



## CAUTION

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

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Thank you for your assistance.

Archives and Records Staff

Deep Rights Extended until July 18, 2015

MF112119

| State Lease | Control   | Base File | County |
|-------------|-----------|-----------|--------|
| MF112119    | 04-019109 | 131666    | REEVES |

|                  |                          |             |  |
|------------------|--------------------------|-------------|--|
| Survey           | H & G N R Y CO           |             |  |
| Block            | 3                        |             |  |
| Block Name       |                          |             |  |
| Township         |                          |             |  |
| Section/Tract    | 6                        |             |  |
| Land Part        |                          |             |  |
| Part Description |                          |             |  |
| Acres            | 640                      |             |  |
| Depth Below      | Depth Above              | Depth Other |  |
|                  |                          | See Lease   |  |
| Name             | ANADARKO PETROLEUM CORP. |             |  |
| Lease Date       | 1/18/2011                |             |  |
| Primary Term     | 6 mo                     |             |  |
| Bonus (\$)       | \$6,000.00               |             |  |
| Rental (\$)      | \$0.00                   |             |  |
| Lease Royalty    | 0.2700                   |             |  |

Leasing: [Signature]  
Analyst: [Signature]  
Maps: \_\_\_\_\_  
GIS: ZG



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**DOUG FERGUSON / LAND ACCOUNT**

**43046**

Commissioner of the General Land Office  
6150 · Bonus Out

2/3/2011

3,000.00

Sec-6

11705495

DWF-Land Account

3,000.00

**DOUG FERGUSON / LAND ACCOUNT**

**43046**

Commissioner of the General Land Office  
6150 · Bonus Out

2/3/2011

3,000.00

X

121

PAYMENT  
RD

M-106119

1,  
File No. MF112119

Bonnie Bergman

Date Filed: 4/3/11

Jerry E. Patterson, Commissioner

By [Signature]

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

PAGE: 1 of 1

11705848

DATE: February 10, 2011  
TRACE NUMBER: 0110506790  
CHECK NUMBER: 0110506790  
AMOUNT PAID: \$3,000.00

ACCOUNTS PAYABLE INQUIRIES: (800) 370-9867



00035 CKS LA 11041 - 0110506790 NNNN 0415100004503 X39291 C  
STATE OF TEXAS  
GENERAL LAND OFFICE  
1700 N CONGRESS AVENUE  
AUSTIN TX 78701-1436



VENDOR NO: 0007004311

| DOCUMENT #                                | VENDOR INV #/<br>REMARKS | INVOICE DATE | TOTAL<br>AMOUNT | PRIOR PMTS<br>& DISCOUNTS | NET<br>AMOUNT |
|-------------------------------------------|--------------------------|--------------|-----------------|---------------------------|---------------|
| 1900015303                                | CKRQ020911A              | 02/09/11     | \$3,000.00      | \$0.00                    | \$3,000.00    |
| STATE OF TEXAS M-106119-EXTENSION PAYMENT |                          |              |                 |                           |               |
| TOTALS                                    | Sec 6                    |              | \$3,000.00      | \$0.00                    | \$3,000.00    |

X

121

M-106119

2,

File No. MF 112119

Extension Payment

Date Filed: 4/10/11

Jerry E. Patterson, Commissioner

By [Signature]



# MEMORANDUM

Texas General Land Office • Jerry Patterson • Commissioner

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**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.

3.

M-112119

File No.

Memo to School Land Board

Date Filed:

3/1/11

Jerry E. Patterson, Commissioner

By

Pat Rogers

D 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:

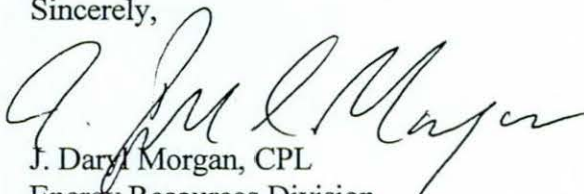
On March 1, 2011, the School Land Board approved entering into a Mineral Production Allocation Agreement with Anadarko Petroleum Corporation for the purpose of oil and gas development on each of the referenced tracts located in Reeves County Texas.

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](http://www.glo.state.tx.us)

4.

File No. MF 112119

Geo. L. Lott

Date Filed: 3/3/11

Jerry E. Patterson, Commissioner

By [Signature]



March 14, 2011

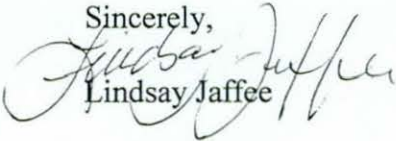
Commissioner of the General Land Office  
Attn: J. Daryl Morgan  
1700 North Congress Avenue  
Austin, Texas 78701

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. MF112119

Anadarko letter

Date Filed: 3/14/11

Jerry E. Patterson, Commissioner

By [Signature]

**MINERAL PRODUCTION ALLOCATION AGREEMENT PROVIDING A  
CARRIED INTEREST TO THE STATE OF TEXAS  
640 ACRES  
REEVES COUNTY, TEXAS  
M-112119**

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 6, Block 3, H. & G. N. Ry. Co. Survey containing approximately 640 acres in Reeves County, Texas because (i) Operator will continue operations on the Mako State 3-6, Well No. 1H, API# 42-389-32684, 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 6, Block 3, H. & G. N. Ry. Co. Survey containing approximately 640 acres in Reeves County, Texas, said 640 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



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.

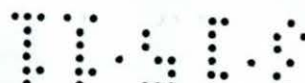
(H) PLANT FUEL AND RECYCLED GAS: No payment shall be made to the State on any gas as may represent the Tract's allocated share of any fuel used to process gas produced hereunder in a processing plant that produces residue gas with a Btu content of 1,200 or less. On a written application and for good 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

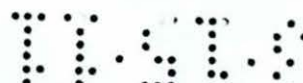


- (2) One Million Dollars (\$1,000,000) for property damage sustained in any one accident. The policy shall remain in full force and effect so long as any well, pipeline, or other equipment is maintained and operated on the Tract, and shall provide that the State shall be given at least ten (10) days 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.

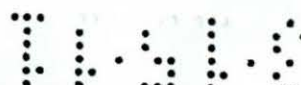
**VIII.** Notwithstanding any provision of this Agreement to the contrary, after a well producing or capable of producing oil or gas has been completed on the Tract, Operator shall exercise the diligence of a reasonably prudent operator in drilling such additional well or wells as may be reasonably necessary 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<br>Attn: Minerals Leasing<br>1700 N. Congress Ave., Room 600<br>Austin, Texas 78701             |
| Operator: | Attn: Land Manager, Delaware Basin<br>Anadarko Petroleum Corporation<br>P. O. Box 1330<br>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.



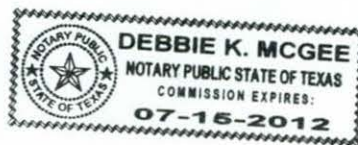


STATE OF TEXAS

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



7442

6.

File No. MF 117119  
General Production  
Allocation Agreement

Date Filed: 3/15/10

Jerry E. Patterson, Commissioner

By [Signature]



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## 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              | Anadarko Petroleum Corporation |
| 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                                 |                                |

**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 112119

210 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. WF 112-119

Grady

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](http://www.glo.state.tx.us)

9.

File No. MF 112-119

AO Order

Date Filed: 3/23/11  
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 112119 10.  
mail request to transfer  
extension money

Date Filed: 4-12-11

Jerry E. Patterson, Commissioner

By JEP

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

~~MF~~  
106119

PAGE: 1 of 1

11706977

DATE: March 1, 2011  
TRACE NUMBER: 0110510725  
CHECK NUMBER: 0110510725  
AMOUNT PAID: \$3,000.00

ACCOUNTS PAYABLE INQUIRIES: (800) 370-9867



00010 CKS 6A 11060 - 0110510725 NNNN 0605100004502 X392D1 C

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



VENDOR NO: 0007004311

MF 112119

121

| DOCUMENT #                                      | VENDOR INV #/<br>REMARKS | INVOICE DATE | TOTAL<br>AMOUNT | PRIOR PMTS<br>& DISCOUNTS | NET<br>AMOUNT |
|-------------------------------------------------|--------------------------|--------------|-----------------|---------------------------|---------------|
| 1900016033                                      | CKRQ022511B              | 02/25/11     | \$3,000.00      | \$0.00                    | \$3,000.00    |
| STATE OF TEXAS M-106119-MARCH EXTENSION PAYMENT |                          |              |                 |                           |               |
| TOTALS                                          |                          |              | \$3,000.00      | \$0.00                    | \$3,000.00    |



March 7, 2011

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

Re: Texas General Land Office Lease M-106119  
All of Section 6, Block 3, H&GN Ry. Co. Survey  
640.00 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 15,261 feet in the Mako State 3-6 1H and has completed the well in the Third 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", written over the printed name.

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- 106119                      LEASE DATE:    January 17, 2006,  
ALL OF SECTION 6, BLOCK 3, H&GN RY. CO. SURVEY, ACRES 640.00, 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.

