
- The volume of fuel gas consumed from each lease/unit will be measured through turbine meters.
- The volume and mass of liquid hydrocarbon from each lease/unit will be measured through a coriolis meter.
 - Fiscal allocation quality separator oil volumetric measurements will comply with the American Petroleum Institute – Manual of Petroleum Measurement Standards, Chapter 5, Section 6, along with the relevant sections of Chapter 4. Certain compliance specifications for fiscal allocation quality liquid hydrocarbon volumetric measurements will comply with American Petroleum Institute – Manual of Petroleum Measurement Standards, Chapter 20, Sections 1 and 2.
 - Each coriolis meter will be proved initially. Meter health and operation will then be monitored through use of internal meter diagnostics. Additional provings will be performed on an as-needed basis.
 - Repeatability will meet a specification of $\pm 0.50\%$ ($\pm 0.25\%$ if performed off-site), per American Petroleum Institute – Manual of Petroleum Measurement Standards, Chapter 20, Section 1.
- Custody quality oil compositional analyses will be performed by gas chromatography in accordance with Gas Processor's Association Standards 2177, 2186, or 2103 (Latest Revisions and/or modifications thereof). Oil samples will be obtained in accordance with the procedures set forth in the Gas Processor's Association Standard 2174 – Obtaining Liquid Hydrocarbon Samples for Analysis by Gas Chromatography (Latest Revision).
 - Spot oil quality samples will be collected and analyzed on a semi-annual basis until it can be demonstrated that compositions are stable, at which time sample frequency will be extended to an annual basis, upon written approval by the Texas General Land Office (GLO).
 - Compositional analyses will be utilized to determine a shrink and flash gas factor in accordance with Gas Processor's Association Standards 2103 (Latest Revisions) or other industry accepted method.
 - The shrink factor will be applied to the Net Standard Volume (NSV), measured at the meter, to calculate a Corrected Net Standard Volume (CNSV) in stock tank barrels.
 - The flash gas factor will be applied to the CNSV to calculate the volume of gas which would have been liberated from the HVP oil at stock tank conditions.
 - The composition of the flash gas will be determined through empirical analysis or Peng-Robinson equation of state modeling.



- The derived composition will be combined with the calculated volume for determination of the flash gas energy.
- The flash gas volume and energy will be combined with the measured lease/unit gas volume and energy for allocation.

Commingled Central Separation and Measurement Facility Measurement:

- The volume of the commingled discharge gas from the commingled central separation and measurement facility will be measured through an orifice meter tube.
 - Gaseous volumetric measurements will comply with the American Petroleum Institute – Manual of Petroleum Measurement Standards, Chapter 14, Section 3, and American Gas Association Report No. 3 (Latest Revisions). The tertiary measurement device will be an electronic flow meter (EFM) that includes a temperature recording system. The EFM will meet and be capable of performing volume calculations according to the current standards prescribed in the American Gas Association Report No. 3, Orifice Metering of Natural Gas and Other Hydrocarbon Fluids, Parts 1-4, and will comply with the American Petroleum Institute – Manual of Petroleum Measurement Standards, Chapter 21, Section 1 – Electronic Gas Measurement, (Latest Revisions).
 - Verification and, if necessary, calibration of the gaseous volumetric measurement devices will be performed and documented in accordance with Anadarko Measurement Best Practices and the industry standards on a quarterly basis.
 - Gaseous volumes will be presented at standard conditions of 14.65 psia and 60° F in mscf (thousand standard cubic feet).
 - Gaseous compositional analyses will be performed by gas chromatography in accordance with the Gas Processor's Association Standards 2261 or 2286, along with 2172 – Calculation of Gross Heating Value, Relative Density, Compressibility and Theoretical Hydrocarbon Liquid Content for Natural Gas Mixtures for Custody Transfer (Latest Revisions). Gas samples will be obtained in accordance with the procedures set forth in the Gas Processor's Association Standard 2166 (Latest Revision) – Obtaining Natural Gas Samples for Analysis by Gas Chromatography and American Petroleum Institute – Manual of Petroleum Measurement Standards, Chapter 14, Section 1 (Latest Revision).
 - Gas quality sampling and analysis will be performed for each location in accordance with Anadarko Measurement Best Practices and the industry standards using spot or heated composite samples on a quarterly basis.
- The volume and energy of the flash gas will be determined through the analysis of the oil composition from each lease/unit.
- The volume of gas emitted to flare from the oil and water tanks will be estimated.
- The commingled oil volume leaving each central separation and measurement facility is measured by truck sales volumes or metered into a pipeline for delivery to a downstream facility. Truck sales are being used at this time.



General Allocation Principles

Facility Configuration:

The following is the configuration design used to define the measurement and allocation philosophy. These assumptions should be verified when system changes are conducted and the assumptions as well as this philosophy document revised accordingly.

- Production from each well is assigned to only one central separation and measurement facility.
 - The assigned central separation and measurement facility may or may not be located on the same lease/unit as the well.
 - Production from more than one lease/unit may be assigned to a single central separation and measurement facility.
- The separation of gas, oil, and water takes place at the central separation and measurement facility to which each well is assigned.
- Separation of the combined well production from a given lease/unit will occur utilizing a three phase separator which is dedicated to that production.
 - Fiscal allocation quality measurement, including compositions of the hydrocarbon streams, will be performed on the separated production from each lease/unit.
- Production from each of the leases/units entering the central separation and measurement facility is commingled after the fiscal allocation quality separation and measurement.
- Custody quality measurement is performed on the commingled products.
 - The commingled water is stored at the central separation and measurement facility for disposal.
 - Water allocation is not undertaken in this document.
- The commingled gas volume leaving each central separation and measurement facility is measured daily.
 - The gas rate is expressed at standard conditions of 14.65 psia and 60°F.
- The commingled oil is sent to a heater treater to further separate water and to drive off flash gas.
 - The flash gas is sent to flare.
- The commingled oil volume leaving each central separation and measurement facility is measured by truck sales volumes or metered into a pipeline for delivery to a downstream facility. Truck sales are being used at this time.
 - Oil sales volumes will be corrected for water cut before being used in the allocation process.
 - The water cut will be determined using spot samples from truck volumes.
 - The oil volume is expressed at standard conditions of 14.65 psia and 60°F.
- NGL sales are allocated back to the sales meter by Energy Transfer after processing through the associated gas plant. This NGL stream is comprised of NGL recovered through gas processing.
- All inventories at the inlet of any system are processed and sold (removed at the outlets). There is no hold-up of gas, condensate, and/or oil in the system for any given month. Any liquid hold-up in the gathering flow lines is appropriately addressed via routine pigging.
- All hydrocarbons produced are accounted for as follows:



- Measured, processed, and sold.
- Consumed in the form of:
 - Fuel – Any fuel gas consumed is metered and it is only gas.
 - None of the NGL/condensate/oil produced from the wells is used as fuel.
 - Buy-back gas – Any buy-back gas consumed is metered and it is only gas.
- Flared/Combusted/Vented.
 - The daily volume of vent gas sent to the flare or combustor from the storage tanks is estimated.
- No disposal of NGL/condensate/oil occurs between the well head and sales. Minor losses of liquids during transportation, storage, etc. are ignored in the allocation process and are accounted for using the allocation factor.
- It should be recognized that the configuration of the well flow may not remain the same from time to time. Hence, the allocation process should be revised accordingly.
- A spot or composite sample of gas at the outlet of each central separation and measurement facility is collected and analyzed at specified intervals for the monthly allocation process.
- The compositional analysis (from spot samples, composite samples, or gas chromatographs) and the metered volumes (ultrasonic meters, orifice meters, Coriolis meters) are available before the allocation process is started.
- Fuel gas allocation is based on total fuel gas metered from each lease/unit.
- Buy-back gas allocation is based on total buy-back gas metered from each lease/unit.

Allocation Process:

The accounting and allocation process from sales to each central separation and measurement facility is as follows:

- Residue Gas Sales from the 3rd Party Gas Meter
 - Fractional shares of residue gas sales are allocated to the following:
 - The wet gas discharge meters from each lease/unit (adjusted for fuel and buy-back usage), based on the energy content measured at each location.
- NGL Sales from the 3rd Party Gas Meter
 - Fractional shares of NGL sales are allocated to the following:
 - The wet gas discharge meter from each lease/unit (adjusted for fuel and buy-back usage), based on the liquid volume per component from the NGL sales to the theoretical liquid hydrocarbon content per component measured at each central separation and measurement facility wet gas discharge meter.
- Truck oil sales from central separation and measurement facilities are allocated to the following:
 - Oil discharged to truck from each central separation and measurement facility is allocated based on the direct truck sales from that central separation and measurement facility.
- Drip condensate from compression facilities is collected at the BCS and metered as it is discharged to the oil pipeline.
 - Fractional shares of drip condensate is allocated to the following:



- The wet gas volumes from each lease/unit (adjusted for fuel and buy-back usage), based on the liquid volume of the drip condensate to the theoretical liquid hydrocarbon content per component measured at each lease/unit.

The accounting and allocation process from the central separation and measurement facility to each lease/unit feeding into it is as follows:

- Wet Gas from each central separation and measurement facility
 - Fractional shares of the NGL and residue gas sales allocated to each central separation and measurement facility wet gas meter is allocated to each of the lease/unit gas meters behind it and the calculated flash gas from each lease/unit, based on the energy and theoretical liquid hydrocarbon content per component.
- Oil from each central separation and measurement facility
 - Oil products from each central separation and measurement facility is allocated to the oil meters from each lease/unit behind it, based on the modeled flash gas and stock tank oil.
 - The oil truck sales from each central separation and measurement facility is allocated to the oil meters from each lease/unit behind it based on the modeled stock tank volumes.
- Flare Gas from each central separation and measurement facility
 - Fractional shares of the estimated flare gas emitted from each central separation and measurement facility is allocated to each of the lease/unit gas meter behind it, based on the energy and theoretical liquid hydrocarbon content per component.
- Fuel Gas from each lease/unit
 - Fuel gas consumed by each lease/unit is allocated based on the energy and theoretical liquid hydrocarbon content per component metered to each.
- Buy-Back Gas from each lease/unit
 - Buy-Back gas consumed by each lease/unit is allocated based on the energy and theoretical liquid hydrocarbon content per component metered to each.



Definitions and Acronyms

Definitions:

1. "Oil" is termed as the liquid hydrocarbon from oil or gas wells. These are the liquids from the central separation and measurement facilities to CDP's and/or sales.
2. "NGL" is term used only for the sales plant. All other light hydrocarbons being processed between central separation and measurement facilities, CGF's and CDP's are termed as condensate.
3. "Condensate" is term used for all liquid hydrocarbons produced from dropout from high hydrocarbon gases and from light hydrocarbon liquids driven of oil during the stabilization process.
4. Uptime is defined as the total equivalent time within a day (24 hrs) where the producing well rate was equal to the well test.
5. Barrel Oil Equivalent (BOE) means either gas or liquid hydrocarbons relative to an equivalent volume of oil Barrels at Standard Conditions. By definition,
For oil: 1 Bbl at Standard Conditions = 1 BOE
For gas: 6,000 SCF = 1 BOE
6. British Thermal Unit (BTU) means the basic unit of measure for energy, specifically the amount of heat needed to raise the temperature of one pound of water from 59.5 degrees Fahrenheit to 60.5 degrees Fahrenheit at standard pressure base 14.696 pounds per square inch absolute (psia).
7. Gas Energy Content or dry gas heating value means the ratio of energy to volume (BTU/SCF) as a measure of the gas quality.
8. Sediment & Water (S&W) is the measurement of foreign material, free water, and/or sediment that coexists with oil requiring a separate measurement to determine sales and allocation volumes.
9. Shrinkage Factor (SF) is the ratio of the dry oil tank liquid volume flow, corrected to Standard Conditions, to the separator liquid volume flow, which differ because of changes in the temperature and pressure of the liquid at the metering points and solution gas evolving out of the liquid in the processing system.
10. Standard Conditions means a pressure equal to one atmosphere (14.65 PSIA) and a temperature equal to 60° F.
11. Standard Cubic Foot (SCF) or plural form as "Standard Cubic Feet" means the quantity of gas that occupies one (1) cubic foot of space when held at Standard Conditions.
12. Stock Tank Barrel (STB) means a volume unit equal to exactly 42 United States gallons of liquid at Standard Conditions.
13. Water Cut (WC) is the percentage of water in the produced liquid stream at test conditions.