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- 106119                      LEASE DATE: January 17, 2006,  
All OF SECTION 6, BLOCK 3, H&GN RY. CO. SURVEY, ACRES 640.00, 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-112119 11.  
Application + Payment  
for 30 day extension  
Date Filed: 3-8-11  
Jerry E. Patterson, Commissioner  
By [Signature]

2011



VIA UPS OVERNIGHT MAIL

October 31, 2012

Commissioner of General Land Office  
Attn: Minerals Leasing  
1700 N. Congress Ave., Room 600  
Austin, TX 78701

Re: Mako State 3-6 1H Well – Cessation of Production Notice  
ST TX M-112119 Mineral Production Agreement dated 1-18-11  
Anadarko Lease No. TX-000135623  
Section 6, Block 3, H&G N Ry Co Survey  
Reeves County, Texas

Gentlemen:

Pursuant to the terms of the captioned lease, please be advised that subject well had cessation of production on October 22, 2012.

Anadarko, as Operator, intends to set a pumping unit on the Mako State 3-6 1H Well to return it to production and anticipates a workover rig will move to location the week of November 12, 2012.

If you have any questions, please do not hesitate to contact Landman, Joe Colerick, at 832.636.1729.

Sincerely,

ANADARKO PETROLEUM CORPORATION

A handwritten signature in blue ink that reads "Pat Kennedy".  
Pat Kennedy  
Sr. Staff Land Analyst

12

File No. M-112119  
Ltr. From Anadarko  
Date Filed: 11/2/12  
Jerry E. Patterson, Commissioner  
By [Signature]

11-2-12

MF  
112119



VIA UPS OVERNIGHT MAIL

March 19, 2013

Commissioner of General Land Office  
Attn: Minerals Leasing  
1700 N. Congress Ave., Room 600  
Austin, TX 78701

Re: Mako State 3-6 1H Well – Cessation of Production Notice  
ST TX M-112119 Mineral Production Agreement dated 1-18-11  
Anadarko Lease No. TX-000135623  
Section 6, Block 3, H&G N Ry Co Survey  
Reeves County, Texas

Gentlemen:

Pursuant to the terms of the captioned lease, please be advised that subject well had cessation of production on February 24, 2013 due to a tubing leak.

Anadarko, as Operator, intends to commence reworking operations within sixty (60) days of February 24, or before April 25, 2013.

If you have any questions, please do not hesitate to contact Landman, Joe Colerick, at 832.636.1729.

Sincerely,

ANADARKO PETROLEUM CORPORATION

A handwritten signature in blue ink that reads "Pat Kennedy".  
Pat Kennedy  
Sr. Staff Land Analyst

File No. MF112119

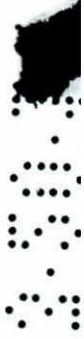
13

Notice of Cessation of Production

Date Filed: 03/20/2013

Jerry E. Patterson, Commissioner

By JEP



## ANADARKO E&amp;P ONSHORE LLC

13711450

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 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-000135623

| DEPOSIT TO THE CREDIT OF              | BA NUMBER  | CHECK DATE  | CHECK NUMBER | AMOUNT           |
|---------------------------------------|------------|-------------|--------------|------------------|
| STATE OF TEXAS<br>GENERAL LAND OFFICE | LA45678203 | May-17-2013 | 30069459     | ***\$800,000.00* |

MF112119

121

## ANADARKO E&amp;P ONSHORE LLC

13711450

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

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|---------------------------------------|------------|-------------|--------------|--------------------------|
| STATE OF TEXAS<br>GENERAL LAND OFFICE | LA45678203 | May-17-2013 | 30069459     | <i>f</i> **\$800,000.00* |

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&amp;P ONSHORE LLC

BNY Mellon, N.A.  
Pittsburgh, PA

LEASE NUMBER TX-000135623  
OPTION TO EXTEND  
Book 876 Page 109  
REEVES TX

LEASE DATE  
01-18-2011

none  
07-18-2013

ACRES  
PAID FOR  
640.000

LESSOR REFERENCE

ST TX M-112119 (MINERAL PRODUCTION AGMT)

05-17-2013

PAY TO THE ORDER OF: EXACTLY **\$800,000dols00cts**

\*\*\*\$800,000.00\*

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

*Abdullah*  
\_\_\_\_\_  
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-112119 Mineral Production Allocation Agreement dated 1/18/11  
Anadarko Lease No. TX-000135623  
Section 6, Block 3, H&GN Ry Co Survey  
Reeves County, Texas

Gentlemen:

Enclosed please find Anadarko E&P Onshore LLC Check No. 30069459 dated 5/17/13 in the amount of \$800,000.00 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](mailto:pat.kennedy@anadarko.com), 832-636-1482, or Landman, Joe Colerick, [joe.colerick@anadarko.com](mailto:joe.colerick@anadarko.com) at 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. MF112119

(14)

Bonus To Extend Deep Rights

Date Filed: 05/29/2013

Jerry E. Patterson, Commissioner

By JEP

25813

## RAILROAD COMMISSION OF TEXAS

Oil and Gas Division

Tracking No.: 12675

Status: Work in Progress

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

API No. 42- 389-32684

7. RRC District No.

08

8. RRC Lease No.

41426

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

9. Well No.

1H

10. County of well site

REEVES

11. Purpose of filing

Initial Potential

☒

Retest

☐

Reclass

☐Well record only  
(Explain in remarks)☐

1. FIELD NAME (as per RRC Records or Wildcat)

PHANTOM (WOLFCAMP)

2. LEASE NAME

MAKO STATE 3-6

3. OPERATOR'S NAME (Exactly as shown on Form P-5, Organization Report)

ANADARKO PETROLEUM CORPORATION

RRC Operator No.

020572

4. ADDRESS

ATTN FRANK A DAVIS PO BOX 1330 HOUSTON, TX 77251-1330

5. If Operator has changed within last 60 days, name former operator

6a. Location (Section, Block, and Survey)

6, 3, H&amp;G.N. R.R COMPANY

6b. Distance and direction to nearest town in this county.

15 MILES NW PECOS

12. If workover or reclass, give former field (with reservoir) &amp; Gas ID or oil lease no.

FIELD &amp; RESERVOIR

GAS ID or  
OIL LEASE #Oil-O  
Gas-G

Well #

N/A

13. Type of electric or other log run

Gamma Ray (MWD)

14. Completion or recompletion date

01/28/2011

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

|                                                                                                            |                               |                                                                                             |                      |                             |                                       |
|------------------------------------------------------------------------------------------------------------|-------------------------------|---------------------------------------------------------------------------------------------|----------------------|-----------------------------|---------------------------------------|
| 15. Date of test<br>02/09/2011                                                                             | 16. No. of hours tested<br>24 | 17. Production method (Flowing, Gas Lift, Jetting, Pumping- Size & Type of pump)<br>Flowing |                      |                             | 18. Choke size<br>29/64               |
| 19. Production during Test Period                                                                          | Oil - BBLS<br>228.0           | Gas - MCF<br>1416                                                                           | Water - BBLS<br>2004 | Gas - Oil Ratio<br>6210     | Flowing Tubing Pressure<br>1444.0 PSI |
| 20. Calculated 24-Hour Rate                                                                                | Oil - BBLS<br>228.0           | Gas - MCF<br>1416                                                                           | Water - BBLS<br>2004 | Oil Gravity-API-60°<br>47.2 | Casing Pressure<br>2900.0 PSI         |
| 21. Was swab used during this test?<br>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |                               | 22. Oil produced prior to test (New & Reworked wells)<br>699.0                              |                      |                             | 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 02/22/2011