Acronyms:

1. API - American Petroleum Institute
2. AGA - American Gas Association
3. BBL - Standard U.S. barrel
4. BTU - British Thermal Unit
5. CFR - Code of Federal Registry
6. CGF - Central Gas Facility
7. OHF - Oil Handling Facility
8. CDP - Central Delivery Point
9. EFM - Electronic Flow Measurement
10. ELM - Electronic Liquid Measurement
11. GPA - Gas Processor Association
12. LACT - Lease Automatic Custody Transfer
13. MF - Meter Factor
14. MSCF - Thousands of standard cubic feet
15. MPMS - Manual of Petroleum Measurement Standards
16. NGL - Natural Gas Liquid
17. QA/QC - Quality Assurance and Quality Check
18. S&W - Sediment and Water
19. WC - Water Cut



Relevant Documents

Installation and Operation (including proving) of the Fiscal Allocation, Separator measurement:

- API MPMS 20.1 – *Production Allocation Measurement*
- API MPMS 20.2 – *Production Allocation Measurement Using Single-Phase Devices*
 - (20.2 is in the ballot and revision phase at API, will be published around May 2016)

LACT Measurement:

- API MPMS 5.6 – *Metering; Measurement of Liquids Hydrocarbons by Coriolis Meters*
- API MPMS 4.2 – *Proving Systems; Displacement Provers*
- API MPMS 4.5 – *Master Meter Provers*
- API MPMS 4.8 – *Operation of Proving Systems*
- API MPMS 6.1 – *Metering Assemblies Section 1; Lease Automatic Custody Transfer (LACT) Systems*
- API MPMS 8.2 – *Sampling; Standard Practice for Automatic Sampling of Liquid Petroleum and Petroleum Liquids*
- API MPMS 8.3 – *Standard Practice of Mixing and Handling of Liquid Samples of Petroleum and Petroleum Products*
- API MPMS 21.2 – *Flow Measurement Using Electronic Metering Systems; Electronic Liquid Volume Measurement*
- GPA 2103M – *Tentative Method for the Analysis of Natural Gas Condensate Mixtures Containing Nitrogen and Carbon Dioxide by Gas Chromatography (modified for application)*
- GPA 2174 – *Obtaining Liquid Hydrocarbon Samples for Analysis by Gas Chromatograph*
- GPA 2198 – *Selection, Preparation, Validation, Care and Storage of Natural Gas and Natural Gas Liquids Reference Standard Blends*
- ASTM D-2001M – *Depentanization of Gasoline and Napthas, modified for product*
 - Or ASTM D-86 – *Standard Test Method for Distillation of Petroleum Products at Atmospheric Pressure*
- ASTM D-4052 – *Standard Test Method for Density and Relative Density of Liquids by Digital Density Meter*
- UOP-158 – *Molecular Weight Determination Using Freezing Point Osmometer*
- Manufacturer Recommendations – *Installation, Operation, and Maintenance*
 - Many of the relevant guidance documents state to refer to the manufacturer recommendations for specifics on Installation, Operation, and Maintenance

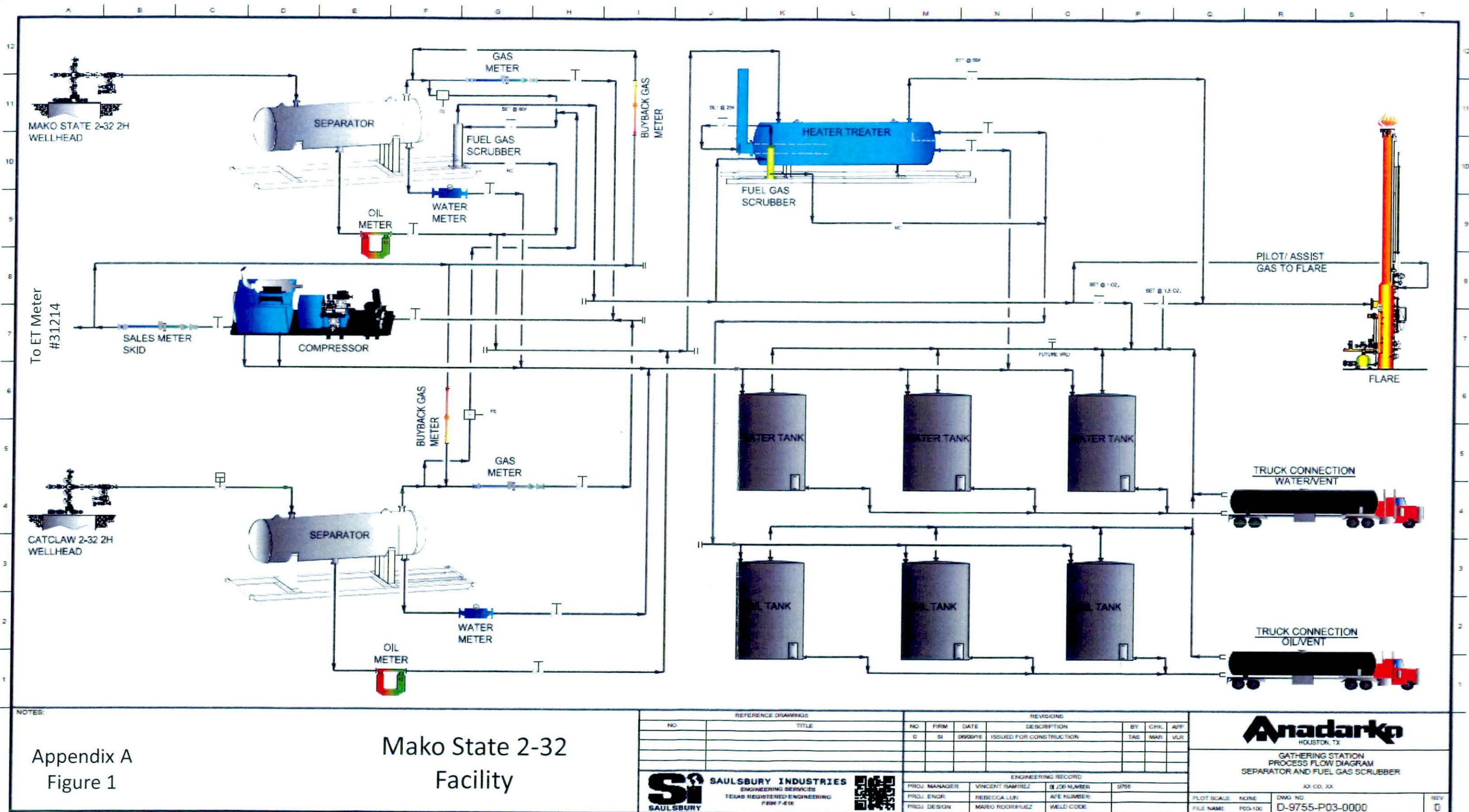


Gaseous Measurement:

- AGA 3 / API MPMS 14.3 – Orifice Metering of Natural Gas and Other Related Hydrocarbon Fluids; Concentric, Square-edged Orifice Meters
- API MPMS 14.1 – Natural Gas Fluids; Collecting and Handling of Natural Gas Samples for Custody Transfer
- API MPMS 21.1 – *Flow Measurement Using Electronic Metering Systems, electronic Gas Measurement*
- GPA 2145 – Table of Physical Properties for Hydrocarbons and Other Compounds of Interest to the Natural Gas Industry
- GPA 2166 – Obtaining Natural Gas Samples for Analysis by Gas Chromatography
- GPA 2172 – Calculation of Gross Heating Value, Relative Density, Compressibility and Theoretical Hydrocarbon Liquid Content for Natural Gas Mixtures for Custody Transfer
- GPA 2261 – Analysis for Natural Gas and Similar Gaseous Mixtures by Gas Chromatography

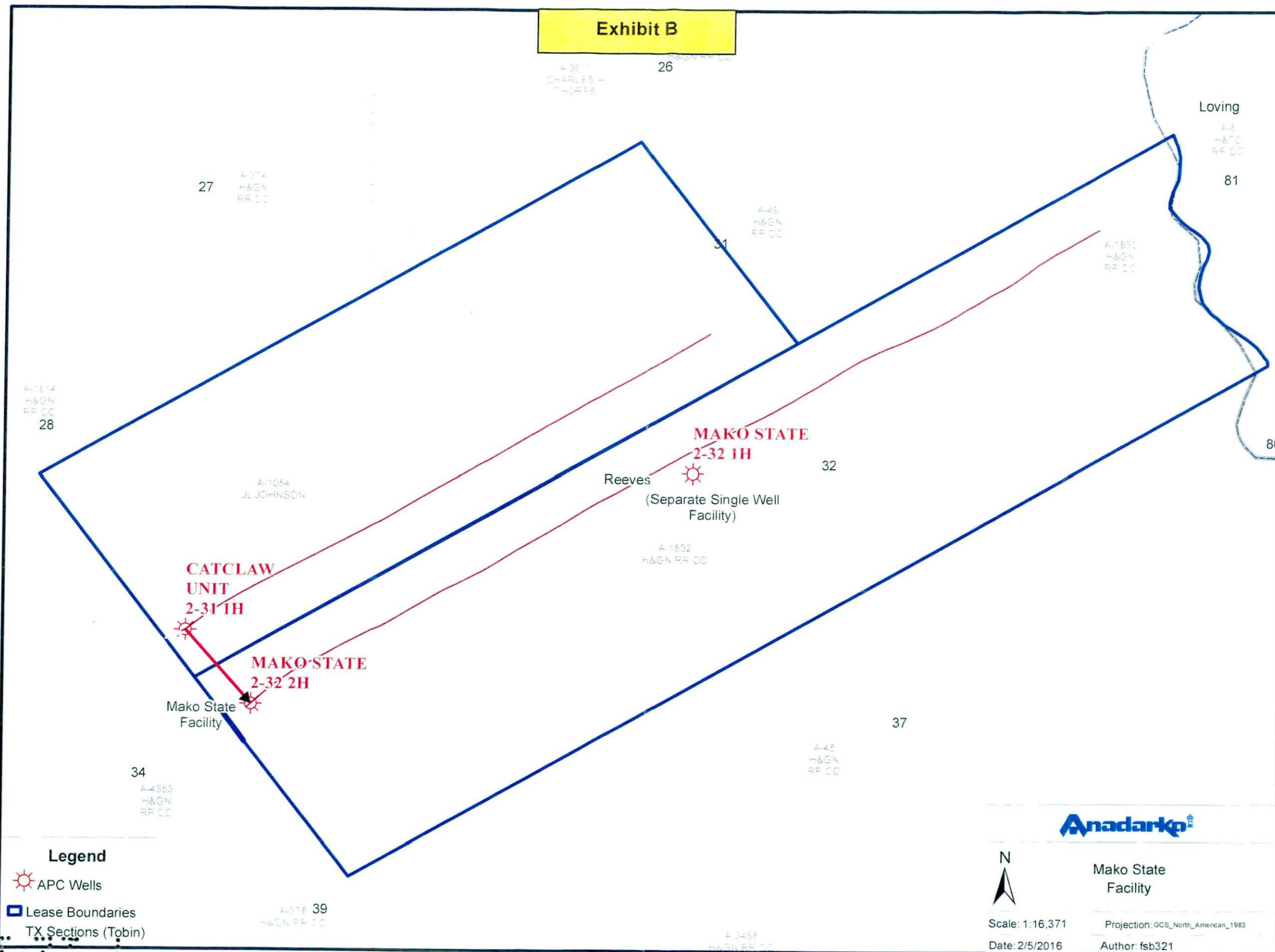


2020



01070

Exhibit B



Legend

- ☀ APC Wells
- ▬ Lease Boundaries
- ▬ TX Sections (Tobin)

Anadarko

Mako State
Facility



Scale: 1:16,371

Date: 2/5/2016

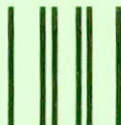
Projection: GCS_North_American_1983

Author: fsb321

2015

Case No. MF1218
REEVES
COUNTY
REQUEST TO COMPILE
AMENDMENT 7/12/16
Date Filed: 8/9/2016
George R. Bush, Commissioner
by M T SCOTT

UNITED STATES POSTAL SERVICE



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

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

MATTHEW SCOTT
TEXAS GENERAL LAND OFFICE
PO BOX 12873
AUSTIN TX 78711-2873

RECEIVED

AUG 04 2016

USPS TRACKING#

General Land Office



9590 9403 0521 5173 3065 41

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

MS ANA MARIA MARSLAND-GRIFFITH
OSBORN GRIFFITH & HARGROVE
515 CONGRESS AVENUE
SUITE 2450
AUSTIN TX 78701



9590 9403 0521 5173 3065 41

2. Article Number (Transfer from service label)

7011 1150 0001 2414 3955

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery

X Certified Mail®

- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery

- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☐ Return Receipt for Merchandise
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

1ail

1ail Restricted Delivery

0)



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

July 29, 2016

Certified Mail: 7011 1150 0001 2414 3955

Ms. Ana Maria Marsland-Griffith
Osborn, Griffith & Hargrove
515 Congress Avenue
Suite 2450
Austin, Texas 78701

RE: Your Application Requesting Permission to Surface Commingle Oil and Gas Production from the Mako State 2-32 Lease, Fee Lease MF112118, RRC Commingling Permit 08-7503, Reeves County, Texas.

Dear Ms. Marsland-Griffith:

Please reference your letter, with attachments, dated July 12, 2016, concerning your request for permission to surface commingle the subject Anadarko E&P Onshore LLC state lease at the Mako State 2-32 Tank Battery (TB).

Anadarko staff proposes to separate then meter the gas, oil, and water production from each lease tract utilizing three-phase separators equipped with meters prior to commingling the production into common separation and storage at the Mako State 2-32 TB. The purpose of the proposed RRC Form P-17 commingling permit is to allow commingling of the oil and gas production from multiple RRC leases (state and private leases) into common separation and storage at the Mako State 2-32 TB.

In this specific case, per the conditions of commingling below, the production royalty shall be due based on the proportionate share of the gross or total MMBTUs of gas and stock tank barrels of oil produced monthly by each state lease as determined by the separated and metered volumes obtained monthly at the Mako State 2-32 TB.

Per my review of the General Allocation Principles that was provided with the application it appears that the proposed principles conflict with the state lease with respect to gross production of the lease, fuel gas, and stock tank inventory. For example: (1) the oil allocation principles do not account for or include changes in stock tank oil inventory, it states that all inventories at the inlet are processed or sold, (2) the gas allocation principles only considered the energy content measured at each location (i.e. no volume balance), (3) fuel gas allocation is based on the total fuel gas metered from each lease/well, which is simply a fuel gas supply source, and not on the fuel gas attributable to each lease that is required for a specific process, such as a heater-treater that handles only liquids or a gas compressor, (4) the proposed accounting and allocation process from (plant) sales of the fractional shares of the residue gas and NGL sales to each

separation and measurement facility (i.e. the Mako State 2-32 TB) conflicts with the terms of the State's lease with respect to gross production of the lease, and (5) no oil and gas allocation sample methodology was provided that included all contributing leases relative to all of the applicable facility meters (separators, fuel, flare, and "sales"/custody transfer).

As such, the GLO will only agree to the allocation basis (by separated and metered volume) but not to the proposed allocation methodology and/or principles. For example, with respect to processed gas royalty due (residue gas and NGL value), what has to be defined for each (state and private) lease is the available for sale volume and composition of each contributing lease at the master facility gas meter, Energy Transfer Meter 31214, then deductions for fuel gas in the off-lease gathering system would be made to determine the plant inlet volume (at the same gas composition of the contributing lease) for calculation of the value of the residue gas and natural gas liquids recovered in a gas processing plant. Please note that unless and until we have been provided detailed allocation methodology information (e.g., gas volume and energy content determined by molecular balance and metered oil volumes corrected to stock tank conditions per API MPMS methods with stock tank oil inventory and sales allocations), GLO staff might disagree with your allocation methodology basis in the context of an audit.

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

1. All lease oil production royalties shall be due based on the proportionate share of the total oil production (in stock tank barrels) that are allocated to each RRC Lease ID determined by the oil meter reading at the dedicated three-phase metering separator serving each well/RRC oil lease number. In this specific case the Lessee may pay monthly oil royalties per Texas Administrative Code (TAC) Title 31, Part 1, Chapter 9, Subchapter D, Rule §9.51.
2. All lease gas production royalties shall be due based on the proportionate share of the total gas production at the Mako State 2-32 TB determined by the sum of: (1) the gas production volumes and energy content as measured at the orifice meter located downstream of the dedicated metering separator serving each lease (state and private), (2) the applicable separator flash gas volume and composition as determined by the performance of laboratory flash separation tests or per industry standard correlations based on the proportionate share of the total monthly oil production allocated to each lease; and 3) any other non-sales dispositions such as fuel, vent, and flare volumes. The gas BTU content and component analysis obtained at each lease separator and facility gas meter shall be determined by gas sample chromatographic analysis or other industry-accepted practices.
3. Retain, for lease audit purposes, all meter and test records, volume statements/reports, oil and gas analyses reports, and shrinkage/flash gas calculation records for all private and state lease wells in the scope of the commingle permit for a period of at least seven (7) years after creation of each report or record.
4. Any changes to the flow process, metering scheme, or the addition of any wells that are not currently processed at the commingling facility shall require the Lessee to obtain permission from the GLO prior to making said changes.

Ms. Ana Maria Marsland-Griffith
Osborn, Griffith & Hargrove
July 29, 2016
Page 3 of 3

5. Please provide me a copy of the RRC Form P-17 permit within ten days of its approval by RRC staff.

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

Sincerely,



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

cc: Robert Hatter, Deputy Director Mineral Leasing
Dale Sump, Manager Minerals Audit

File No. MF112118

REEVES County

AGREE TO COMMINGLE 7/29/16

Date Filed: 8/9/2016

George P. Bush, Commissioner

By M.T. SCOTT

OSBORN, GRIFFITH & HARGROVE

ATTORNEYS AT LAW

515 CONGRESS AVENUE, SUITE 2450

AUSTIN, TEXAS 78701

512/476-3529

FACSIMILE:

512/476-8310

WILLIAM S. OSBORN
ANA MARIA MARSLAND-GRIFFITH
ROBERT G. HARGROVE

ELMER F. PATMAN
(1907-1987)
PHILIP F. PATMAN
(1937-2005)

August 5, 2016

Mr. Matthew Scott
Energy Division
General Land Office of the State of Texas
1700 Congress Avenue
Austin Texas 78701

Via Hand Delivery

Re: Request of Anadarko E & P Onshore LLC for Permission Under 31 TAC Rule 9.35(a)(3) for Facilities in the Phantom (Wolfcamp) Field, Loving, Reeves and Ward Counties, Texas.

Dear Mr. Scott,

Enclosed please find a copy of the P-17 in the above referenced matter. If you have any questions or require additional information, please feel free to contact me.

Sincerely,

A handwritten signature in blue ink, consisting of a stylized 'A' followed by a horizontal line that curves upwards at the end.

Ana Maria Marsland-Griffith

975 4



RAILROAD COMMISSION OF TEXAS

1701 N. Congress
P.O. Box 12967
Austin, Texas 78711-2967

1168382

Form P-17

Rev. 04/2015

APPLICATION FOR EXCEPTION TO
STATEWIDE RULES (SWR) 26 AND/OR 27☒ New
☐ Amended Existing Permit No. _____
Effective Month/Year of Requested
Exception: March / 2016
District 08
County Reeves

SECTION 1. OPERATOR INFORMATION	
Operator Name: ANADARKO E&P ONSHORE LLC	Operator P-5 No.: 020528
Operator Address: PO BOX 1330, HOUSTON, TX 77251-1330	
SECTION 2. GATHERER (of oil or condensate) INFORMATION (not required if 3b is checked)	
Gatherer Name: See Attached List	Gatherer P-5 No.: See Attached List
Gatherer Address:	
Gatherer E-mail Address:	
(Optional - If provided, e-mail address will become part of this public record.)	
SECTION 3. APPLICATION APPLIES TO (CHECK ALL THAT APPLY): ☒ OIL ☒ CASINGHEAD GAS ☒ GAS WELL GAS ☐ CONDENSATE	

- a) ☐ Gas well full well stream into common separation and storage facility with liquids reported on Form PR.
b) ☐ Gas well full well stream into a gasoline plant/common separation and storage facility with liquids reported on Form R-3 Serial # _____ (If full well stream is checked, the results of periodic tests to determine the number of stock tank barrels of liquid hydrocarbons recovered per 1,000 standard cubic feet of gas must be reported on Form G-10 in accordance with SWR 55. Attach an explanation of any exceptions to SWR 55.)
c) ☐ Condensate and low-pressure Gas Well Gas are commingled into low-pressure separation and storage facilities.
d) ☒ This request is for off lease: ☒ Storage ☒ Separation ☒ Metering * Note: This application includes both on-lease and off-lease wells. Off-lease wells are indicated with a "*" preceding the Lease Name in Section 7 below.
e) ☒ This exception is for common storage.
f) ☐ This exception is for common separation.
g) ☐ This exception is for casinghead gas metering by: ☐ Deduct Metering ☐ Allocation by well test ☐ Other _____
h) ☐ This exception is for gas well gas metering by: ☐ Deduct Metering ☐ Allocation by well test ☐ Other _____

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

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

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

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

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

DISTRICT	RRC IDENTIFIER	ACTION	LEASE AND FIELD NAME	WELL NO.
		☐ Existing ☐ Add ☐ Delete	Mako State 2-32 Tank Battery	
08	ID: 41569	☐ Existing ☒ Add ☐ Delete	Mako State 2-32 / Phantom (Wolfcamp) Field	2H
08	DP: 810870	☐ Existing ☒ Add ☐ Delete	*Catclaw Unit 2-31 / Phantom (Wolfcamp) Field	1H
		☐ Existing ☐ Add ☐ Delete		

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

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

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

Signature Bryce Heckman Title Regulatory Specialist Date 2/23/16Operator E-mail Address: bryce.heckman@anadarko.com Operator Phone No. (832) 636-2681
(Optional - If provided, e-mail address will become part of this public record.)Commingling Permit No. 7503 RRC USE ONLY Approval date: 03/09/16 Approved by: Ericka

915

NO. MF112118

REEVES County

P-17 08-7503

Date Filed: 8/10/2016

George P. Bush, Commissioner

M. T. SCOTT



09:57:49 Thu Feb 16, 2017

*** OIL AND GAS W-2/G-1 RECORD ***

INQUIRY

API #: 389 34691

SOURCE: RRC

DIST: 08 LSE/ID: 41569 WELL#: 2H TYPE: OIL CNTY: REEVES

FLD: PHANTOM (WOLFCAMP) LSE: MAKO STATE 2-32

OPER: ANADARKO E&P ONSHORE LLC

COMPLETION: 05 31 2015

DRILLING PERMIT #: 801017

W2-G1: 08 31 2015 BUILT: 10 22 2015

R-37 EXCEP CASE #:

ATTACHMENTS: ON FILE

WATER INJECT PERM #:

KEY 'S' TO VIEW ATTACH: _

SALT WATER DISP #:

DRILL COMPLETED: 04 21 2015

DOCKET NUMBER:

ELEVATION: 2700 GL

DIST W3 APPR DATE: MM DD YYYY

TOTAL DEPTH: 10943

WELLBORE PLUGGED:

PLUGBACK DEPTH: 10943

LOCATION SEC: 32

BLK: 2

ABST: 1832

SUR: H&GN RR CO

SUR/SECT: 000310 FT FROM SW

AND 000725 FT FROM NW

NOTE=> REMARKS ON FILE FOR THIS DATE

* SCREEN OPTIONS: 12=FORM/SQZE 13=REMARKS 14=WATER 19=PERMITS/WELLIDS

* SELECT OPTION: (01=WTM, 00=HELP, 21=DIST PLUG)

PRESS 'ENTER' FOR NEXT SCREEN

09:58:08 Thu Feb 16, 2017

*** OIL AND GAS DIVISION ***
WELL BORE COMPLETION REMARKS

INQUIRY

API#: 389 34691

DIST: 08 LEASE/ID: 41569

WELL #:

2H

OIL

BUILT: 10/22/2015

SEQ

REMARKS

01 <	REMARKS:KOP @ 10211 PLUGBACKDEPTH MD:20432 MEASURED DEPTH:20432	>
02 <	FORMATION: ROW1 MDDEPTH=4188, ROW2 MDDEPTH=2346, ROW3 MDDEPTH=4216,	>
03 <	ROW4 MDDEPTH=4188, ROW5 MDDEPTH=4188, ROW6 MDDEPTH=5210, ROW7	>
04 <	MDDEPTH=7712, ROW8 MDDEPTH=1256, ROW9 MDDEPTH=10597, ROW10 MDDEPTH=,	>
05 <	ROW11 MDDEPTH=, ROW12 MDDEPTH=, ROW13 MDDEPTH=, ROW14 MDDEPTH=	>
06 <	LOG NOT FILED W/CONF	>
<		>
<		>
<		>
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<		>
<		>
<		>

START TEXT DISPLAY AT LINE: _____

* SCREEN OPTIONS: 10=W2/G1 REC, 11=CAS/LIN/TUB/PERFS, 12=FORM/SQZE *

* SELECT OPTION: _____ (01=RETURN TO MENU, 00=HELP AND OTHER OPTIONS) *

PRESS 'ENTER' FOR NEXT SCREEN

10:06:06 Thu Feb 16, 2017

*** OIL AND GAS DIVISION ***

CASING/LINER/TUBING/PERF DATA

INQUIRY

API #: 389 34691 WELL ID: 08 41569 2H OIL BUILT: 10/22/2015
CASING RECORD: MULTISTAGE AMT CEMENT HOLE TOP OF
SIZE: WT#/FT: DEPTH: TOOL DEPTH: MEAS Y/F/S: SIZE: CEMENT:
10 3/4 4183 1066 610 S 13 1/2 0
7 5/8 10940 645 S 9 7/8 3177
5 1/2 10870 1515 S 6 3/4 9261
4 1/2 20432 1515 S 6 3/4 9261
10 3/4 4183 1170 S 13 1/2 1066

LINER RECORD:

SIZE: TOP BOTTOM: SACKS: SIZE: TOP: BOTTOM: SACKS:

TUBING RECORD:

SIZE: DEPTH: PACKER:
2 7/8 10180 10180

PERFS:

FR: 11300 TO: 20256
FR: TO:
FR: TO:
FR: TO:
FR: TO:

OPEN

HOLE (Y/N):

N

*SCREEN OPTIONS: 10=W-2/G-1 RECORD, 12=FORM/SQZE, 13=REMARKS, 14=WATER *
*SELECT OPTION: (01 = RETURN TO MENU, 00 = HELP AND OTHER OPTIONS) *
PRESS 'ENTER' FOR NEXT SCREEN

10:01:06 Thu Feb 16, 2017

DISTRICT > 08 OIL LEASE LEDGER STATUS INQUIRY
FIELD > PHANTOM (WOLFCAMP) # 71052 900
OPERATOR > ANADARKO E&P ONSHORE LLC # 020528
LEASE > MAKO STATE 2-32 # 41569

MM/YYYY	OIL ALLOW	OIL PROD	* * DISPOSITIONS * *		EOM BAL	CUMU OVERAGE	MOVEABLE BAL
02/2016	3538	2251	2208	1	123 8	477	3792 -3315
03/2016	3782	2731	2406	1	356 8	446	2741 -2295
04/2016	8310	8291	7242	1	450 8	1045	2722 -1677
05/2016	11222	11198	10325	1	1226 8	692	2698 -2006
06/2016	11160	11140	10633	1	390 8	809	2678 -1869
07/2016	18414	13233	12757	1	742 8	543	0 543
08/2016	18414	8579	8127	1	498 8	497	0 497
09/2016	17820	10705	10241	1	409 8	552	0 552
10/2016	22630	9823	9687	1	198 8	490	0 490
11/2016	21900	8332	8030	1	413 8	379	0 379
12/2016	22630	6493	5713	1	582 8	577	0 577
01/2017	22630	NO RPT				0	577

GO TO DIST > LEASE # >
PF1=HELP PF2=CSGHD LDGR INQ PF3=MENU PF4=PROD RMKS PF6=PROD
PF7=SCHED PF8=P4 PF9=LDGR PF17=P-17 PMT PF18=T1 INQ PF19=HIST LDG
** PRESS ENTER TO SCROLL **

10:01:31 Thu Feb 16, 2017

DISTRICT > 08 OIL LEASE LEDGER STATUS INQUIRY
FIELD > PHANTOM (WOLFCAMP) # 71052 900
OPERATOR > ANADARKO E&P ONSHORE LLC # 020528
LEASE > MAKO STATE 2-32 # 41569

MM/YYYY	OIL ALLOW	OIL PROD	* * DISPOSITIONS * *	EOM BAL	CUMU OVERAGE	MOVEABLE BAL
02/2015	420	331	172 1 2 8	363	0	363
03/2015	403	288	187 1 30 8	434	0	434
04/2015	390	281	372 1 3 8	340	0	340
05/2015	403	379	73 8	646	0	646
06/2015	14410	4920	4860 1 70 8	636	0	636
07/2015	15314	985	1286 1 48 8	287	0	287
08/2015	15314	3282	2677 1 171 8	721	0	721
09/2015	14820	6114	6103 1 95 8	637	0	637
10/2015	15314	4852	4562 1 72 8	855	0	855
11/2015	300	5466	5346 1 95 8	880	5166	-4286
12/2015	3782	3765	3857 1 140 8	648	5149	-4501
01/2016	3782	3712	3468 1 335 8	557	5079	-4522

GO TO DIST > LEASE # >
PF1=HELP PF2=CSGHD LDGR INQ PF3=MENU PF4=PROD RMKS PF6=PROD
PF7=SCHED PF8=P4 PF9=LDGR PF17=P-17 PMT PF18=T1 INQ PF19=HIST LDG
** PRESS ENTER TO SCROLL **