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<br>New Well <input checked="" type="checkbox"/> Deepening <input type="checkbox"/> Plug Back <input type="checkbox"/> Other <input type="checkbox"/>       |  |                     |  |                                                                                   |                                                         |                       |  |                              |  | 25. Permit to Drill, Plug Back or Deepen<br>DATE 09/23/2010 PERMIT NO. 702571<br>Rule 37 Exception<br>CASE NO.                                                     |  |               |  |                     |             |  |  |  |  |
| 26. Notice of Intention to Drill this well was filed in Name of<br><b>ANADARKO PETROLEUM CORPORATION</b>                                                                          |  |                     |  |                                                                                   |                                                         |                       |  |                              |  | Water Injection Permit<br>PERMIT NO.                                                                                                                               |  |               |  |                     |             |  |  |  |  |
| 27. Number of producing wells on this lease in this field (reservoir) including this well<br><b>1</b>                                                                             |  |                     |  |                                                                                   | 28. Total number of acres in this lease<br><b>640.0</b> |                       |  |                              |  | Salt Water Disposal Permit<br>PERMIT NO.                                                                                                                           |  |               |  |                     |             |  |  |  |  |
| 29. Date Plug Back, Deepening, Workover or Drilling Operations:<br><b>10/16/2010</b>                                                                                              |  |                     |  |                                                                                   | Commenced<br><b>11/15/2010</b>                          |                       |  |                              |  | 30. Distance to nearest well. Same Lease & Reservoir<br><b>0.0</b>                                                                                                 |  |               |  |                     |             |  |  |  |  |
| 31. Location of well, relative to nearest lease boundaries<br><b>660.0</b> Feet From <b>SE</b> Line and <b>5400.0</b> Feet from <b>SW</b> Line of the <b>MAKO STATE 3-6</b> Lease |  |                     |  |                                                                                   |                                                         |                       |  |                              |  | 32. Elevation (DF, RKB, RT, GR ETC.)<br><b>2713</b> <b>GL</b>                                                                                                      |  |               |  |                     |             |  |  |  |  |
| 33. Was directional survey made other than inclination (Form W-12)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                                           |  |                     |  |                                                                                   |                                                         |                       |  |                              |  | 34. Top of Pay<br><b>11215 MD:11215</b>                                                                                                                            |  |               |  |                     |             |  |  |  |  |
| 35. Total Depth<br><b>10643 MD:15261</b>                                                                                                                                          |  |                     |  |                                                                                   | 36. P. B. Depth<br><b>MD:15255</b>                      |                       |  |                              |  | 37. Surface Casing Determined by Field Rules <input type="checkbox"/> Recommendation of T.D.W.R. Railroad Commission (Special) <input checked="" type="checkbox"/> |  |               |  |                     |             |  |  |  |  |
| 38. Is well multiple completion? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                                                                              |  |                     |  |                                                                                   |                                                         |                       |  |                              |  | Dt. of Letter <b>09/22/2010</b><br>Dt. of Letter <b>09/28/2010</b>                                                                                                 |  |               |  |                     |             |  |  |  |  |
| 39. If multiple completion, list all reservoir names (completions in this well) and Oil Lease or Gas ID No.<br><b>FIELD &amp; RESERVOIR</b>                                       |  |                     |  |                                                                                   |                                                         |                       |  |                              |  | GAS ID or OIL LEASE #                                                                                                                                              |  |               |  |                     | Oil-G Gas-G |  |  |  |  |
| 40. Intervals Drilled by: Rotary Tools <input checked="" type="checkbox"/> Cable Tools <input type="checkbox"/>                                                                   |  |                     |  |                                                                                   |                                                         |                       |  |                              |  | 41. Name of Drilling Contractor<br><b>PRECISION</b>                                                                                                                |  |               |  |                     |             |  |  |  |  |
| 42. Is Cementing Affidavit Attached? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> 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                |  | 1788                                                                              |                                                         |                       |  | ECONOCEM 1920                |  | 17 1/4                                                                                                                                                             |  | SURFACE       |  | 3345.6              |             |  |  |  |  |
| 9 5/8                                                                                                                                                                             |  | 40.0                |  | 4510                                                                              |                                                         |                       |  | ECONOCEM 1265                |  | 12 1/4                                                                                                                                                             |  | 2000          |  | 2209.0              |             |  |  |  |  |
| 7                                                                                                                                                                                 |  | 29.0                |  | 11120                                                                             |                                                         |                       |  | HALCEM 955                   |  | 8 3/4                                                                                                                                                              |  | 8000          |  | 1919.0              |             |  |  |  |  |
| 44. LINER RECORD                                                                                                                                                                  |  |                     |  |                                                                                   |                                                         |                       |  |                              |  |                                                                                                                                                                    |  |               |  |                     |             |  |  |  |  |
| Size                                                                                                                                                                              |  | Top                 |  | Bottom                                                                            |                                                         | Sacks Cement          |  |                              |  | Screen                                                                                                                                                             |  |               |  |                     |             |  |  |  |  |
| 4 1/2                                                                                                                                                                             |  | 9933                |  | 15257                                                                             |                                                         |                       |  |                              |  | PERF'D                                                                                                                                                             |  |               |  |                     |             |  |  |  |  |
| 45. TUBING RECORD                                                                                                                                                                 |  |                     |  |                                                                                   |                                                         |                       |  |                              |  |                                                                                                                                                                    |  |               |  |                     |             |  |  |  |  |
| Size                                                                                                                                                                              |  | Depth Set           |  | Packer Set                                                                        |                                                         | From L1 11215         |  |                              |  | To 15145                                                                                                                                                           |  |               |  |                     |             |  |  |  |  |
| 2 7/8                                                                                                                                                                             |  | 7076                |  |                                                                                   |                                                         | From                  |  |                              |  | To                                                                                                                                                                 |  |               |  |                     |             |  |  |  |  |
|                                                                                                                                                                                   |  |                     |  |                                                                                   |                                                         | From                  |  |                              |  | To                                                                                                                                                                 |  |               |  |                     |             |  |  |  |  |
|                                                                                                                                                                                   |  |                     |  |                                                                                   |                                                         | From                  |  |                              |  | To                                                                                                                                                                 |  |               |  |                     |             |  |  |  |  |
| 46. Producing Interval (this completion) Indicate depth of perforation or open hole                                                                                               |  |                     |  |                                                                                   |                                                         |                       |  |                              |  |                                                                                                                                                                    |  |               |  |                     |             |  |  |  |  |
| 47. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.                                                                                                                                    |  |                     |  |                                                                                   |                                                         |                       |  |                              |  |                                                                                                                                                                    |  |               |  |                     |             |  |  |  |  |
| Depth Interval                                                                                                                                                                    |  |                     |  | Amount and Kind of Material Used                                                  |                                                         |                       |  |                              |  |                                                                                                                                                                    |  |               |  |                     |             |  |  |  |  |
| 11215.0 15145.0                                                                                                                                                                   |  |                     |  | 9 STG FRAC: 34,440 BBLS PAD & SLURRY OF 38# BORATE XL 1,740,877# 18/40 VERSA PROP |                                                         |                       |  |                              |  |                                                                                                                                                                    |  |               |  |                     |             |  |  |  |  |
| 48. FORMATION RECORD (LIST DEPTHS OF PRINCIPAL GEOLOGICAL MARKERS AND FORMATION TOPS)                                                                                             |  |                     |  |                                                                                   |                                                         |                       |  |                              |  |                                                                                                                                                                    |  |               |  |                     |             |  |  |  |  |
| Formations                                                                                                                                                                        |  | Depth               |  | Formations                                                                        |                                                         | Depth                 |  |                              |  |                                                                                                                                                                    |  |               |  |                     |             |  |  |  |  |
| BONE SPRING 1                                                                                                                                                                     |  | 8819.0 MD: 8821.0   |  |                                                                                   |                                                         |                       |  |                              |  |                                                                                                                                                                    |  |               |  |                     |             |  |  |  |  |
| BONE SPRING 2                                                                                                                                                                     |  | 9369.0 MD: 9370.0   |  |                                                                                   |                                                         |                       |  |                              |  |                                                                                                                                                                    |  |               |  |                     |             |  |  |  |  |
| BONE SPRING 3                                                                                                                                                                     |  | 10416.0 MD: 10452.0 |  |                                                                                   |                                                         |                       |  |                              |  |                                                                                                                                                                    |  |               |  |                     |             |  |  |  |  |
| REMARKS: N/A                                                                                                                                                                      |  |                     |  |                                                                                   |                                                         |                       |  |                              |  |                                                                                                                                                                    |  |               |  |                     |             |  |  |  |  |

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

RAILROAD COMMISSION OF TEXAS  
Oil and Gas Division

MAILED

OCT 22 2010

Form W-15  
Cementing Report  
Rev 4/1/83  
HAL1199

|                                                                                                  |                               |                           |                                  |
|--------------------------------------------------------------------------------------------------|-------------------------------|---------------------------|----------------------------------|
| 1. Operator's Name (As Shown on Form P-5, Organization Report)<br>ANADARKO PETROLEUM CORPORATION | 2. RRC Operator No.<br>020572 | 3. RRC District No.<br>08 | 4. County of Well Site<br>Reeves |
| 5. Field Name (Wildcat or Exactly as Shown on RRC Records)<br>Phantom (Wolfcamp)                 | 6. API No.<br>42-389-32684    |                           | 7. Drilling Permit No.<br>702571 |
| 8. Lease Name<br>MAKO State 3-6                                                                  | 9. Rule 37 Case No.           | 10. Oil Lease/Gas ID No.  | 11. Well No.<br>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                                                                                                                                                                                               |                                      | 10/19/2010     |                      |                                                                                                                              |                           |                               |      |
| 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)                                                                                                                                                                                           |                                      | 1788           |                      |                                                                                                                              |                           |                               |      |
| 17. Number of centralizers used                                                                                                                                                                                  |                                      | 13             |                      |                                                                                                                              |                           |                               |      |
| 18. Hrs. waiting on cement before drill-out                                                                                                                                                                      |                                      | 24             |                      |                                                                                                                              |                           |                               |      |
| 1st Slurry                                                                                                                                                                                                       | 19. API cement used: No. of sacks ▶  | 1610           |                      |                                                                                                                              |                           |                               |      |
|                                                                                                                                                                                                                  | Class ▶                              | EconoCem       |                      |                                                                                                                              |                           |                               |      |
|                                                                                                                                                                                                                  | Additives ▶                          | See Remarks    |                      |                                                                                                                              |                           |                               |      |
| 2nd Slurry                                                                                                                                                                                                       | No. of sacks ▶                       | 310            |                      |                                                                                                                              |                           |                               |      |
|                                                                                                                                                                                                                  | Class ▶                              | HalCem-C       |                      |                                                                                                                              |                           |                               |      |
|                                                                                                                                                                                                                  | Additives ▶                          | See Remarks    |                      |                                                                                                                              |                           |                               |      |
| 3rd Slurry                                                                                                                                                                                                       | No. of sacks ▶                       |                |                      |                                                                                                                              |                           |                               |      |
|                                                                                                                                                                                                                  | Class ▶                              |                |                      |                                                                                                                              |                           |                               |      |
|                                                                                                                                                                                                                  | Additives ▶                          |                |                      |                                                                                                                              |                           |                               |      |
| 1st                                                                                                                                                                                                              | 20. Slurry pumped: Volume (cu.ft.) ▶ | 2930.2         |                      |                                                                                                                              |                           |                               |      |
|                                                                                                                                                                                                                  | Height (ft.) ▶                       | 4218.31        |                      |                                                                                                                              |                           |                               |      |
| 2nd                                                                                                                                                                                                              | Volume (cu.ft.) ▶                    | 415.4          |                      |                                                                                                                              |                           |                               |      |
|                                                                                                                                                                                                                  | Height (ft.) ▶                       | 598            |                      |                                                                                                                              |                           |                               |      |
| 3rd                                                                                                                                                                                                              | Volume (cu.ft.) ▶                    |                |                      |                                                                                                                              |                           |                               |      |
|                                                                                                                                                                                                                  | Height (ft.) ▶                       |                |                      |                                                                                                                              |                           |                               |      |
| Total                                                                                                                                                                                                            | Volume (cu.ft.) ▶                    | 3345.6         |                      |                                                                                                                              |                           |                               |      |
|                                                                                                                                                                                                                  | Height (ft.) ▶                       | 4816.31        |                      |                                                                                                                              |                           |                               |      |
| 21. Was cement circulated to ground surface (or bottom of cellar) outside casing?                                                                                                                                |                                      | Yes            |                      |                                                                                                                              |                           |                               |      |
| 22. Remarks<br>Lead Cement - EconoCem- HLTRRC, Additives 1 lbm/sk Pheno Seal, mixed at 12.9 ppg<br>Tail Cement - HalCem-C, Additives 1% Calcium Chloride, mixed at 14.8 ppg<br><br>Circulated 416 sks to the pit |                                      |                |                      | Sales Order 7699191<br>Customer Name<br>ANADARKO PETROLEUM CORP - EE<br>Lease<br>Mako 3-6<br>Well Number 1H<br>Reeves County |                           |                               |      |

OVER ►

| 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. (lbs/gal)                          |         |         |         |         |         |         |         |         |
| 31. Type cement                                   |         |         |         |         |         |         |         |         |

CEMENTER'S CERTIFICATE: I declare under penalties prescribed 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.

JOHN L. Brightman Service Supervisor  
Name and Title of Cementer's Representative

Halliburton Energy Services  
Cementing Company

Signature

6155 West Murphy St. Odeesa, Tx. 79763  
Address City State Zip Code

1 800 844 8451  
Tel: Area Code Number

10/19/2010  
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 Houston Tx 77251  
Address City State Zip Code

832-636-1162  
Tel: Area Code Number

2/15/11  
Date: Mo. Day Yr.

#### Instruction 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 Commission.

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 nondeviated 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 (b) (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 feet 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.

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

Form W-15  
Cementing Report  
Rev. 4/1/83  
HAL1199

RAILROAD COMMISSION OF TEXAS  
Oil and Gas Division

|                                                                |                     |                          |                        |
|----------------------------------------------------------------|---------------------|--------------------------|------------------------|
| 1. Operator's Name (As Shown on Form P-5, Organization Report) | 2. RRC Operator No. | 3. RRC District No.      | 4. County of Well Site |
| Anadarko Petroleum Corp.                                       | 020572              | 08                       | Reeves                 |
| 5. Field Name (Wildcat or Exactly as Shown on RRC Records)     | 6. API No.          | 7. Drilling Permit No.   |                        |
| Phantom (Wolfcamp)                                             | 42-389-32684        | 702571                   |                        |
| 8. Lease Name                                                  | 9. Rule 37 Case No. | 10. Oil Lease/Gas ID No. | 11. Well No.           |
| Mako State 3-6                                                 |                     |                          | 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 <sup>1</sup>                                                   |                                      |                | 11/6/2010            |                             |                           |                               |      |
| 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)                                                            |                                      |                | 11120                |                             |                           |                               |      |
| 17. Number of centralizers used                                                   |                                      |                | 25                   |                             |                           |                               |      |
| 18. Hrs. waiting on cement before drill-out                                       |                                      |                | -                    |                             |                           |                               |      |
| 1st Slurry                                                                        | 19. API cement used: No. of sacks ▶  |                | 785                  |                             |                           |                               |      |
|                                                                                   | Class ▶                              |                | ECONOCEM             |                             |                           |                               |      |
|                                                                                   | Additives ▶                          |                | SEE REMARKS          |                             |                           |                               |      |
| 2nd Slurry                                                                        | No. of sacks ▶                       |                | 170                  |                             |                           |                               |      |
|                                                                                   | Class ▶                              |                | HALCEM               |                             |                           |                               |      |
|                                                                                   | Additives ▶                          |                | SEE REMARKS          |                             |                           |                               |      |
| 3rd Slurry                                                                        | No. of sacks ▶                       |                |                      |                             |                           |                               |      |
|                                                                                   | Class ▶                              |                |                      |                             |                           |                               |      |
|                                                                                   | Additives ▶                          |                |                      |                             |                           |                               |      |
| 1st                                                                               | 20. Slurry pumped: Volume (cu.ft.) ▶ |                | 1735                 |                             |                           |                               |      |
|                                                                                   | Height (ft.) ▶                       |                | 11541                |                             |                           |                               |      |
| 2nd                                                                               | Volume (cu.ft.) ▶                    |                | 184                  |                             |                           |                               |      |
|                                                                                   | Height (ft.) ▶                       |                | 1090                 |                             |                           |                               |      |
| 3rd                                                                               | Volume (cu.ft.) ▶                    |                |                      |                             |                           |                               |      |
|                                                                                   | Height (ft.) ▶                       |                |                      |                             |                           |                               |      |
| Total                                                                             | Volume (cu.ft.) ▶                    |                | 1919                 |                             |                           |                               |      |
|                                                                                   | Height (ft.) ▶                       |                | 12631                |                             |                           |                               |      |
| 21. Was cement circulated to ground surface (or bottom of cellar) outside casing? |                                      |                | NO                   |                             |                           |                               |      |
| 22. Remarks                                                                       |                                      |                |                      | Sales Order 7733915         |                           |                               |      |
| LEAD CEMENT ADDS.- 4% BENTONITE, 0.6% HR-800                                      |                                      |                |                      | Customer Name               |                           |                               |      |
| TAIL CEMENT ADDS.- 0.5% GASSTOP, 0.3% CFR-3, 0.2% HR-800                          |                                      |                |                      | ANADARKO PETROLEUM CORP - E |                           |                               |      |
|                                                                                   |                                      |                |                      | Lease                       |                           |                               |      |
|                                                                                   |                                      |                |                      | Mako 3-6                    |                           |                               |      |
|                                                                                   |                                      |                |                      | Well Number 1H              |                           |                               |      |
|                                                                                   |                                      |                |                      | Reeves County               |                           |                               |      |

OVER ►

| 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 prescribed 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.

MARCUS PETTY - SERVICE SUPERVISOR  
Name and Title of Cementer's Representative

Halliburton Energy Services  
Cementing Company

Signature

6156 W. MURPHY ODESSA TEXAS 79763  
Address City State Zip Code

1-800-844-8451  
Tel: Area Code Number

11/6/2010  
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 Houston TX 77051  
Address City State Zip Code

832-636-1162  
Tel: Area Code Number

2/15/11  
Date: Mo. Day Yr.

#### Instruction 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 Commission.

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 nondeviated 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 (b) (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 feet 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

**MAILED**  
OCT 29 2010

Form W-15  
Cementing Report  
Rev. 4/1/83  
HAL1199

|                                                                                                   |                                      |                                         |                                         |
|---------------------------------------------------------------------------------------------------|--------------------------------------|-----------------------------------------|-----------------------------------------|
| 1. Operator's Name (As Shown on Form P-5, Organization Report)<br><b>Anadarko Petroleum Corp.</b> | 2. RRC Operator No.<br><b>020572</b> | 3. RRC District No.<br><b>08</b>        | 4. County of Well Site<br><b>Reeves</b> |
| 5. Field Name (Wildcat or Exactly as Shown on RRC Records)<br><b>Phantom (Wolfcamp)</b>           | 6. API No.<br><b>42-389-32684</b>    | 7. Drilling Permit No.<br><b>702571</b> |                                         |
| 8. Lease Name<br><b>Mako State 3-6</b>                                                            | 9. Rule 37 Case No.                  | 10. Oil Leaser/Gas ID No.               | 11. Well No.<br><b>1H</b>               |