009.0A.02

Company:		Anadarko E&P Onshore LLC												
Well Name:		Mako State 2-32 2H												
Location:		Reeves County, TX												
Rig:		Precision #576					Magnetic Declination:		9.01					
Job Number:		DDMO-150152												
API #:		42-389-34691												
Vertical Section Azimuth:				57.99			Proposed Direction:		57.99					
Survey Calculation Method:				Minimum Curvature										
PTB:	MD		INC		AZM		TVD		N/S		E/W		VS	
	20,432		90		59.7		10942.51		5388.05		8248.34		9850.25	
#	Depth Feet	Inc Degrees	Azm Degrees	TVD Feet	N/S Feet	E/W Feet	Surface Vert Sec	Closure Distance		Azm	DLS/ 100	BUR/ 100'		
TIE IN	0	0.00	0.00	0.00	0.00	0.00				0.00				
1	147	0.40	74.40	147.00	0.14	0.49	0.49	0.51	74.40	0.27	0.27			
2	337	0.90	92.50	336.99	0.25	2.62	2.36	2.64	84.53	0.28	0.26			
3	526	0.70	88.60	525.97	0.21	5.26	4.57	5.27	87.66	0.11	-0.11			
4	707	1.30	70.30	706.94	0.93	8.30	7.53	8.35	83.58	0.37	0.33			
5	897	2.50	66.10	896.83	3.34	14.12	13.74	14.51	76.69	0.64	0.63			
6	991	2.10	59.60	990.76	5.04	17.48	17.49	18.19	73.91	0.51	-0.43			
7	1,170	2.50	63.20	1169.61	8.46	23.79	24.66	25.25	70.42	0.24	0.22			
8	1,350	2.70	55.90	1349.43	12.61	30.81	32.80	33.29	67.74	0.21	0.11			
9	1,529	2.80	64.20	1528.22	16.87	38.23	41.36	41.79	66.18	0.23	0.06			
10	1,708	2.30	68.90	1707.04	20.07	45.52	49.24	49.75	66.21	0.30	-0.28			
11	1,887	2.10	76.70	1885.91	22.12	52.06	55.87	56.57	66.98	0.20	-0.11			
12	2,066	1.50	81.30	2064.82	23.23	57.57	61.13	62.08	68.03	0.34	-0.34			
13	2,245	0.70	142.50	2243.79	22.71	60.55	63.38	64.67	69.44	0.73	-0.45			
14	2,425	0.70	237.00	2423.78	21.24	60.30	62.39	63.93	70.59	0.57	0.00			
15	2,604	0.70	290.60	2602.77	21.03	58.36	60.63	62.03	70.18	0.35	0.00			
16	2,783	0.70	325.70	2781.76	22.32	56.72	59.93	60.95	68.52	0.24	0.00			
17	2,962	1.70	19.10	2960.72	25.73	56.97	61.95	62.51	65.69	0.78	0.56			
18	3,141	2.70	34.80	3139.59	31.70	60.25	67.89	68.08	62.25	0.65	0.56			
19	3,321	2.40	43.50	3319.41	37.92	65.26	75.44	75.48	59.84	0.27	-0.17			
20	3,500	2.50	22.40	3498.25	44.25	69.33	82.24	82.24	57.45	0.50	0.06			
21	3,679	2.40	30.60	3677.09	51.08	72.72	88.74	88.87	54.92	0.20	-0.06			
22	3,858	3.20	52.30	3855.88	57.36	78.58	97.04	97.29	53.87	0.73	0.45			
23	4,037	2.60	60.90	4034.65	62.39	86.08	106.07	106.32	54.07	0.41	-0.34			
24	4,106	2.50	47.20	4103.58	64.18	88.56	109.11	109.37	54.07	0.89	-0.14			
25	4,237	2.50	42.90	4234.46	68.21	92.60	114.68	115.01	53.62	0.14	0.00			
26	4,426	1.60	0.60	4423.35	73.87	95.43	120.08	120.68	52.26	0.90	-0.48			
27	4,615	1.60	347.60	4612.27	79.08	94.89	122.39	123.53	50.19	0.19	0.00			
28	4,804	1.30	341.00	4801.21	83.69	93.63	123.75	125.58	48.21	0.18	-0.16			
29	4,993	1.40	337.00	4990.16	87.84	92.03	124.60	127.22	46.33	0.07	0.05			
30	5,183	0.90	339.60	5180.12	91.38	90.60	125.26	128.68	44.76	0.26	-0.26			
31	5,372	1.20	330.50	5369.09	94.49	89.11	125.65	129.88	43.32	0.18	0.16			

Company:		Anadarko E&P Onshore LLC												
Well Name:		Mako State 2-32 2H												
Location:		Reeves County, TX												
Rig:		Precision #576				Magnetic Declination:		9.01						
Job Number:		DDMO-150152												
API #:		42-389-34691												
Vertical Section Azimuth:		57.99				Proposed Direction:		57.99						
Survey Calculation Method:		Minimum Curvature												
PTB:	MD		INC		AZM		TVD		N/S		E/W		VS	
	20,432		90		59.7		10942.51		5388.05		8248.34		9850.25	
#	Depth Feet	Inc Degrees	Azm Degrees	TVD Feet	N/S Feet	E/W Feet	Surface Vert Sec	Closure		DLS/ 100	BUR/ 100'			
32	5,561	1.40	253.70	5558.05	95.57	85.92	123.51	128.51	41.96	0.86	0.11			
33	5,750	1.20	258.00	5747.00	94.51	81.77	119.43	124.97	40.87	0.12	-0.11			
34	5,939	1.10	252.80	5935.97	93.56	78.10	115.81	121.87	39.85	0.08	-0.05			
35	6,128	1.30	235.80	6124.92	91.82	74.59	111.92	118.30	39.09	0.21	0.11			
36	6,316	1.30	238.60	6312.88	89.51	71.01	107.66	114.25	38.43	0.03	0.00			
37	6,506	1.80	239.70	6502.81	86.88	66.59	102.52	109.46	37.47	0.26	0.26			
38	6,695	2.00	249.20	6691.70	84.21	60.94	96.32	103.95	35.89	0.20	0.11			
39	6,884	1.60	244.80	6880.61	81.91	55.47	90.46	98.93	34.11	0.22	-0.21			
40	7,073	1.50	240.50	7069.54	79.57	50.93	85.37	94.48	32.62	0.08	-0.05			
41	7,262	1.60	239.60	7258.47	77.02	46.51	80.26	89.97	31.12	0.05	0.05			
42	7,451	1.20	250.60	7447.41	75.03	42.36	75.69	86.16	29.45	0.25	-0.21			
43	7,640	1.20	246.00	7636.37	73.56	38.69	71.80	83.12	27.74	0.05	0.00			
44	7,830	1.10	287.60	7826.34	73.31	35.13	68.65	81.29	25.61	0.43	-0.05			
45	8,019	2.50	291.30	8015.24	75.35	29.56	65.01	80.94	21.42	0.74	0.74			
46	8,208	2.50	272.20	8204.06	77.01	21.60	59.14	79.98	15.67	0.44	0.00			
47	8,397	2.60	276.20	8392.88	77.63	13.22	52.36	78.75	9.67	0.11	0.05			
48	8,586	2.60	276.20	8581.68	78.56	4.70	45.62	78.70	3.42	0.00	0.00			
49	8,775	2.00	271.80	8770.53	79.12	-2.86	39.51	79.17	357.93	0.33	-0.32			
50	8,965	1.50	273.80	8960.44	79.39	-8.66	34.74	79.86	353.78	0.27	-0.26			
51	9,154	1.50	269.00	9149.37	79.51	-13.60	30.62	80.67	350.30	0.07	0.00			
52	9,343	1.50	253.40	9338.31	78.76	-18.44	26.11	80.89	346.82	0.22	0.00			
53	9,438	1.20	263.40	9433.28	78.29	-20.62	24.01	80.96	345.24	0.40	-0.32			
54	9,532	1.10	259.90	9527.27	78.02	-22.49	22.29	81.20	343.92	0.13	-0.11			
55	9,627	1.40	263.20	9622.24	77.72	-24.54	20.39	81.50	342.48	0.32	0.32			
56	9,722	1.30	264.90	9717.22	77.49	-26.76	18.38	81.98	340.95	0.11	-0.11			
57	9,816	1.10	265.10	9811.20	77.32	-28.72	16.63	82.48	339.62	0.21	-0.21			
58	9,911	1.10	268.80	9906.18	77.22	-30.54	15.03	83.04	338.42	0.07	0.00			
59	10,005	1.00	275.10	10000.16	77.28	-32.26	13.60	83.74	337.34	0.16	-0.11			
60	10,100	0.90	275.20	10095.15	77.42	-33.83	12.35	84.49	336.39	0.11	-0.11			
61	10,190	0.80	276.40	10185.14	77.55	-35.16	11.29	85.15	335.61	0.11	-0.11			
62	10,285	6.80	53.30	10279.93	80.99	-31.30	16.39	86.83	338.87	7.79	6.32			
63	10,379	17.50	47.20	10371.70	93.96	-16.43	35.87	95.38	350.08	11.45	11.38			
64	10,473	27.30	42.40	10458.51	119.54	8.54	70.61	119.85	4.09	10.60	10.43			

Company:		Anadarko E&P Onshore LLC												
Well Name:		Mako State 2-32 2H												
Location:		Reeves County, TX												
Rig:		Precision #576				Magnetic Declination:		9.01						
Job Number:		DDMO-150152												
API #:		42-389-34691												
Vertical Section Azimuth:			57.99		Proposed Direction:			57.99						
Survey Calculation Method:			Minimum Curvature											
PTB:	MD		INC		AZM		TVD		N/S		E/W		VS	
	20,432		90		59.7		10942.51		5388.05		8248.34		9850.25	
#	Depth Feet	Inc Degrees	Azm Degrees	TVD Feet	N/S Feet	E/W Feet	Surface Vert Sec	Closure Distance		Azm	DLS/ 100	BUR/ 100'		
65	10,568	35.60	43.10	10539.48	155.88	42.18	118.40	161.49		15.14	8.75	8.74		
66	10,662	44.60	43.50	10611.31	199.89	83.68	176.91	216.70		22.72	9.58	9.57		
67	10,757	52.30	44.00	10674.27	251.20	132.82	245.77	284.15		27.87	8.11	8.11		
68	10,851	61.30	45.40	10725.69	307.01	188.12	322.25	360.06		31.50	9.65	9.57		
69	10,957	68.70	46.60	10770.46	373.67	257.20	416.16	453.63		34.54	7.06	6.98		
70	11,020	68.80	47.00	10793.29	413.87	300.00	473.76	511.16		35.94	0.61	0.16		
71	11,114	68.90	45.80	10827.21	474.33	363.48	559.64	597.58		37.46	1.20	0.11		
72	11,209	74.10	46.50	10857.34	536.71	428.44	647.79	686.74		38.60	5.52	5.47		
73	11,303	79.40	49.80	10878.89	597.70	496.58	737.90	777.07		39.72	6.59	5.64		
74	11,398	90.30	51.50	10887.40	657.59	569.64	831.60	870.01		40.90	11.61	11.47		
75	11,492	90.60	53.80	10886.66	714.62	644.36	925.18	962.22		42.04	2.47	0.32		
76	11,587	90.70	58.10	10885.59	767.79	723.04	1020.09	1054.66		43.28	4.53	0.11		
77	11,682	90.90	61.40	10884.26	815.64	805.09	1115.02	1146.05		44.63	3.48	0.21		
78	11,776	88.70	58.50	10884.59	862.70	886.44	1208.95	1236.94		45.78	3.87	-2.34		
79	11,871	90.10	57.90	10885.58	912.76	967.17	1303.94	1329.87		46.66	1.60	1.47		
80	11,965	88.60	57.10	10886.65	963.26	1046.44	1397.93	1422.29		47.37	1.81	-1.60		
81	12,060	86.90	58.70	10890.38	1013.70	1126.85	1492.85	1515.71		48.03	2.46	-1.79		
82	12,155	90.20	61.20	10892.78	1061.25	1209.04	1587.74	1608.73		48.72	4.36	3.47		
83	12,249	89.40	60.40	10893.11	1107.10	1291.09	1681.63	1700.76		49.39	1.20	-0.85		
84	12,344	89.80	62.40	10893.77	1152.58	1374.50	1776.45	1793.79		50.02	2.15	0.42		
85	12,438	90.00	65.30	10893.94	1194.00	1458.86	1869.95	1885.18		50.70	3.09	0.21		
86	12,533	89.30	57.90	10894.52	1239.15	1542.37	1964.70	1978.48		51.22	7.82	-0.74		
87	12,628	88.70	56.80	10896.18	1290.39	1622.35	2059.67	2072.95		51.50	1.32	-0.63		
88	12,722	89.80	56.90	10897.41	1341.79	1701.04	2153.64	2166.55		51.73	1.18	1.17		
89	12,817	91.70	56.20	10896.16	1394.15	1780.29	2248.60	2261.21		51.94	2.13	2.00		
90	12,912	88.60	57.10	10895.91	1446.37	1859.64	2343.56	2355.89		52.13	3.40	-3.26		
91	13,006	88.00	55.20	10898.70	1498.70	1937.67	2437.47	2449.62		52.28	2.12	-0.64		
92	13,101	88.40	58.80	10901.69	1550.41	2017.29	2532.39	2544.25		52.46	3.81	0.42		
93	13,195	87.70	60.30	10904.89	1598.02	2098.27	2626.30	2637.50		52.71	1.76	-0.74		
94	13,290	88.10	61.30	10908.37	1644.33	2181.14	2721.12	2731.52		52.99	1.13	0.42		
95	13,385	90.80	60.80	10909.28	1690.31	2264.26	2815.97	2825.60		53.26	2.89	2.84		
96	13,479	91.20	60.50	10907.64	1736.38	2346.18	2909.85	2918.83		53.50	0.53	0.43		

Company:	Anadarko E&P Onshore LLC		
Well Name:	Mako State 2-32 2H		
Location:	Reeves County, TX		
Rig:	Precision #576	Magnetic Declination:	9.01
Job Number:	DDMO-150152		
API #:	42-389-34691		
Vertical Section Azimuth:	57.99	Proposed Direction:	57.99

Survey Calculation Method:		Minimum Curvature									
PTB:	MD	INC	AZM	TVD	N/S	E/W	VS				
	20,432	90	59.7	10942.51	5388.05	8248.34	9850.25				
#	Depth Feet	Inc Degrees	Azm Degrees	TVD Feet	N/S Feet	E/W Feet	Surface Vert Sec	Closure		DLS/ 100	BUR/ 100'
								Distance	Azm		
97	13,574	89.60	57.00	10906.98	1785.65	2427.38	3004.83	3013.42	53.66	4.05	-1.68
98	13,669	90.30	56.60	10907.06	1837.67	2506.87	3099.80	3108.29	53.76	0.85	0.74
99	13,763	89.30	54.60	10907.39	1890.77	2584.43	3193.72	3202.23	53.81	2.38	-1.06
100	13,858	89.30	53.70	10908.55	1946.40	2661.42	3288.50	3297.22	53.82	0.95	0.00
101	13,952	88.80	57.60	10910.11	1999.43	2739.01	3382.39	3391.14	53.87	4.18	-0.53
102	14,047	88.40	58.40	10912.43	2049.75	2819.55	3477.36	3485.87	53.98	0.94	-0.42
103	14,141	87.40	56.60	10915.87	2100.22	2898.77	3571.28	3579.63	54.08	2.19	-1.06
104	14,236	89.80	57.60	10918.19	2151.80	2978.50	3666.24	3674.47	54.15	2.74	2.53
105	14,331	90.60	56.60	10917.86	2203.40	3058.26	3761.22	3769.34	54.23	1.35	0.84
106	14,425	89.90	57.10	10917.45	2254.81	3136.96	3855.20	3863.25	54.29	0.92	-0.74
107	14,520	88.90	55.70	10918.45	2307.37	3216.08	3950.16	3958.17	54.34	1.81	-1.05
108	14,615	90.10	55.00	10919.28	2361.38	3294.23	4045.05	4053.15	54.37	1.46	1.26
109	14,709	89.80	55.80	10919.36	2414.76	3371.60	4138.95	4147.14	54.39	0.91	-0.32
110	14,804	89.00	57.50	10920.35	2466.98	3450.95	4233.92	4242.06	54.44	1.98	-0.84
111	14,898	89.60	58.90	10921.50	2516.51	3530.83	4327.91	4335.85	54.52	1.62	0.64
112	14,993	90.50	58.20	10921.42	2566.07	3611.87	4422.90	4430.62	54.61	1.20	0.95
113	15,087	91.90	58.70	10919.45	2615.25	3691.96	4516.87	4524.39	54.69	1.58	1.49
114	15,182	87.30	60.00	10920.11	2663.66	3773.66	4611.82	4619.05	54.78	5.03	-4.84
115	15,277	87.10	59.70	10924.75	2711.32	3855.71	4706.65	4713.57	54.89	0.38	-0.21
116	15,371	86.40	58.40	10930.08	2759.58	3936.20	4800.48	4807.18	54.97	1.57	-0.74
117	15,466	86.00	57.80	10936.38	2809.68	4016.67	4895.28	4901.83	55.03	0.76	-0.42
118	15,561	85.30	57.60	10943.58	2860.29	4096.74	4990.00	4996.45	55.08	0.77	-0.74
119	15,655	86.70	57.50	10950.14	2910.61	4175.87	5083.77	5090.14	55.12	1.49	1.49
120	15,750	87.10	57.60	10955.28	2961.50	4255.92	5178.62	5184.91	55.17	0.43	0.42
121	15,845	88.00	59.30	10959.34	3011.16	4336.79	5273.53	5279.67	55.23	2.02	0.95
122	15,939	91.40	63.90	10959.83	3055.85	4419.45	5367.30	5373.06	55.34	6.08	3.62
123	16,034	92.40	63.50	10956.68	3097.92	4504.56	5461.78	5467.01	55.48	1.13	1.05
124	16,129	91.30	62.70	10953.62	3140.88	4589.24	5556.35	5561.14	55.61	1.43	-1.16
125	16,223	89.50	59.50	10952.96	3186.30	4671.52	5650.19	5654.69	55.70	3.91	-1.91
126	16,318	88.50	60.20	10954.62	3234.01	4753.65	5745.13	5749.43	55.77	1.28	-1.05
127	16,413	91.80	62.10	10954.37	3279.84	4836.84	5839.96	5844.00	55.86	4.01	3.47
128	16,507	88.90	61.40	10953.80	3324.32	4919.64	5933.75	5937.50	55.95	3.17	-3.09

Company:		Anadarko E&P Onshore LLC												
Well Name:		Mako State 2-32 2H												
Location:		Reeves County, TX												
Rig:		Precision #576				Magnetic Declination:		9.01						
Job Number:		DDMO-150152												
API #:		42-389-34691												
Vertical Section Azimuth:			57.99		Proposed Direction:			57.99						
Survey Calculation Method:			Minimum Curvature											
PTB:	MD		INC		AZM		TVD		N/S		E/W		VS	
	20,432		90		59.7		10942.51		5388.05		8248.34		9850.25	
#	Depth Feet	Inc Degrees	Azm Degrees	TVD Feet	N/S Feet	E/W Feet	Surface Vert Sec	Closure Distance		Azm	DLS/ 100	BUR/ 100'		
129	16,602	90.80	61.70	10954.04	3369.58	5003.16	6028.56	6032.05	56.04	2.02	2.00			
130	16,696	88.90	59.30	10954.29	3415.86	5084.96	6122.46	6125.76	56.11	3.26	-2.02			
131	16,791	89.60	58.80	10955.53	3464.71	5166.43	6217.43	6220.63	56.15	0.91	0.74			
132	16,886	90.90	58.80	10955.12	3513.92	5247.69	6312.42	6315.53	56.19	1.37	1.37			
133	16,980	88.00	56.20	10956.02	3564.42	5326.95	6406.40	6409.48	56.21	4.14	-3.09			
134	17,075	90.40	58.40	10957.35	3615.73	5406.87	6501.37	6504.44	56.23	3.43	2.53			
135	17,169	90.30	56.30	10956.77	3666.44	5486.01	6595.35	6598.42	56.24	2.24	-0.11			
136	17,200	89.50	55.90	10956.83	3683.73	5511.74	6626.34	6629.42	56.24	2.89	-2.58			
137	17,295	90.20	56.50	10957.08	3736.58	5590.68	6721.29	6724.41	56.24	0.97	0.74			
138	17,389	92.00	55.90	10955.27	3788.85	5668.78	6815.22	6818.39	56.24	2.02	1.91			
139	17,484	93.10	55.20	10951.05	3842.54	5747.04	6910.04	6913.29	56.23	1.37	1.16			
140	17,579	92.80	54.70	10946.16	3897.03	5824.71	7004.78	7008.14	56.22	0.61	-0.32			
141	17,673	91.60	56.60	10942.55	3950.02	5902.25	7098.63	7102.06	56.21	2.39	-1.28			
142	17,768	90.10	60.30	10941.14	3999.71	5983.18	7193.59	7196.96	56.24	4.20	-1.58			
143	17,862	89.70	61.70	10941.30	4045.28	6065.40	7287.46	7290.64	56.30	1.55	-0.43			
144	17,957	89.40	63.40	10942.05	4089.07	6149.70	7382.15	7385.07	56.38	1.82	-0.32			
145	18,051	89.80	65.80	10942.70	4129.39	6234.60	7475.52	7478.11	56.48	2.59	0.43			
146	18,146	90.90	67.00	10942.12	4167.42	6321.65	7569.49	7571.70	56.61	1.71	1.16			
147	18,241	89.80	64.00	10941.54	4206.81	6408.08	7663.66	7665.56	56.72	3.36	-1.16			
148	18,335	89.70	63.80	10941.95	4248.17	6492.50	7757.16	7758.83	56.80	0.24	-0.11			
149	18,430	88.80	63.00	10943.20	4290.70	6577.43	7851.73	7853.20	56.88	1.27	-0.95			
150	18,524	90.70	61.50	10943.61	4334.46	6660.62	7945.46	7946.78	56.95	2.58	2.02			
151	18,619	89.90	59.20	10943.11	4381.45	6743.17	8040.37	8041.61	56.99	2.56	-0.84			
152	18,714	90.10	57.60	10943.11	4431.23	6824.08	8135.37	8136.58	57.00	1.70	0.21			
153	18,808	90.20	54.90	10942.86	4483.45	6902.23	8229.32	8230.56	56.99	2.87	0.11			
154	18,903	89.90	56.30	10942.78	4537.12	6980.61	8324.23	8325.53	56.98	1.51	-0.32			
155	18,998	89.90	57.80	10942.95	4588.79	7060.33	8419.21	8420.53	56.98	1.58	0.00			
156	19,092	89.40	57.70	10943.52	4638.95	7139.83	8513.21	8514.52	56.99	0.54	-0.53			
157	19,187	89.10	56.60	10944.76	4690.48	7219.63	8608.19	8609.51	56.99	1.20	-0.32			
158	19,281	90.90	62.40	10944.76	4738.16	7300.58	8702.12	8703.37	57.02	6.46	1.91			
159	19,376	91.30	54.40	10942.94	4787.89	7381.42	8797.02	8798.25	57.03	8.43	0.42			
160	19,470	91.60	54.20	10940.56	4842.73	7457.73	8890.79	8892.11	57.00	0.38	0.32			

Company:		Anadarko E&P Onshore LLC				Magnetic Declination: 9.01 ▼					
Well Name:		Mako State 2-32 2H									
Location:		Reeves County, TX									
Rig:		Precision #576									
Job Number:		DDMO-150152									
API #:		42-389-34691									
Vertical Section Azimuth:			57.99			Proposed Direction:			57.99		
Survey Calculation Method:			Minimum Curvature								
PTB:	MD		INC		AZM	TVD	N/S	E/W	VS		
	20,432		90		59.7	10942.51	5388.05	8248.34	9850.25		
#	Depth Feet	Inc Degrees	Azm Degrees	TVD Feet	N/S Feet	E/W Feet	Surface Vert Sec	Closure Distance Azm		DLS/ 100	BUR/ 100'
161	19,565	88.10	49.00	10940.81	4901.70	7532.14	8985.16	8986.65	56.95	6.60	-3.68
162	19,660	88.70	50.80	10943.46	4962.87	7604.78	9079.17	9080.90	56.87	2.00	0.63
163	19,754	89.90	53.30	10944.61	5020.67	7678.89	9172.65	9174.55	56.82	2.95	1.28
164	19,849	90.50	54.90	10944.28	5076.37	7755.84	9267.43	9269.44	56.79	1.80	0.63
165	19,943	90.90	57.20	10943.13	5128.86	7833.80	9361.36	9363.42	56.79	2.48	0.43
166	20,038	90.80	59.20	10941.72	5178.91	7914.53	9456.34	9458.38	56.80	2.11	-0.11
167	20,132	89.80	57.50	10941.23	5228.23	7994.54	9550.33	9552.34	56.82	2.10	-1.06
168	20,227	89.70	56.00	10941.64	5280.32	8073.99	9645.31	9647.33	56.82	1.58	-0.11
169	20,322	89.50	58.10	10942.31	5331.99	8153.70	9740.29	9742.33	56.82	2.22	-0.21
170	20,369	90.00	59.70	10942.51	5356.26	8193.94	9787.28	9789.29	56.83	3.57	1.06

File No. M-1121148
RRC Info. on Meko State Z-32 well
#214 holding deep, depths
County
Date Filed: 2/16/17
George P. Bush, Commissioner
By [Signature]

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Anadarko E&P Onshore LLC

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

P.O. BOX 1330

City, State, ZIP+4®

Houston, TX 77251-1330

MF 112118

Certified Mail service provides the following benefits:

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- For an additional fee, and with a proper endorsement on the mailpiece, you may request the following services:
 - Return receipt service, which provides a record of delivery (including the recipient's signature). You can request a hardcopy return receipt or an electronic version. For a hardcopy return receipt, complete PS Form 3811, *Domestic Return Receipt*; attach PS Form 3811 to your mailpiece;

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

- Restricted delivery service, which provides delivery to the addressee specified by name, or to the addressee's authorized agent.
- Adult signature service, which requires the signee to be at least 21 years of age (not available at retail).
- Adult signature restricted delivery service, which requires the signee to be at least 21 years of age and provides delivery to the addressee specified by name, or to the addressee's authorized agent (not available at retail).
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IMPORTANT: Save this receipt for your records.



Texas General Land Office

Reconciliation Billing

George P. Bush, Commissioner

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

Anadarko E&P Onshore LLC
Attn: David Robertson
PO Box 1330
Houston, TX 77251-1330

Billing Date: 3/23/2017
Billing Due Date: 4/22/2017
Customer Number: C000044444

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
17I00326	MF112118	\$68,741.03	\$0.00	\$6,874.11	\$2,096.90	\$77,712.04
17I00327	MF112118	\$29,949.07	\$0.00	\$2,994.91	\$923.41	\$33,867.39
17I00328	MF112118	\$0.00	\$46,129.55	\$4,612.96	\$1,481.60	\$52,224.11
Total Due		\$98,690.10	\$46,129.55	\$14,481.98	\$4,501.91	\$163,803.54

Penalty and interest have been calculated thru 3/31/2017. Payment remitted after 3/31/2017 will result in additional penalty and interest charges.

Contact Info: Luke Decker (512) 463-6907 or Luke.Decker@GLO.TEXAS.GOV

NOTICE

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

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

Detach and return with payment

Reconciliation Billing

Anadarko E&P Onshore LLC

Billing Date: 3/23/2017

Billing Due Date: 4/22/2017

Customer Number: C000044444

Remit Payment To:

Texas General Land Office

PO Box 12873

Austin, TX 78711-2873

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
17I00326	MF112118	\$68,741.03	\$0.00	\$6,874.11	\$2,096.90	\$77,712.04
17I00327	MF112118	\$29,949.07	\$0.00	\$2,994.91	\$923.41	\$33,867.39
17I00328	MF112118	\$0.00	\$46,129.55	\$4,612.96	\$1,481.60	\$52,224.11
Total Due		\$98,690.10	\$46,129.55	\$14,481.98	\$4,501.91	\$163,803.54
Amt. Paid						

Customer ID: C00004444
 Invoice Number: 17100326
 GLO Lease: MF112118
 GLO Review: Anadarko E&P Onshore LLC
 Review Period: September 2015 through August 2016

Category: Gas
 Auditor/AE: Ldecker
 Billing Date: 4/1/2017
 P&I Calculation Date: 4/30/2017
 Royalty Rate: 27.00%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	RRC Number	Gas/Oil Volume	Tract Participa	Price	BTU	Gross Value	Royalty Due	Royalty Paid	Additional Ro	Number of Da	Interest Rate For	Penalty Rate Fron	Interest Rate Fron	Revenue Due
Sep-15	08-41569	15,972	1.00000000	\$1.237125	1.048700	\$20,721.64	\$5,594.84	\$0.00	\$5,594.84	532	4.25%	\$559.48	\$308.14	\$6,462.46
Oct-15	08-41569	13,221	1.00000000	\$1.397903	1.048700	\$19,381.73	\$5,233.07	\$0.00	\$5,233.07	502	4.25%	\$523.31	\$269.93	\$6,026.31
Nov-15	08-41569	17,505	1.00000000	\$1.064737	1.048699	\$19,545.88	\$5,277.39	\$0.00	\$5,277.39	471	4.50%	\$527.74	\$268.06	\$6,073.19
Dec-15	08-41569	9,727	1.00000000	\$1.471821	1.048700	\$15,013.61	\$4,053.68	\$0.00	\$4,053.68	440	4.50%	\$405.37	\$190.41	\$4,649.46
Jan-16	08-41569	5,619	1.00000000	\$1.666612	1.048701	\$9,820.76	\$2,651.61	\$0.00	\$2,651.61	411	4.50%	\$265.16	\$115.07	\$3,031.84
Jun-16	08-41569	37,208	1.00000000	\$1.156977	1.024800	\$44,116.41	\$11,911.43	\$0.00	\$11,911.43	258	4.50%	\$1,191.14	\$292.24	\$13,394.81
Jul-16	08-41569	36,676	1.00000000	\$1.952778	1.038300	\$74,363.14	\$20,078.05	\$0.00	\$20,078.05	227	4.50%	\$2,007.81	\$415.86	\$22,501.72
Aug-16	08-41569	29,964	1.00000000	\$1.620240	1.063530	\$51,633.18	\$13,940.96	\$0.00	\$13,940.96	197	4.50%	\$1,394.10	\$237.19	\$15,572.25
TOTALS		165,892				\$254,596.36	\$68,741.03	\$0.00	\$68,741.03			\$6,874.11	\$2,096.90	\$77,712.04

ATTN: DAVID ROBERTSON
 CERTIFIED MAIL: 7016 2070 0000 7391 2852

COMMENTS: COLUMN (3) — VOLUMES SHOWN ARE THE VOLUMES ANADARKO REPORTED BASED ON THE AMOUNT OF LEASE USE, TRANSMISSION LINE, RESIDUE SALES VOLUMES ON THE GLO2 REPORTS FOR WELL ID #08-41569 AND PERMIT #08-801017.