| CASING CEMENTING DATA:                                                                        |                                      | SURFACE CASING | INTER-MEDIATE CASING | PRODUCTION CASING                                                                                                     |                  | MULTI-STAGE CEMENTING PROCESS |      |
|-----------------------------------------------------------------------------------------------|--------------------------------------|----------------|----------------------|-----------------------------------------------------------------------------------------------------------------------|------------------|-------------------------------|------|
|                                                                                               |                                      |                |                      | Single String                                                                                                         | Parallel Strings | Tool                          | Shoe |
| 12. Cementing Date                                                                            |                                      |                | 10/24/2010           |                                                                                                                       |                  |                               |      |
| 13. *Drilled hole size                                                                        |                                      |                | 12 1/4               |                                                                                                                       |                  |                               |      |
| *Est. % wash or hole enlargement                                                              |                                      |                |                      |                                                                                                                       |                  |                               |      |
| 14. Size of casing (in. O.D.)                                                                 |                                      |                | 9 5/8                |                                                                                                                       |                  |                               |      |
| 15. Top of liner (ft)                                                                         |                                      |                |                      |                                                                                                                       |                  |                               |      |
| 16. Setting depth (ft)                                                                        |                                      |                | 4510                 |                                                                                                                       |                  |                               |      |
| 17. Number of centralizers used                                                               |                                      |                | 25                   |                                                                                                                       |                  |                               |      |
| 18. Hrs. waiting on cement before drill-out                                                   |                                      |                | 24                   |                                                                                                                       |                  |                               |      |
| 1st Slurry                                                                                    | 19. API cement used: No. of sacks ▶  |                | 940                  |                                                                                                                       |                  |                               |      |
|                                                                                               | Class ▶                              |                | Econocem             |                                                                                                                       |                  |                               |      |
|                                                                                               | Additives ▶                          |                | See Remarks          |                                                                                                                       |                  |                               |      |
| 2nd Slurry                                                                                    | No. of sacks ▶                       |                | 325                  |                                                                                                                       |                  |                               |      |
|                                                                                               | Class ▶                              |                | Halcem               |                                                                                                                       |                  |                               |      |
|                                                                                               | Additives ▶                          |                | .2% Halad-23         |                                                                                                                       |                  |                               |      |
| 3rd Slurry                                                                                    | No. of sacks ▶                       |                |                      |                                                                                                                       |                  |                               |      |
|                                                                                               | Class ▶                              |                |                      |                                                                                                                       |                  |                               |      |
|                                                                                               | Additives ▶                          |                |                      |                                                                                                                       |                  |                               |      |
| 1st                                                                                           | 20. Slurry pumped: Volume (cu.ft.) ▶ |                | 1777                 |                                                                                                                       |                  |                               |      |
|                                                                                               | Height (ft.) ▶                       |                | 5673                 |                                                                                                                       |                  |                               |      |
| 2nd                                                                                           | Volume (cu.ft.) ▶                    |                | 432                  |                                                                                                                       |                  |                               |      |
|                                                                                               | Height (ft.) ▶                       |                | 1380                 |                                                                                                                       |                  |                               |      |
| 3rd                                                                                           | Volume (cu.ft.) ▶                    |                |                      |                                                                                                                       |                  |                               |      |
|                                                                                               | Height (ft.) ▶                       |                |                      |                                                                                                                       |                  |                               |      |
| Total                                                                                         | Volume (cu.ft.) ▶                    |                | 2209                 |                                                                                                                       |                  |                               |      |
|                                                                                               | Height (ft.) ▶                       |                | 7053                 |                                                                                                                       |                  |                               |      |
| 21. Was cement circulated to ground surface (or bottom of cellar) outside casing?             |                                      |                | No                   |                                                                                                                       |                  |                               |      |
| 22. Remarks<br>Cement Add: 1 st Slurry; 6 % Potassium Chloride; 1 lbm Pheno-Seal; .3 % HR-800 |                                      |                |                      | Sales Order 7715908<br>Customer Name ANADARKO PETROLEUM CORP - E<br>Lease Mako 3-6<br>Well Number 1H<br>Reeves County |                  |                               |      |

OVER ►

| 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)              |         |         |         |         |         |         |         |         |
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| 28. Calculated top of plug (ft.)                  |         |         |         |         |         |         |         |         |
| 29. Measured top of plug, if tagged (ft.)         |         |         |         |         |         |         |         |         |
| 30. Slurry wt. (lb/gal)                           |         |         |         |         |         |         |         |         |
| 31. Type cement                                   |         |         |         |         |         |         |         |         |

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Lionel Segura Service Supervisor  
Name and Title of Cementer's Representative  
Halliburton Energy Services  
Cementing Company  
[Signature]  
Signature  
8155 West Murphy St. Odessa Tx 79782 1-800-844-7045  
Address City State Zip Code Tel: Area Code Number  
10/24/2010  
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  
P.O. Box 1330 Houston Tx 77251 832-636-1162  
Address City State Zip Code Tel: Area Code Number  
2/15/11  
Date: Mo. Day Yr.

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**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 Commission.

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## RAILROAD COMMISSION OF TEXAS

Oil and Gas Division

ELECTRIC LOG  
STATUS REPORT

FORM L-1

Tracking No.: 12675

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 CORPORATIONDistrict  
No. 08Completion  
Date: 01/28/2011Field  
Name: PHANTOM (WOLFCAMP)Drilling Permit  
No. 702571Lease  
Name: MAKO STATE 3-6Lease/ID  
No.Well  
No. 1HCounty  
REEVESAPI  
No. 42- 389-32684

## 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

Staff Regulatory Analyst

Title

(832) 636-1162

02/22/2011

Phone

Date

Name (print)

-FOR RAILROAD COMMISSION USE ONLY-



Gamma Ray  
Azimuthal Gamma  
Azimuthal Resistivity  
Multiple Propagation Resistivity

INTEQ

Realtime Log

|                                             |                |                                |                    |                               |
|---------------------------------------------|----------------|--------------------------------|--------------------|-------------------------------|
| Well<br>Field<br>County<br>State<br>Country | Company        | Anadarko Petroleum Corporation |                    |                               |
|                                             | Well           | Mako State 3-6 #1H             |                    |                               |
|                                             | Field          | Mako                           |                    |                               |
|                                             | County         | Reeves                         |                    |                               |
|                                             | State          | Texas                          |                    |                               |
|                                             | Country        | U.S.A.                         |                    |                               |
|                                             | Well Location: | Surface Location:              |                    | Other Services<br>Directional |
|                                             |                | Latitude:                      | 31° 37' 37.661" N  |                               |
|                                             |                | Longitude:                     | 103° 35' 51.400" W |                               |
|                                             | API Number     | SEC                            | TWP                | RNG                           |
|                                             | 42-359-32684   | NA                             | NA                 | NA                            |

|                   |             |           |                       |                 |                      |
|-------------------|-------------|-----------|-----------------------|-----------------|----------------------|
| Log Measured From | Drill Floor | 23 ft.    | Above Permanent Datum | Elevation KB    | NA                   |
| Depth In          | 11115 ft.   | MWD Start | 09 Nov 2010           | Permanent Datum | Elevation DF2736 ft. |
| Depth Out         |             | MWD End   |                       | Mean Sea Level  | Sea Bed/GL 2713 ft.  |

| BOREHOLE RECORD |           |           | CASING RECORD |          |           |
|-----------------|-----------|-----------|---------------|----------|-----------|
| Boe Diameter    | From      | To        | Casing Size   | From     | To        |
| 8.75 in.        | 9973 ft.  | 11115 ft. | 13.375 in.    | Surface  | 1788 ft.  |
| 6.125 in.       | 11115 ft. |           | 9.625 in.     | 1788 ft. | 4510 ft.  |
|                 |           |           | 7 in.         | 4510 ft. | 11115 ft. |

|                                       |                    |              |               |
|---------------------------------------|--------------------|--------------|---------------|
| Drilling Contractor:                  | Precision Drilling | Rig:         | 553           |
| 1:240                                 |                    |              |               |
| MEASURED DEPTH                        |                    | FIELD PRINT  |               |
| Company Representative: Bill Steadham |                    |              |               |
| Field                                 | Scott Glidden      | Calvin Jones |               |
| Personnel:                            | George Pringle     | Ruben Berti  | Job#: 3416709 |

Baker Hughes INTEQ does not guarantee the accuracy or correctness of interpretations provided in or from this log. Since all interpretations are opinions based on measurements, Baker Hughes INTEQ shall under no circumstances be held responsible for