COLUMN (5) — THE PRICES LISTED ARE THE DIFFERENCE BETWEEN PRICES REPORTED ON THE GLO2 AND THE HOUSTON SHIP CHANNEL PRICES. THIS CALCULATION WAS CONDUCTED BECAUSE THE PRICES REPORTED ON THE GLO2 REPORTS WERE EXTREMELY LOW.

COLUMN (6) — THE BTU FACTORS REPORTED FOR RESIDUE GAS PER GLO2 REPORTS WERE USED IN THIS COLUMN.

PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENT:

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

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

Customer ID: C000044444
 Invoice Number: 17100327
 GLO Lease: MF112118
 GLO Review: Anadarko E&P Onshore LLC
 Review Period: September 2015 through August 2016

Category: Gas
 Auditor/AE: Ldecker
 Billing Date: 4/1/2017
 P&I Calculation Date: 4/30/2017
 Royalty Rate: 27.00%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	RRC Number	Gas/Oil Volume	Tract Participa	Price	BTU	Gross Value	Royalty Due	Royalty Paid	Additional Ro	Number of Da	Interest Rate For	Penalty Rate Fron	Interest Rate Fron	Revenue Due
Feb-16	08-41569	4,908	1.00000000	\$2.230000	1.048699	\$11,477.84	\$3,099.02	\$0.00	\$3,099.02	380	4.50%	\$309.90	\$122.64	\$3,531.56
Mar-16	08-41569	7,320	1.00000000	\$1.700000	1.048699	\$13,050.01	\$3,523.50	\$0.00	\$3,523.50	350	4.50%	\$352.35	\$126.41	\$4,002.26
Apr-16	08-41569	6,588	1.00000000	\$1.870000	1.048699	\$12,919.51	\$3,488.27	\$0.00	\$3,488.27	319	4.50%	\$348.83	\$111.82	\$3,948.92
May-16	08-41569	36,115	1.00000000	\$1.940000	1.048699	\$73,475.10	\$19,838.28	\$0.00	\$19,838.28	289	4.50%	\$1,983.83	\$562.54	\$22,384.65
TOTALS		54,931				\$110,922.47	\$29,949.07	\$0.00	\$29,949.07			\$2,994.91	\$923.41	\$33,867.39

ATTN: DAVID ROBERTSON
 CERTIFIED MAIL: 7016 2070 0000 7391 2852

COMMENTS: COLUMN (3) — VOLUMES SHOWN ARE THE VOLUMES ANADARKO SHOULD HAVE REPORTED BASED ON THE AMOUNT OF LEASE USE, TRANSMISSION LINE, RESIDUE SALES VOLUMES REPORTED TO THE RAILROAD COMMISSION FOR WELL ID #08-41569 AND PERMIT #08-801017.

COLUMNS (5) & (6) — THE PRICES LISTED ARE HOUSTON SHIP CHANNEL PRICES BECAUSE GLO2 REPORTS WERE NOT FILED FOR THESE FOUR MONTHS. THE BTU FACTORS WERE DETERMINED BY CALCULATING AN AVERAGE BTU REPORTED FOR RESIDUE GAS PER GLO2 REPORTS FROM SEPTEMBER 2015 THROUGH JANUARY 2016.

PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENT:
<http://www.glo.texas.gov/energy-business/oil-gas/rrac/forms/penalty-interest-assessment-rules.pdf>

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

Customer ID: C000044444
 Invoice Number: 17100328
 GLO Lease: MF112118
 GLO Review: Anadarko E&P Onshore LLC
 Review Period: September 2015 through August 2016

Category: Oil
 Auditor/AE: Ldecker
 Billing Date: 4/1/2017
 P&I Calculation Date: 4/30/2017
 Royalty Rate: 27.00%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	RRC Number	Gas/Oil Volume	Tract Participa	Price	BTU	Gross Value	Royalty Due	Royalty Paid	Additional Ro	Number of Da	Interest Rate For	Penalty Rate Fron	Interest Rate Fron	Revenue Due
Oct-15	08-41569	98	1.00000000	\$43.843410	1.000000	\$4,296.65	\$1,160.10	\$0.00	\$1,160.10	512	4.25%	\$116.01	\$61.19	\$1,337.30
Nov-15	08-41569	76	1.00000000	\$38.487570	1.000000	\$2,925.06	\$789.76	\$0.00	\$789.76	481	4.50%	\$78.98	\$41.09	\$909.83
Dec-15	08-41569	271	1.00000000	\$31.752358	1.000000	\$8,604.89	\$2,323.32	\$0.00	\$2,323.32	450	4.50%	\$232.33	\$112.00	\$2,667.65
Jan-16	08-41569	636	1.00000000	\$27.181604	1.000000	\$17,287.50	\$4,667.63	\$0.00	\$4,667.63	421	4.50%	\$466.76	\$208.32	\$5,342.71
Feb-16	08-41569	213	1.00000000	\$26.155611	1.000000	\$5,571.15	\$1,504.21	\$0.00	\$1,504.21	390	4.50%	\$150.42	\$61.38	\$1,716.01
Mar-16	08-41569	446	1.00000000	\$33.107085	1.000000	\$14,765.76	\$3,986.76	\$0.00	\$3,986.76	360	4.50%	\$398.68	\$147.95	\$4,533.39
Apr-16	08-41569	454	1.00000000	\$36.314204	1.000000	\$16,486.65	\$4,451.40	\$0.00	\$4,451.40	329	4.50%	\$445.14	\$148.18	\$5,044.72
May-16	08-41569	1,209	1.00000000	\$42.277286	1.000000	\$51,113.24	\$13,800.57	\$0.00	\$13,800.57	299	4.50%	\$1,380.06	\$408.35	\$15,588.98
Jun-16	08-41569	352	1.00000000	\$44.989721	1.000000	\$15,836.38	\$4,275.82	\$0.00	\$4,275.82	268	4.50%	\$427.58	\$110.18	\$4,813.58
Jul-16	08-41569	381	1.00000000	\$41.078636	1.000000	\$15,650.96	\$4,225.76	\$0.00	\$4,225.76	237	4.50%	\$422.58	\$92.74	\$4,741.08
Aug-16	08-41569	446	1.00000000	\$41.058126	1.000000	\$18,311.92	\$4,944.22	\$0.00	\$4,944.22	207	4.50%	\$494.42	\$90.22	\$5,528.86
TOTALS		4,582				\$170,850.16	\$46,129.55	\$0.00	\$46,129.55			\$4,612.96	\$1,481.60	\$52,224.11

ATTN: DAVID ROBERTSON
 CERTIFIED MAIL: 7016 2070 0000 7391 2852

COMMENTS: COLUMN (3) — VOLUMES SHOWN ARE THE UNDER REPORTED VOLUMES BASED ON THE DIFFERENCE BETWEEN THE TOTAL OF TRUCK, SKIM LIQUID HYDROCARBONS, DRIP SALES VOLUMES REPORTED TO THE RAILROAD COMMISSION FOR WELL ID #08-41569 AND PERMIT #08-801017 AND THE TOTAL OF THOSE VOLUMES SHOWN ON THE GLO1 REPORTS.

COLUMNS (5) & (6) — THE PRICES WERE DETERMINED BY USING WHAT WAS REPORTED ON THE GLO1 REPORTS FILED BY THE OPERATOR.

PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENT:

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

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

File No. MF 112118

County

Recon Billing

Date Filed: 3/24/17

George P. Bush, Commissioner

By AT

USPS TRACKING #



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

9590 9402 1749 6074 7563 14

United States
Postal Service



Texas General Land Office

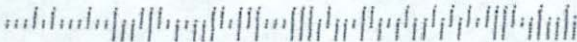
George P. Bush, Commissioner

P.O. Box 12873

Austin, Texas 78711-2873

ATTN: Aurora Jordan SM Energy
MF 112118

09/23



SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Anadarko E&P Onshore LLC
ATTN: David Robertson
PO Box 1330
Houston, TX 77251-1330



9590 9402 1749 6074 7563 14

7016 2070 0000 7390 6202

COMPLETE THIS SECTION ON DELIVERY**A. Signature**

X *Craig Blanton*

☐ Agent☐ Addressee**B. Received by (Printed Name)**

CRAIG BLANTON

C. Date of Delivery

9/18/18

D. Is delivery address different from item 1?☐ Yes

If YES, enter delivery address below:

☐ No**3. Service Type**

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☐ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery

Delivery Restricted Delivery

ail

ail Restricted Delivery

(over \$500)

☐ Priority Mail Express®☐ Registered Mail™☐ Registered Mail Restricted Delivery☐ Return Receipt for Merchandise☐ Signature Confirmation™☐ Signature Confirmation Restricted Delivery

2029 0632 0000 0202 9T02

U.S. Postal Service™
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Domestic Mail Only

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

OFFICIAL USE

Certified Mail Fee

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Extra Services & Fees (check box, add fee as appropriate)

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

Postmark
Here

MF 112118

Postage

\$

Total Postage and Fees

\$

Sent To

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

City, State, ZIP+4®

ATTN: David Robertson

ANADARKO E+P Onshore LLC

PO BOX 1330

Houston, TX 77251-1330

Certified Mail service provides the following benefits:

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

Important Reminders:

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

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

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

IMPORTANT: Save this receipt for your records.



Texas General Land Office

Reconciliation Billing

George P. Bush, Commissioner

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

COPY

Anadarko E&P Onshore LLC
Attn: David Robertson
PO Box 1330
Houston, TX 77251-1330

Billing Date: 9/11/2018
Billing Due Date: 10/11/2018
Customer Number: C000044444

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
19I00016	MF112118	\$167,977.64	\$0.00	\$16,797.77	\$10,456.93	\$195,232.34
19I00017	MF112118	\$0.00	\$72,259.50	\$7,225.97	\$4,656.93	\$84,142.40
Total Due		\$167,977.64	\$72,259.50	\$24,023.74	\$15,113.86	\$279,374.74

Penalty and interest have been calculated thru 9/30/2018. Payment remitted after 9/30/2018 will result in additional penalty and interest charges.

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

NOTICE

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

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

Detach and return with payment

Reconciliation Billing

Anadarko E&P Onshore LLC

Billing Date: 9/11/2018

Billing Due Date: 10/11/2018

Customer Number: C000044444

Remit Payment To:

Texas General Land Office

PO Box 12873

Austin, TX 78711-2873

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
19I00016	MF112118	\$167,977.64	\$0.00	\$16,797.77	\$10,456.93	\$195,232.34
19I00017	MF112118	\$0.00	\$72,259.50	\$7,225.97	\$4,656.93	\$84,142.40
Total Due		\$167,977.64	\$72,259.50	\$24,023.74	\$15,113.86	\$279,374.74
Amt. Paid						

Energy Financial Management
SMAR Activity / Invoicing Approval

Auditor/Account Examiner: Andrea Charlton
Company Name: Anadarko E&P Onshore LLC
Customer Number: C000044444
Mineral File #: MF112118
Transaction Type: Volume Reconciliation
Other / Invoice #:

Previous Amount	Current Amount	Date	AE / Reviewer's Notes	Reviewer's Signature	AR Notes
	\$195,232.34	09/05/18	Under reported/paid sales volumes	MM 9/5/2018 	

All original invoices must be approved.