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.: 12675

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |           |                                                                                                                                                                               |                       |                                                                                                                                                      |                                         |                 |                  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|-----------------|------------------|
| 1. Field name exactly as shown on proration schedule<br><b>PHANTOM (WOLFCAMP)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |           | 2. Lease name as shown on proration schedule<br><b>MAKO STATE 3-6</b>                                                                                                         |                       |                                                                                                                                                      |                                         |                 |                  |
| 3. Current operator name exactly as shown on P-5 Organization Report<br><b>ANADARKO PETROLEUM CORPORATION</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |           | 4. Operator P-5 no.<br><b>020572</b>                                                                                                                                          | 5. Oil Lse/Gas ID no. | 6. County<br><b>REEVES</b>                                                                                                                           | 7. RRC district<br><b>08</b>            |                 |                  |
| 8. Operator address including city, state, and zip code<br><b>ATTN FRANK A DAVIS<br/>PO BOX 1330<br/>HOUSTON, TX 77251-1330</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |           | 9. Well no(s) (see instruction E)<br><b>1H</b>                                                                                                                                |                       |                                                                                                                                                      |                                         |                 |                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |           | 10. Classification<br><input checked="" type="checkbox"/> Oil <input type="checkbox"/> Gas <input type="checkbox"/> Other (see instruction A)                                 |                       |                                                                                                                                                      | 11. Effective Date<br><b>01/28/2011</b> |                 |                  |
| 12. Purpose of Filing. (Complete section a or b below.) (See instructions B and G)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |           |                                                                                                                                                                               |                       |                                                                                                                                                      |                                         |                 |                  |
| a. Change of: <input type="checkbox"/> operator <input type="checkbox"/> oil or condensate gatherer <input type="checkbox"/> gas gatherer <input type="checkbox"/> gas purchaser <input type="checkbox"/> gas purchaser system code                                                                                                                                                                                                                                                                                                                                                                                    |           |                                                                                                                                                                               |                       |                                                                                                                                                      |                                         |                 |                  |
| <input type="checkbox"/> field name from _____<br><input type="checkbox"/> lease name from _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |           |                                                                                                                                                                               |                       |                                                                                                                                                      |                                         |                 |                  |
| -- OR --                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |           |                                                                                                                                                                               |                       |                                                                                                                                                      |                                         |                 |                  |
| b. New RRC Number for: <input checked="" type="checkbox"/> oil lease <input type="checkbox"/> gas well <input type="checkbox"/> other well (specify) _____ Due to: <input checked="" type="checkbox"/> new completion or recompletion <input type="checkbox"/> reclass oil to gas <input type="checkbox"/> reclass gas to oil                                                                                                                                                                                                                                                                                          |           |                                                                                                                                                                               |                       |                                                                                                                                                      |                                         |                 |                  |
| <input type="checkbox"/> 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<br>(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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |           | REGENCY FIELD SERVICES LLC(698769)                                                                                                                                            |                       |                                                                                                                                                      |                                         | 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<br>(Attach an additional sheet in same format if more space is needed)                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |           |                                                                                                                                                                               |                       |                                                                                                                                                      |                                         | Percent of Take |                  |
| PLAINS MARKETING, L.P.(667883)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |           |                                                                                                                                                                               |                       |                                                                                                                                                      |                                         | 100.0           |                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |           |                                                                                                                                                                               |                       |                                                                                                                                                      |                                         |                 |                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |           |                                                                                                                                                                               |                       |                                                                                                                                                      |                                         |                 |                  |
| RRC USE ONLY: Reviewer's initials: _____ Approval date: _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |           |                                                                                                                                                                               |                       |                                                                                                                                                      |                                         |                 |                  |
| 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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |           |                                                                                                                                                                               |                       | Signature                                                                                                                                            |                                         |                 |                  |
| Name (print)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |           |                                                                                                                                                                               |                       | <input type="checkbox"/> Authorized Employee of previous operator <input type="checkbox"/> Authorized agent of previous operator (see instruction G) |                                         |                 |                  |
| Title                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |           |                                                                                                                                                                               |                       | 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)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |           |                                                                                                                                                                               |                       | Cari Vaughn                                                                                                                                          |                                         |                 |                  |
| Staff Regulatory Analyst                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |           |                                                                                                                                                                               |                       | Signature                                                                                                                                            |                                         |                 |                  |
| Title                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |           |                                                                                                                                                                               |                       | <input type="checkbox"/> Authorized Employee of current operator <input type="checkbox"/> Authorized agent of current operator (see instruction G)   |                                         |                 |                  |
| E-mail Address (optional)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |           |                                                                                                                                                                               |                       | Date Phone with area code                                                                                                                            |                                         |                 |                  |
| cari.vaughn@anadarko.com                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |           |                                                                                                                                                                               |                       | 02/22/2011 (832) 636-1162                                                                                                                            |                                         |                 |                  |

STATEMENT OF PRODUCTIVITY OF ACREAGE  
ASSIGNED TO PRORATION UNITS

Form P-15

Tracking No.: 12675

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 ,

MAKO STATE 3-6 , 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 \_\_\_\_\_

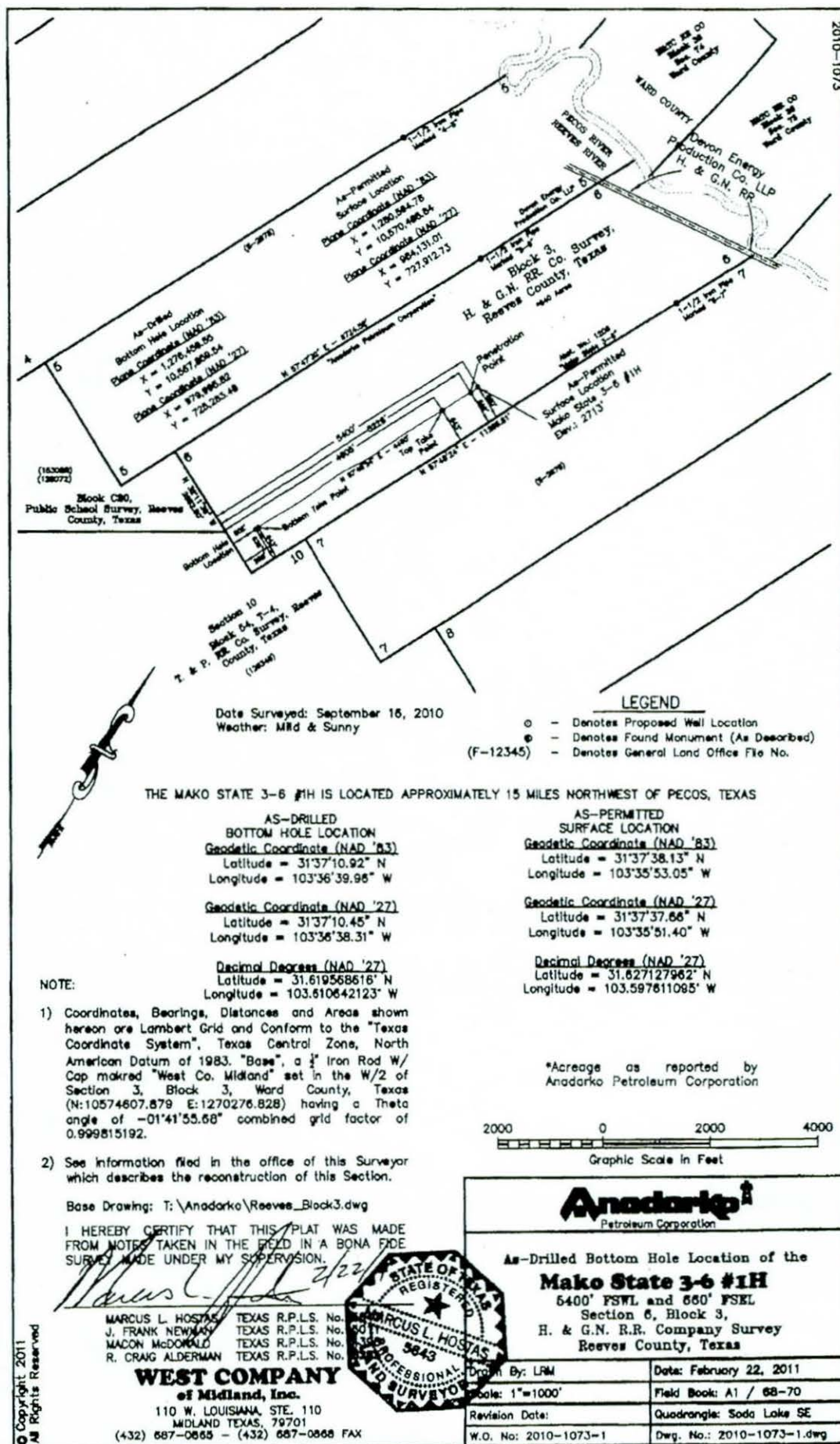
640.0 acres which can reasonably be considered to be productive of hydrocarbons.

- 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 02/22/2011 Signature Cari Vaughn

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



**From:** "Kennedy, Pat" <Pat.Kennedy@anadarko.com>  
**To:** "Linda Price (Linda.Price@GLO.TEXAS.GOV)" <Linda.Price@GLO.TEXAS.GOV>  
**Date:** 6/5/2013 10:44 AM  
**Subject:** MF112119 Mako State 3-6 1H  
**Attachments:** Mako State 3-6 1H completion forms with as drilled plat.pdf

Linda,

While I was in the system, attached find completion papers with "as drilled" plat attached as last page for captioned lease/well.

Let me know if there is anything else you require.

Thanks,

Pat Kennedy  
Sr. Staff Land Analyst - Delaware Basin  
Anadarko Petroleum Corporation - ALR 24097  
832-636-1482  
FAX 832-636-0516  
pat.kennedy@anadarko.com

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15

File No. MF/12/19

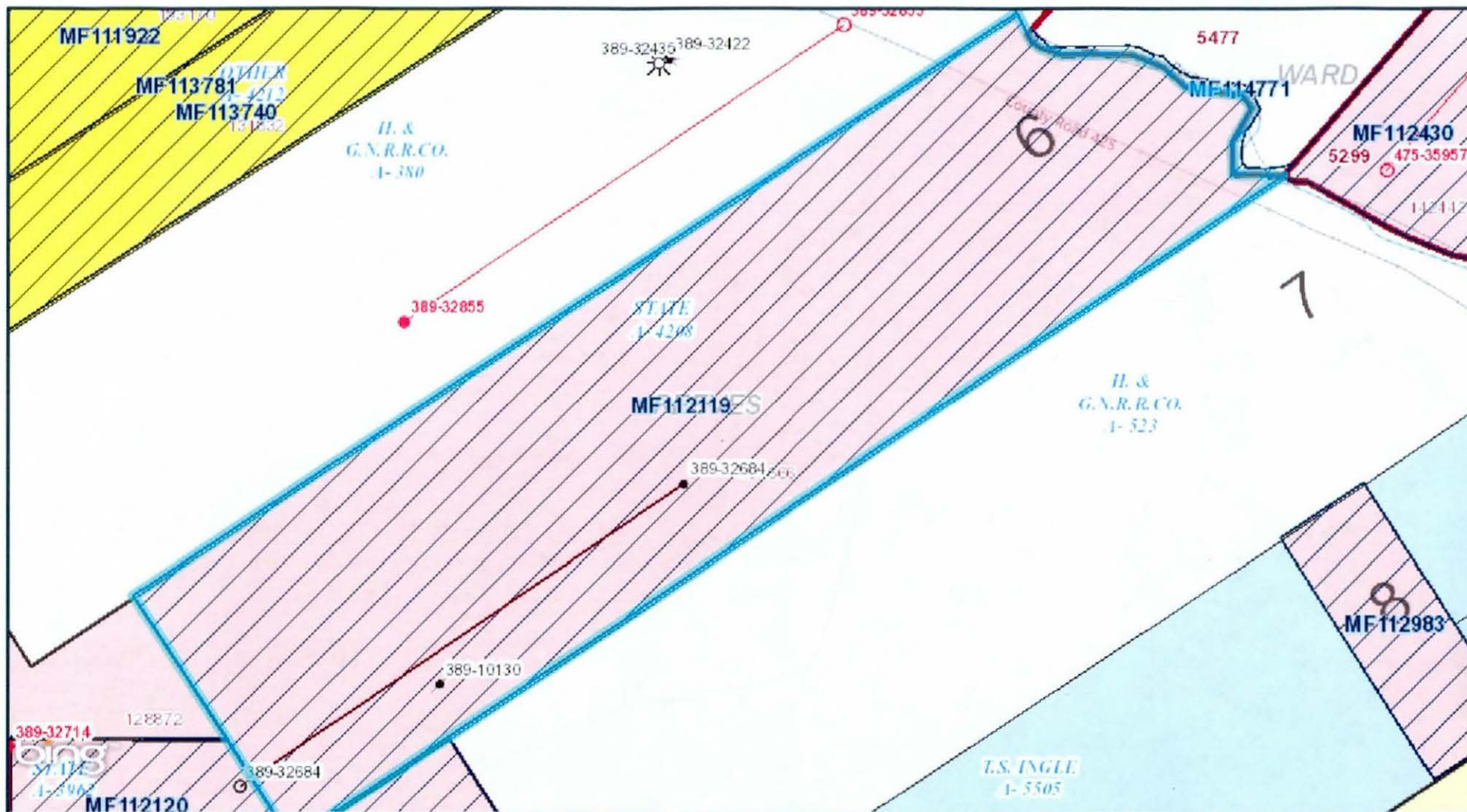
Will Records & email:

49-389-32684

Date Filed: 06/05/2013

Jerry E. Patterson, Commissioner

By JP



## MF112119

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

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## Oil &amp; Gas Data Query

Query Menu: [Help](#)

## Specific Lease Query Results

Query Path: [Search Criteria](#) > District: 08

Date Range: Apr 2012 to Mar 2013

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

## Search Criteria:

Lease Name: MAKO STATE 3-6 , Lease No.: 41426

Well Type: Oil

District: 08

Lease Production and Disposition

Date Range: Apr 2012 - Mar 2013

[Return](#)

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     | 623        | 556         | 67               | 67          | ANADARKO PETROLEUM CORPORATION | 020572       | PHANTOM (WOLFCAMP) | 71052900  |
| Mar 2013     | 0          | 0           | 0                | 0           |                                |              |                    |           |
| <b>Total</b> | 7,535      | 7,937       | 18,474           | 18,474      |                                |              |                    |           |

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 **ONLINE SYSTEM**

## Oil &amp; Gas Data Query

Query Menu Help

## Specific Lease Query Results

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

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

## Search Criteria:

Lease Name: MAKO STATE 3-6 , Lease No.: 41426

Well Type: Oil

District: 08

Lease Production and Disposition

Date Range: Apr 2012 - Mar 2013 

1 - 10 of 12 results

[&lt;&lt;First] [&lt;Previous] [Next&gt;] [Last&gt;&gt;] | 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 | 1,165      | 1,360       | 4,138            | 4,138       | ANADARKO PETROLEUM CORPORATION | 020572       | PHANTOM (WOLFCAMP) | 71052900  |
| May 2012 | 1,029      | 948         | 3,207            | 3,207       |                                |              |                    |           |
| Jun 2012 | 988        | 1,358       | 1,262            | 1,262       |                                |              |                    |           |
| Jul 2012 | 811        | 647         | 3,617            | 3,617       |                                |              |                    |           |
| Aug 2012 | 875        | 904         | 3,546            | 3,546       |                                |              |                    |           |
| Sep 2012 | 661        | 313         | 1,400            | 1,400       |                                |              |                    |           |
| Oct 2012 | 2          | 186         | 0                | 0           |                                |              |                    |           |
| Nov 2012 | 104        | 28          | 741              | 741         |                                |              |                    |           |
| Dec 2012 | 574        | 495         | 496              | 496         |                                |              |                    |           |
| Jan 2013 | 703        | 1,142       | 0                | 0           |                                |              |                    |           |

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## DrillingInfo One-Page Production Summary


Tag This  
Element

API# 42-389-32684  
 Well# 1H  
 Lease MAKO STATE 3-6  
 Field PHANTOM (WOLFCAMP)  
 Lease ANADARKO E&P ONSHORE LLC  
 Operator [Well Op History](#)  
 County Reeves  
 State Texas  
 Location 660.0 SE / 5400.0 SW, H&GN RR  
 CO/JOHNSON, C G A-4652 Block:6 Section:6  
 Elevation 2713 GL  
 Date Spud --  
 Date TD --  
 Logs Run GAMMA,RAY,(MWD),

| Prod. | First<br>Production | Most Recent<br>Production | Cumulative<br>(MCF & BBL) | Gravity<br>(SG & API) | Gatherer |
|-------|---------------------|---------------------------|---------------------------|-----------------------|----------|
| Oil   | 5/1/11              | 2/1/13                    | 15,689                    | 0.00                  | EASTC    |
| Gas   | 5/1/11              | 2/1/13                    | 28,835                    | 0.00                  | REGEF    |

## Most Recently Reported Monthly Production (12 Months)

| Mo/Yr   | Gas (MCF) |        |       |               |       |  | Oil (BBL) |       |       |         | Water<br>(BW) | # Wells<br>Flowing | # Wells<br>Other | Avg Gas<br>(MCF/D) | Avg Oil<br>(BBL/D) | Avg Wtr<br>(BW/D) |
|---------|-----------|--------|-------|---------------|-------|--|-----------|-------|-------|---------|---------------|--------------------|------------------|--------------------|--------------------|-------------------|
|         | Produced  | Sold   | Used  | Vented/Flared | Other |  | Produced  | Sold  | Other | Closing |               |                    |                  |                    |                    |                   |
| 4/2012  | 4,138     | 3,745  | 393   | 0             | 0     |  | 1,165     | 1,110 | 250   | 470     | 0             | 1                  | ---              | 137.93             | 38.83              | 0.00              |
| 5/2012  | 3,207     | 3,021  | 186   | 0             | 0     |  | 1,029     | 754   | 194   | 551     | 0             | 1                  | ---              | 103.45             | 33.19              | 0.00              |
| 6/2012  | 1,262     | 1,171  | 91    | 0             | 0     |  | 988       | 1,139 | 219   | 181     | 0             | 1                  | ---              | 42.07              | 32.93              | 0.00              |
| 7/2012  | 3,617     | 3,391  | 226   | 0             | 0     |  | 811       | 550   | 97    | 345     | 0             | 1                  | ---              | 116.68             | 26.16              | 0.00              |
| 8/2012  | 3,546     | 3,331  | 215   | 0             | 0     |  | 875       | 743   | 161   | 316     | 0             | 1                  | ---              | 114.39             | 28.23              | 0.00              |
| 9/2012  | 1,400     | 1,297  | 103   | 0             | 0     |  | 661       | 183   | 130   | 664     | 0             | 1                  | ---              | 46.67              | 22.03              | 0.00              |
| 10/2012 | 0         | 0      | 0     | 0             | 0     |  | 2         | 186   | 0     | 480     | 0             | 1                  | ---              | 0.00               | 0.06               | 0.00              |
| 11/2012 | 741       | 699    | 42    | 0             | 0     |  | 104       | 0     | 28    | 556     | 0             | 1                  | ---              | 24.70              | 3.47               | 0.00              |
| 12/2012 | 496       | 468    | 28    | 0             | 0     |  | 574       | 379   | 116   | 635     | 0             | 1                  | ---              | 16.00              | 18.52              | 0.00              |
| 1/2013  | 0         | 0      | 0     | 0             | 0     |  | 703       | 949   | 193   | 196     | 0             | 1                  | ---              | 0.00               | 22.68              | 0.00              |
| 2/2013  | 67        | 60     | 7     | 0             | 0     |  | 623       | 378   | 178   | 263     | 0             | 1                  | ---              | 2.39               | 22.25              | 0.00              |
| 3/2013  | 0         | 0      | 0     | 0             | 0     |  | 0         | 0     | 0     | 263     | 0             | 1                  | ---              | 0.00               | 0.00               | 0.00              |
| Totals  | 18,474    | 17,183 | 1,291 | 0             | 0     |  | 7,535     | 6,371 | 1,566 | 4,920   | 0             | ---                | ---              | ---                | ---                | ---               |