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

Customer ID: C000044444
 Invoice Number: MF112118
 GLO Lease: ANADARKO E&P ONSHORE LLC
 GLO Review: 201609-201708
 Review Period:

Category: Gas
 Auditor/AE: Acharito
 Billing Date: 9/5/2018
 P&I Calculation Date: 9/30/2018
 Royalty Rate: 27.00%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	RRC Number	Gas/Oil Volume	Tract Particip	Price	BTU	Gross Value	Royalty Due	Royalty Paid	Additional Ro	Number of Da	Interest Rate For	Penalty Rate For	Interest Rate For	Revenue Due
Sep-16	08-41569	36,652	1.00000000	\$1.575059	1.083511	\$52,550.07	\$16,888.52	\$0.00	\$16,888.52	684	4.50%	\$1,688.85	\$1,301.34	\$19,878.71
Oct-16	08-41569	41,722	1.00000000	\$1.677631	1.021210	\$71,478.70	\$19,299.25	\$0.00	\$19,299.25	654	4.50%	\$1,929.93	\$1,415.72	\$22,644.90
Nov-16	08-41569	30,080	1.00000000	\$2.307577	1.050364	\$72,907.78	\$19,685.10	\$0.00	\$19,685.10	623	4.75%	\$1,968.51	\$1,444.83	\$23,098.44
Dec-16	08-41569	24,406	1.00000000	\$1.391242	1.034593	\$35,129.25	\$9,484.90	\$0.00	\$9,484.90	592	4.75%	\$948.49	\$657.90	\$11,091.29
Jan-17	08-41569	40,328	1.00000000	\$1.920264	1.048295	\$81,180.39	\$21,918.71	\$0.00	\$21,918.71	564	4.75%	\$2,191.87	\$1,440.48	\$25,551.06
Feb-17	08-41569	36,551	1.00000000	\$2.098555	1.051378	\$80,645.20	\$21,774.20	\$0.00	\$21,774.20	533	4.75%	\$2,177.42	\$1,343.14	\$25,294.76
Mar-17	08-41569	26,448	1.00000000	\$1.869416	1.058337	\$52,326.63	\$14,128.19	\$0.00	\$14,128.19	503	4.75%	\$1,412.82	\$816.34	\$16,357.35
Apr-17	08-41569	27,816	1.00000000	\$1.031139	1.013090	\$29,057.61	\$7,845.56	\$0.00	\$7,845.56	472	4.75%	\$784.56	\$421.67	\$9,051.79
May-17	08-41569	21,135	1.00000000	\$0.988956	1.042568	\$21,791.32	\$5,883.66	\$0.00	\$5,883.66	442	4.75%	\$588.37	\$293.26	\$6,765.29
Jun-17	08-41569	36,027	1.00000000	\$1.236853	1.043977	\$46,519.72	\$12,560.33	\$0.00	\$12,560.33	411	4.75%	\$1,256.03	\$575.37	\$14,391.73
Jul-17	08-41569	38,646	1.00000000	\$1.082006	1.042251	\$43,581.94	\$11,767.12	\$0.00	\$11,767.12	380	4.75%	\$1,176.71	\$491.56	\$13,435.39
Aug-17	08-41569	25,997	1.00000000	\$0.900244	1.066959	\$24,970.73	\$6,742.10	\$0.00	\$6,742.10	350	4.75%	\$674.21	\$255.32	\$7,671.63
TOTALS		385,808				\$622,139.34	\$167,977.64	\$0.00	\$167,977.64			\$16,797.77	\$10,456.93	\$195,232.34

ATTN: David Robertson
 CERTIFIED MAIL: 7016 2070 0000 7390 6202

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

COLUMN (3) RRC VOLUME - REPRESENTS UNDER REPORTED SALES VOLUMES TO THE GLO FROM RRC WELL ID# 08-41569 08-48491

COLUMN (5) PRICE - HOUSTON SHIP CHANNEL PRICING LESS THE AVERAGE REPORTED PRICE TO THE GLO

COLUMN (6) BTU - AVERAGE REPORTED PRICE TO THE GLO

COLUMN (13)(14)(15) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENT:

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

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

Energy Financial Management
SMAR Activity / Invoicing Approval

Auditor/Account Examiner: Andrea Charlton
Company Name: Anadarko E&P Onshore LLC
Customer Number: C000044444
Mineral File #: MF112118
Transaction Type: Volume Reconciliation
Other / Invoice #:

Previous Amount	Current Amount	Date	AE / Reviewer's Notes	Reviewer's Signature	AR Notes
	\$84,142.40	09/05/18	Under reported/paid sales volumes	MM 9/5/2018	

All original invoices must be approved.

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

Customer ID: C00004444
 Invoice Number: MF112118
 GLO Lease: Anadarko E&P Onshore LLC
 GLO Review: SEPT 2016 Through AUG 2017
 Review Period:

Category: Oil
 Auditor/AE: Acharlto
 Billing Date: 9/5/2018
 P&I Calculation Date: 9/30/2018
 Royalty Rate: 27.00%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	RRC Number	Gas/Oil Volume	Tract Particip	Price	BTU	Gross Value	Royalty Due	Royalty Paid	Additional Ro	Number of Da	Interest Rate For	Penalty Rate For	Interest Rate For	Revenue Due
Sep-16	08-41569	262	1.00000000	40.345000	1.000000	\$10,570.39	\$2,854.01	\$0.00	\$2,854.01	694	4.50%	\$285.40	\$223.43	\$3,362.84
Oct-16	08-41569	102	1.00000000	\$44.884320	1.000000	\$4,578.20	\$1,236.11	\$0.00	\$1,236.11	664	4.50%	\$123.61	\$92.20	\$1,451.92
Nov-16	08-41569	994	1.00000000	\$41.139400	1.000000	\$40,892.56	\$11,040.99	\$0.00	\$11,040.99	633	4.75%	\$1,104.10	\$824.75	\$12,969.84
Dec-16	08-41569	1,001	1.00000000	\$48.593100	1.000000	\$48,641.69	\$13,133.26	\$0.00	\$13,133.26	602	4.75%	\$1,313.33	\$928.05	\$15,374.64
Jan-17	08-41569	910	1.00000000	\$49.502000	1.000000	\$45,046.82	\$12,162.64	\$0.00	\$12,162.64	574	4.75%	\$1,216.26	\$815.15	\$14,194.05
Feb-17	08-41569	1,009	1.00000000	\$50.587200	1.000000	\$51,042.48	\$13,781.47	\$0.00	\$13,781.47	543	4.75%	\$1,378.15	\$868.04	\$16,027.66
Mar-17	08-41569	551	1.00000000	\$46.555400	1.000000	\$25,652.03	\$6,926.05	\$0.00	\$6,926.05	513	4.75%	\$692.61	\$409.21	\$8,027.87
Apr-17	08-41569	188	1.00000000	\$46.981300	1.000000	\$8,832.48	\$2,384.77	\$0.00	\$2,384.77	482	4.75%	\$238.48	\$131.28	\$2,754.53
May-17	08-41569	126	1.00000000	\$44.171700	1.000000	\$5,565.63	\$1,502.72	\$0.00	\$1,502.72	452	4.75%	\$150.27	\$76.85	\$1,729.84
Jun-17	08-41569	34	1.00000000	\$41.432300	1.000000	\$1,408.70	\$380.35	\$0.00	\$380.35	421	4.75%	\$38.04	\$17.92	\$436.31
Jul-17	08-41569	32	1.00000000	\$42.820400	1.000000	\$1,370.25	\$369.97	\$0.00	\$369.97	390	4.75%	\$37.00	\$15.94	\$422.91
Aug-17	08-41569	544	1.00000000	\$44.166400	1.000000	\$24,026.52	\$6,487.16	\$0.00	\$6,487.16	360	4.75%	\$648.72	\$254.11	\$7,389.99
TOTALS		5,753				\$267,627.77	\$72,259.50	\$0.00	\$72,259.50			\$7,225.97	\$4,666.93	\$84,142.40

ATTENTION: David Robertson
 CERTIFIED MAIL: 7016 2070 0000 7390 6202

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

COLUMN (3) RRC VOLUME - REPRESENTS UNDER REPORTED SALES VOLUMES TO THE GLO FROM RRC WELL ID# 08-41569 08-48491

COLUMN (5) PRICE - TAKEN FROM PRODUCTION ROYALTY REPORTS SUBMITTED TO THE TEXAS GENERAL LAND OFFICE

COLUMN (13)(14)(15) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENT:
<http://www.glo.texas.gov/energy-business/oil-gas/rrac/forms/penalty-interest-assessment-rules.pdf>

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

31

File No. MF 112118

County

Recon Billing

Date Filed: 9/13/18

George P. Bush, Commissioner

By AT

U.S. Postal Service™

CERTIFIED MAIL™ RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

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

OFFICIAL USE

Postage

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Certified Fee

Return Receipt Fee

(Endorsement Required)

Restricted Delivery Fee

(Endorsement Required)

Total Postage & Fees

\$

MF 111864
MF 112118
Postmark
Here

Attn: David Robertson

Sent To

Anadarko E&P Onshore LLC

Street, Apt. No.;

or PO Box No. Po Box 1330

City, State, ZIP+4

Houston, Tx 77251-1330

7011 1150 0001 2420 1471

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Anadarko E+P Onshore LLC
 Attn: David Robertson
 P.O. Box 1330
 Houston, TX 77251-1330



9590 9402 1749 6074 7754 76

2. Article Number (Transfer from service label)

7011 1150 0001 2420 1471

COMPLETE THIS SECTION ON DELIVERY

A. Signature

- ☐ Agent
☐ Addressee

B. Received by (Printed Name)

CRAIG BLANTON

C. Date of Delivery

6/11/19

D. Is delivery address different from item 1?

☐ Yes

If YES, enter delivery address below:

☐ No

JUN 11 2019

MF-112118

3. Service Type

- ☐ Adult Signature
☐ Adult Signature Restricted Delivery
☐ Certified Mail®
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
☐ Insured Mail

- ☐ Priority Mail Express®
☐ Registered Mail™
☐ Registered Mail Restricted Delivery
☐ Return Receipt for Merchandise
☐ Signature Confirmation™
☐ Signature Confirmation Restricted Delivery

Restricted Delivery



Texas General Land Office

Reconciliation Billing

George P. Bush, Commissioner

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

Anadarko E&P Onshore LLC
Attn: David Robertson
PO Box 1330
Houston, TX 77251-1330

Billing Date: 6/5/2019
Billing Due Date: 7/5/2019
Customer Number: C000044444

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
19I00503	MF112118	\$28,195.60	\$0.00	\$2,819.55	\$998.34	\$32,013.49
19I00504	MF112118	\$0.00	\$1,037.21	\$155.14	\$61.40	\$1,253.75
Total Due		\$28,195.60	\$1,037.21	\$2,974.69	\$1,059.74	\$33,267.24

Penalty and interest have been calculated thru 6/30/2019. Payment remitted after 6/30/2019 will result in additional penalty and interest charges.

Contact Info: Sabrina Garcia (512) 475-1510 or Sabrina.Garcia@GLO.TEXAS.GOV

NOTICE

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

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

Detach and return with payment

Reconciliation Billing

Anadarko E&P Onshore LLC

Billing Date: 6/5/2019

Billing Due Date: 7/5/2019

Customer Number: C000044444

Remit Payment To:

Texas General Land Office

PO Box 12873

Austin, TX 78711-2873

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
19I00503	MF112118	\$28,195.60	\$0.00	\$2,819.55	\$998.34	\$32,013.49
19I00504	MF112118	\$0.00	\$1,037.21	\$155.14	\$61.40	\$1,253.75
Total Due		\$28,195.60	\$1,037.21	\$2,974.69	\$1,059.74	\$33,267.24
Amt. Paid						

Customer ID: C000044444
 Invoice Number: 19I00503
 GLO Lease: MF112118
 GLO Review: ANADARKO E&P ONSHORE LLC
 Review Period: September 2017 through August 2018

Category: Gas
 Auditor/AE: SGarcia
 Billing Date: 6/5/2019
 P&I Calculation Date: 6/30/2019
 Royalty Rate: 27.00%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	RRC Number	Gas/Oil Volume	Tract Participa	Price	BTU	Gross Value	Royalty Due	Royalty Paid	Additional Ro	Number of Da	Interest Rate For	Penalty Rate Fron	Interest Rate Fron	Revenue Due
Nov-17	08-41569	0	1.00000000	\$ -	-	\$0.00	\$31,457.98	\$31,159.35	\$298.63	531	5.50%	\$29.86	\$21.24	\$349.73
Dec-17	08-41569	0	1.00000000	\$ -	-	\$0.00	\$23,183.72	\$22,852.00	\$331.72	500	5.50%	\$33.17	\$22.04	\$386.93
Jun-18	08-41569	0	1.00000000	\$ -	-	\$0.00	\$25,983.31	\$16,498.02	\$9,485.29	319	5.50%	\$948.53	\$371.62	\$10,805.44
Jul-18	08-41569	0	1.00000000	\$ -	-	\$0.00	\$25,361.69	\$16,228.86	\$9,132.83	288	5.50%	\$913.28	\$315.15	\$10,361.26
Aug-18	08-41569	0	1.00000000	\$ -	-	\$0.00	\$24,473.66	\$15,526.53	\$8,947.13	258	5.50%	\$894.71	\$268.29	\$10,110.13
TOTALS		0				\$0.00	\$130,460.36	\$102,264.76	\$28,195.60			\$2,819.55	\$998.34	\$32,013.49

ATTN: Anna Ankiam
 CERTIFIED MAIL: 7011 1150 0001 2420 1471

COMMENTS: DUE VS PAID ROYALTIES UNDER PAID. RRCS 08-41569 & 08-48491

COLUMNS (12), (13), (14) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENT:
<http://www.glo.texas.gov/energy-business/oil-gas/rrac/forms/penalty-interest-assessment-rules.pdf>

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

Customer ID: C00004444
 Invoice Number: 19100504
 GLO Lease: MF112118
 GLO Review: ANADARKO E&P ONSHORE LLC
 Review Period: September 2017 through August 2018

Category: Oil
 Auditor/AE: SGarcia
 Billing Date: 6/5/2019
 P&I Calculation Date: 6/30/2019
 Royalty Rate: 27.00%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	RRC Number	Gas/Oil Volume	Tract Participa	Price	BTU	Gross Value	Royalty Due	Royalty Paid	Additional Ro	Number of Da	Interest Rate For	Penalty Rate Fron	Interest Rate Fron	Revenue Due
Sep-17	08-41569	10	1.00000000	\$ 46.166100	1.000000	\$461.66	\$124.65	\$0.00	\$124.65	602	4.75%	\$25.00	\$8.81	\$158.46
Oct-17	08-41569	23	1.00000000	\$ 47.221298	1.000000	\$1,086.09	\$293.24	\$0.00	\$293.24	572	4.75%	\$29.32	\$19.58	\$342.14
Dec-17	08-41569	8	1.00000000	\$ 55.408906	1.000000	\$443.27	\$119.68	\$0.00	\$119.68	510	5.50%	\$25.00	\$8.13	\$152.81
Jan-18	08-41569	6	1.00000000	\$ 61.158803	1.000000	\$366.95	\$99.08	\$0.00	\$99.08	482	5.50%	\$25.00	\$6.32	\$130.40
Mar-18	08-41569	16	1.00000000	\$ 59.767247	1.000000	\$956.28	\$258.19	\$0.00	\$258.19	421	5.50%	\$25.82	\$14.08	\$298.09
Aug-18	08-41569	10	1.00000000	\$ 52.729264	1.000000	\$527.29	\$142.37	\$0.00	\$142.37	268	5.50%	\$25.00	\$4.48	\$171.85
TOTALS		73				\$3,841.54	\$1,037.21	\$0.00	\$1,037.21			\$155.14	\$61.40	\$1,253.75

ATTN: Anna Anklam
 CERTIFIED MAIL: 7011 1150 0001 2420 1471

COMMENTS: BILLING ON DIFFERENCE FROM VOLUMES REPORTED TO GLO COMPARED TO THE VOLUMES REPORTED TO RRC

COLUMN (3) VOLUME - REPRESENTS UNDER REPORTED SALES VOLUMES TO THE GLO FROM RRC WELL IDS 08-41569 08-48491
 COLUMN (5) PRICE - AVERAGE TAKEN FROM ROYALTY PRODUCTION REPORTS SUBMITTED TO THE TEXAS GENERAL LAND OFFICE
 COLUMNS (12), (13), (14) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENT:
<http://www.glo.texas.gov/energy-business/oil-gas/rac/forms/penalty-interest-assessment-rules.pdf>

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

112118

File No. MF ~~11864~~

~~31~~ 32

County

Reconciliation Billing

Date Filed: 6/6/14

George P. Bush, Commissioner

By

VD



Texas General Land Office

Reconciliation Billing

George P. Bush, Commissioner

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

Anadarko E&P Onshore LLC
Attn: Anna Anklam
PO Box 1330
Houston, TX 77251-1330

Billing Date: 1/11/2021
Billing Due Date: 2/10/2021
Customer Number: C000044444

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
21I00191	MF112118	\$0.00	\$22,863.76	\$2,299.47	\$2,182.53	\$27,345.76
Total Due		\$0.00	\$22,863.76	\$2,299.47	\$2,182.53	\$27,345.76

Penalty and interest have been calculated thru 1/31/2021. Payment remitted after 1/31/2021 will result in additional penalty and interest charges.

Cortez,Ely Eric () - or Eric.Cortez@glo.texas.gov

NOTICE

- Please update GLO1 and GLO2 production reports to correct volumes.
- Please do not update GLO3 report to include billed royalty, penalty or interest. This receivable has already been recorded.
- For questions regarding this invoice, email us at glo123@glo.texas.gov.

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

Detach and return with payment

Reconciliation Billing

Anadarko E&P Onshore LLC

Billing Date: 1/11/2021

Billing Due Date: 2/10/2021

Customer Number: C000044444

Remit Payment To:

Texas General Land Office

PO Box 12873

Austin, TX 78711-2873

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
21I00191	MF112118	\$0.00	\$22,863.76	\$2,299.47	\$2,182.53	\$27,345.76
Total Due		\$0.00	\$22,863.76	\$2,299.47	\$2,182.53	\$27,345.76
Amt. Paid						

Customer ID: C000044444
 Invoice Number:
 GLO Lease: MF112118
 GLO Review: ANADARKO E&P ONSHORE LLC
 Review Period: SEP 2018 THRU AUG 2019

Category Oil
 Auditor/AE: ECORTEZ
 Billing Date: 1/5/2021
 P&I Calculation Date: 1/31/2021
 Royalty Rate: 27.00%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	RRC Number	Gas/Oil Volume	Tract Participation Rate	Price	BTU	Gross Value	Royalty Due	Royalty Paid	Additional Royalty Due	Number of Days Late	Interest Rate For Additional Royalty	Penalty Rate From Additional Royalty	Interest Rate From Additional Royalty	Revenue Due
Sep-18	08-41569	13	1	\$51.10	1.00	\$664.30	\$179.36	\$0.00	\$179.36	818	5.50%	\$25.00	\$20.51	\$224.87
Oct-18	08-41569	24	1	\$53.01	1.00	\$1,272.24	\$343.50	\$0.00	\$343.50	788	5.50%	\$34.35	\$37.73	\$415.58
Nov-18	08-41569	15	1	\$46.86	1.00	\$702.90	\$189.78	\$0.00	\$189.78	757	6.50%	\$25.00	\$23.59	\$238.37
Dec-18	08-41569	66	1	\$39.15	1.00	\$2,583.90	\$697.65	\$0.00	\$697.65	726	6.50%	\$69.77	\$82.87	\$850.29
Jan-19	08-41569	224	1	\$40.20	1.00	\$9,004.80	\$2,431.30	\$0.00	\$2,431.30	698	6.50%	\$243.13	\$276.67	\$2,951.10
Feb-19	08-41569	94	1	\$46.51	1.00	\$4,371.94	\$1,180.42	\$0.00	\$1,180.42	667	6.50%	\$118.04	\$127.81	\$1,426.27
Mar-19	08-41569	225	1	\$53.67	1.00	\$12,075.75	\$3,260.45	\$0.00	\$3,260.45	637	6.50%	\$326.05	\$335.60	\$3,922.10
Apr-19	08-41569	157	1	\$59.09	1.00	\$9,277.13	\$2,504.83	\$0.00	\$2,504.83	606	6.50%	\$250.48	\$244.00	\$2,999.31
May-19	08-41569	167	1	\$53.85	1.00	\$8,992.95	\$2,428.10	\$0.00	\$2,428.10	576	6.50%	\$242.81	\$223.55	\$2,894.46
Jun-19	08-41569	402	1	\$47.43	1.00	\$19,066.86	\$5,148.05	\$0.00	\$5,148.05	545	6.50%	\$514.81	\$445.55	\$6,108.41
Jul-19	08-41569	317	1	\$52.58	1.00	\$16,667.86	\$4,500.32	\$0.00	\$4,500.32	514	6.50%	\$450.03	\$364.65	\$5,315.00
TOTALS		1,704				\$84,680.63	\$22,863.76	\$0.00	\$22,863.76			\$2,299.47	\$2,182.53	\$27,345.76

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

COLUMN (3) VOLUME - REPRESENTS UNDER REPORTED SALES VOLUMES TO THE GLO FROM RRC WELL ID#S 08-41569 AND 08-48491
 COLUMNS (5) & (6) AVERAGE PRICING REPORTED TO THE GLO USED
 COLUMNS (12),(13),(14) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENT:
<http://www.glo.texas.gov/energy-business/oil-gas/rrac/forms/penalty-interest-assessment-rules.pdf>

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

ATTN: Anna Anklam
 CERTIFIED MAIL: Billing to be emailed: anna.anklam@anadarko.com

File No. MF 112 118 33
County
Recon Billing
Date Filed: 4/23/2021
George P. Bush, Commissioner
By VD



Texas General Land Office

Reconciliation Billing

George P. Bush, Commissioner

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

Anadarko E&P Onshore LLC
Attn: Anna Anklam
PO Box 1330
Houston, TX 77251-1330

Billing Date: 5/24/2021
Billing Due Date: 6/23/2021
Customer Number: C000044444

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
21I00798	MF112118	\$0.00	\$6,087.77	\$670.66	\$511.39	\$7,269.82
Total Due		\$0.00	\$6,087.77	\$670.66	\$511.39	\$7,269.82

Penalty and interest have been calculated thru 5/31/2021. Payment remitted after 5/31/2021 will result in additional penalty and interest charges.

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

NOTICE

- Please update GLO1 and GLO2 production reports to correct volumes.
- Please do not update GLO3 report to include billed royalty, penalty or interest. This receivable has already been recorded.
- For questions regarding this invoice, email us at glo123@glo.texas.gov.

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

Detach and return with payment

Reconciliation Billing

Anadarko E&P Onshore LLC

Billing Date: 5/24/2021

Billing Due Date: 6/23/2021

Customer Number: C000044444

Remit Payment To:

Texas General Land Office

PO Box 12873

Austin, TX 78711-2873

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
21I00798	MF112118	\$0.00	\$6,087.77	\$670.66	\$511.39	\$7,269.82
Total Due		\$0.00	\$6,087.77	\$670.66	\$511.39	\$7,269.82
Amt. Paid						

Customer ID: C000044444
 Invoice Number:
 GLO Lease: MF112118
 GLO Review: ANADARKO E&P ONSHORE LLC
 Review Period: SEP 2019 Through AUG 2020

Category Oil
 Auditor/AE: DJACQUET
 Billing Date: 5/13/2021
 P&I Calculation Date: 5/31/2021
 Royalty Rate: 27.00%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	RRC Number	Gas/Oil Volume	Tract Participation Rate	Price	BTU	Gross Value	Royalty Due	Royalty Paid	Additional Royalty Due	Number of Days Late	Interest Rate For Additional Royalty	Penalty Rate From Additional Royalty	Interest Rate From Additional Royalty2	Revenue Due
Sep-19	08-41569	2	1	\$52.35	1	\$116.22	\$31.38	\$0.00	\$31.38	573	6.50%	\$25.00	\$2.87	\$59.25
Oct-19	08-41569	386	1	\$50.46	1	\$19,502.06	\$5,265.56	\$0.00	\$5,265.56	543	6.50%	\$526.56	\$453.85	\$6,245.97
Nov-19	08-41569	48	1	\$53.87	1	\$2,559.17	\$690.97	\$0.00	\$690.97	512	5.75%	\$69.10	\$49.31	\$809.38
Jan-20	08-41569	4	1	\$55.44	1	\$243.38	\$65.71	\$0.00	\$65.71	452	5.75%	\$25.00	\$4.07	\$94.78
Jun-20	08-41569	4	1	\$34.19	1	\$126.49	\$34.15	\$0.00	\$34.15	299	5.75%	\$25.00	\$1.29	\$60.44
TOTALS		444				\$22,547.33	\$6,087.77	\$0.00	\$6,087.77			\$670.66	\$511.39	\$7,269.82

COMMENTS: BILLING ON UNDER REPORTED VOLUMES FOR RRC ID # 08-41569 & 08-48491.

COLUMN (3) VOLUMES - REPRESENTS THE VOLUMES UNDER REPORTED TO THE GLO VERSUS VOLUMES REPORTED TO THE RRC.
 COLUMNS (5) & (6) THE PRICES -BASED OFF THE AVERAGE PRICE REPORTED TO THE GLO ON THE GLO1 REPORTS.
 COLUMNS (12),(13),(14) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENT:
<http://www.glo.texas.gov/energy-business/oil-gas/rrac/forms/penalty-interest-assessment-rules.pdf>

NOTE 1: PLEASE REMIT PAYMENT OF THIS INVOICE SEPARATELY FROM REGULAR ROYALTY PAYMENTS. THE PREFERRED METHOD OF PAYMENT IS BY CHECK ACCOMPANIED WITH THE BOTTOM HALF OF THE ATTACHED INVOICE. IF PAYMENT IS MADE THROUGH ACH DEBIT, SEND AN EMAIL TO account.services@glo.texas.gov NOTING YOUR COMPANY NAME, CUSTOMER ID, INVOICE NUMBER, REMITTANCE DATE AND AMOUNT OF PAYMENT.

ATTN: JOY BARNETT
 SENT VIA E-MAIL: Joy_barnett@oxy.com

34

File No. MF 112118

County

Recon Billing

Date Filed: 8/16/2021

George P. Bush, Commissioner

By _____ VJ



Texas General Land Office

Reconciliation Billing

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

Commissioner Dawn Buckingham, M.D.

Anadarko E&P Onshore LLC
Attn: Anna Anklam
PO Box 1330
Houston, TX 77251-1330

Billing Date: 5/9/2024
Billing Due Date: 6/8/2024
Customer Number: C000044444

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
24I00746	MF112118	\$0.00	\$2,623.83	\$262.38	\$109.99	\$2,996.20
Total Due		\$0.00	\$2,623.83	\$262.38	\$109.99	\$2,996.20

Penalty and interest have been calculated thru 5/31/2024. Payment remitted after 5/31/2024 will result in additional penalty and interest charges.

NOTICE

- Please update GLO1 and GLO2 production reports to correct volumes.
- Please do not update GLO3 report to include billed royalty, penalty or interest. This receivable has already been recorded.

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

Detach and return with payment

Reconciliation Billing

Anadarko E&P Onshore LLC

Billing Date: 5/9/2024

Billing Due Date: 6/8/2024

Customer Number: C000044444

Remit Payment To:

Texas General Land Office

PO Box 12873

Austin, TX 78711-2873

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
24I00746	MF112118	\$0.00	\$2,623.83	\$262.38	\$109.99	\$2,996.20
Total Due		\$0.00	\$2,623.83	\$262.38	\$109.99	\$2,996.20
Amt. Paid						

Customer ID: C000044444
 Invoice Number:
 GLO Lease: MF112118
 GLO Review: ANADARKO E&P ONSHORE LLC
 Review Period: Sept 2022 - Aug 2023

Category Oil
 Auditor/AE: Eric M
 Billing Date: 5/7/2024
 P&I Calculation Date: 5/31/2024
 Royalty Rate: 27.00%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	RRC Number	Gas/Oil Volume	Tract Participation Rate	Price	BTU	Gross Value	Royalty Due	Royalty Paid	Additional Royalty Due	Number of Days Late	Interest Rate For Additional Royalty	Penalty Rate From Additional Royalty	Interest Rate From Additional Royalty2	Revenue Due
Aug-23	08-41569	124	1	\$78.370	1	\$9,717.88	\$2,623.83	\$0.00	\$2,623.83	239	8.50%	\$262.38	\$109.99	\$2,996.20
TOTALS		124				\$9,717.88	\$2,623.83	\$0.00	\$2,623.83			\$262.38	\$109.99	\$2,996.20

COMMENTS: BILLING IS FOR UNDERREPORTED VOLUMES FOR RRC ID: 08-41569 08-48491

COLUMN (3) UNDERREPORTED VOLUMES REPORTED TO THE GLO VERSUS VOLUMES REPORTED TO THE RRC
 COLUMNS (5) & (6) AVERAGE PRICE AND BTU REPORTED TO THE GLO ON THE GLO 1'S
 COLUMNS (12),(13),(14) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENTS:
<http://www.glo.texas.gov/energy-business/oil-gas/rac/forms/penalty-interest-assessment-rules.pdf>

FOR QUESTIONS REGARDING THIS INVOICE PLEASE E-MAIL: eric.martinez@glo.texas.gov

NOTE 1: PAYMENT OF THIS INVOICE MAY BE MADE BY CHECK OR ACH DEBIT.
 PLEASE REMIT PAYMENT OF THIS INVOICE SEPARATELY FROM REGULAR ROYALTY PAYMENTS.
 WHEN PAYMENT IS REMITTED, PLEASE SEND AN EMAIL TO: account.services@glo.texas.gov and eric.martinez@glo.texas.gov
 NOTING YOUR COMPANY NAME, CUSTOMER ID, INVOICE NUMBER(S) AND AMOUNT OF PAYMENT.

EMAIL: Cindy Bao Cindy_Bao@oxy.com Leonardo Garza Leonardo_Garza@oxy.com

File No. MF 112118

County

Recon Billing

Date Filed: 6/4/2024

Commissioner Dawn Buckingham, M.D.

By: VD