## Annual Production

| Year   | Gas<br>(MCF) | Oil<br>(BBL) | Water<br>(BW) | #Wells<br>Flowing | #Wells<br>Other | Avg Gas<br>(MCF/D) | Avg Oil<br>(BBL/D) | Avg Wtr<br>(BW/D) | Annual<br>Dec. Gas | Annual<br>Dec. Oil |
|--------|--------------|--------------|---------------|-------------------|-----------------|--------------------|--------------------|-------------------|--------------------|--------------------|
| 2011   | 2,155        | 5,231        | ---           | 1                 | ---             | 8.86               | 21.51              | 0.00              | ---                | ---                |
| 2012   | 26,613       | 9,132        | ---           | 1                 | ---             | 72.95              | 25.03              | 0.00              | ---                | ---                |
| 2013   | 67           | 1,326        | ---           | 1                 | ---             | 0.73               | 14.54              | 0.00              | 99.7%              | 85.5%              |
| Totals | 28,835       | 15,689       | ---           | ---               | ---             | ---                | ---                | ---               | ---                | ---                |

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File No. MF112419 (16)  
Production Review

Date Filed: 06/05/2013

Jerry E. Patterson, Commissioner

By [Signature]

**From:** "Kennedy, Pat" <Pat.Kennedy@anadarko.com>  
**To:** Linda Price <Linda.Price@GLO.TEXAS.GOV>  
**CC:** "Colerick, Joe" <Joe.Colerick@anadarko.com>  
**Date:** 6/5/2013 2:17 PM  
**Subject:** RE: MF112119  
**Attachments:** Mako State 3-6 1H DailyOperations Report - Rig on Location 4-17-13.pdf; Copy of Mako State 3-6-1H Production Summary.xlsx

Linda,

Attached as requested today upon your receipt of Anadarko's tender of payment for deep rights extension under subject lease are daily operations and production summary reports which confirm that Anadarko's work over operations on this lease / well commenced with rig on location April 17, 2013 (within 60 days of cessation of production February 25, 2013).

Subsequently, production to date was re-established April 26, 2013.

If you need additional information, please let me know.

Thanks,

Pat Kennedy  
Sr. Staff Land Analyst - Delaware Basin  
Anadarko Petroleum Corporation - ALR 24097  
832-636-1482  
FAX 832-636-0516  
pat.kennedy@anadarko.com

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

From: Linda Price [mailto:Linda.Price@GLO.TEXAS.GOV]  
Sent: Wednesday, June 05, 2013 10:50 AM  
To: Kennedy, Pat  
Subject: MF112119

Pat:

State Lease MF112119 is described as 640 acres, Section 6, Block 3, H. & G. N. Ry. Survey, Reeves County. The lease well is the Mako State 3-6 #1H.

In order to qualify for a deep rights extension, a lease must be in force and effect. On March 20, 2013, the GLO received your letter, in compliance with Paragraph X of the MPAA, providing written notice that the well had ceased to produced. A search of the RRC indicates that the last production reported was for February 2013 and no production was reported for March 2013.

Because of the cessation of production, we cannot move forward with the deep rights extension review of this lease until we establish that the lease is actually in force. Please provide a log beginning February 24, 2013, organized by date with the operations performed on each day listed beside the date. If production has been achieved subsequent to the cessation, please provide production reports listing the date and the volumes produced and disposed.

Upon documenting that the lease is held, we will review the lease for the deep rights extension.

Thank you.  
Linda

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

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Wins No.: E3569

MAKO STATE 3-6 1H

API No.: 4238932684

| <b>EVENT INFORMATION:</b> |                                   | EVENT ACTIVITY: WELL WORK EXPEN |                 | START DATE: 4/17/2013               |                     | AFE NO.: 2084672 |                                                                                                                                                                                                     |
|---------------------------|-----------------------------------|---------------------------------|-----------------|-------------------------------------|---------------------|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                           |                                   | OBJECTIVE: DEVELOPMENT          |                 | END DATE:                           |                     |                  |                                                                                                                                                                                                     |
|                           |                                   | OBJECTIVE 2: HORIZONTAL WELL    |                 | DATE WELL STARTED PROD.: 10/16/2010 |                     |                  |                                                                                                                                                                                                     |
|                           |                                   | REASON: TUBING LEAK             |                 | EVENT END STATUS:                   |                     |                  |                                                                                                                                                                                                     |
| <b>RIG OPERATIONS:</b>    |                                   | Begin Mobilization              | Rig On Location | Rig Charges                         | Rig Operation Start | Finish Drilling  | Rig Release                                                                                                                                                                                         |
| BASIC 1200 / 1200         |                                   | 04/17/2013                      | 04/17/2013      | 04/17/2013                          | 04/17/2013          |                  | Rig Off Location                                                                                                                                                                                    |
| Date                      | Time<br>Start-End                 | Duration<br>(hr)                | Phase           | Code                                | Subco<br>de         | P/U              | Operation                                                                                                                                                                                           |
| 4/17/2013                 | <u>SUPERVISOR:</u> KEVIN DAVIDSON |                                 |                 |                                     | <u>DWC:</u>         | \$26,600.00      | <u>CWC:</u> \$26,600.00 MD:                                                                                                                                                                         |
|                           | 0:00 - 7:00                       | 7.00                            |                 | 46                                  | D                   |                  | WAITING ON DAYLIGHT.                                                                                                                                                                                |
|                           | 7:00 - 18:00                      | 11.00                           |                 | 47                                  | A                   |                  | MIRU BASIC PULLING UNIT #1537. HELD SAFETY MEETING. PUMPED 450 BBL 10# BRINE TO KILL WELL. WAITED ON GENERATOR & ELECTRICIAN. SHUT IN WELL. SDFN.                                                   |
|                           | 18:00 - 0:00                      | 6.00                            |                 | 46                                  | D                   |                  | WAITING ON DAYLIGHT.                                                                                                                                                                                |
| 4/18/2013                 | <u>SUPERVISOR:</u> KEVIN DAVIDSON |                                 |                 |                                     | <u>DWC:</u>         | \$9,000.00       | <u>CWC:</u> \$35,600.00 MD:                                                                                                                                                                         |
|                           | 0:00 - 7:00                       | 7.00                            |                 | 46                                  | D                   |                  | WAITING ON DAYLIGHT.                                                                                                                                                                                |
|                           | 7:00 - 19:00                      | 12.00                           |                 | 47                                  | A                   |                  | HELD SAFETY MEETING. PUMPED 190 BBL 10# BRINE TO KILL WELL. POOH WITH RODS & PUMP. ND WELL HEAD & NU BOP. UNSET TAC. POOH W/ 100 JOINTS TBG. SHUT IN WELL. SDFN.                                    |
|                           | 19:00 - 0:00                      | 5.00                            |                 | 46                                  | D                   |                  | WAITING ON DAYLIGHT.                                                                                                                                                                                |
| 4/19/2013                 | <u>SUPERVISOR:</u> KEVIN DAVIDSON |                                 |                 |                                     | <u>DWC:</u>         | \$9,500.00       | <u>CWC:</u> \$45,100.00 MD:                                                                                                                                                                         |
|                           | 0:00 - 7:00                       | 7.00                            |                 | 46                                  | D                   |                  | WAITING ON DAYLIGHT.                                                                                                                                                                                |
|                           | 7:00 - 20:30                      | 13.50                           |                 | 31                                  | I                   |                  | HELD SAFETY MEETING. PUMPED 148 BBL 10# BRINE TO KILL WELL. POOH W/ 220 JOINTS TBG. RIH WIT BHA & TESTED TBG. HIT 2 SN. SHUT IN WELL. SDFN.                                                         |
|                           | 20:30 - 0:00                      | 3.50                            |                 | 46                                  | D                   |                  | WAITING ON DAYLIGHT.                                                                                                                                                                                |
| 4/22/2013                 | <u>SUPERVISOR:</u> KEVIN DAVIDSON |                                 |                 |                                     | <u>DWC:</u>         | \$8,700.00       | <u>CWC:</u> \$53,800.00 MD:                                                                                                                                                                         |
|                           | 0:00 - 7:00                       | 7.00                            |                 | 46                                  | D                   |                  | WAITING ON DAYLIGHT.                                                                                                                                                                                |
|                           | 7:00 - 18:00                      | 11.00                           |                 | 31                                  | I                   |                  | HELD SAFETY MEETING. PUMPED 60 BBL 10# BRINE TO KILL WELL. RIH WITH PUMP; 126-1.0" S87 RODS; 99-1.0" FG RODS; SPACED OUT WITH 18' 1.25" FG SUB. HWO. LOAD AND TEST TO 500#. HOOK UP FLOWLINE. RDMO. |
|                           | 18:00 - 0:00                      | 6.00                            |                 | 50                                  | A                   |                  | RTP.                                                                                                                                                                                                |
| 4/23/2013                 | <u>SUPERVISOR:</u> KEVIN DAVIDSON |                                 |                 |                                     | <u>DWC:</u>         | \$8,300.00       | <u>CWC:</u> \$62,100.00 MD:                                                                                                                                                                         |
|                           | 0:00 - 7:00                       | 7.00                            |                 | 46                                  | D                   |                  | WAITING ON DAYLIGHT.                                                                                                                                                                                |
|                           | 7:00 - 16:30                      | 9.50                            |                 | 31                                  | I                   |                  | HELD SAFETY MEETING. PUMPED 0 BBL 10# BRINE TO KILL WELL. RDMO. MOVED TO THE MONROE 34-221-UNIT 2 WELL 1H.                                                                                          |
|                           | 16:30 - 0:00                      | 7.50                            |                 | 50                                  | A                   |                  | RTP.                                                                                                                                                                                                |

|     | A              | B                | C                  | D           | E     | F            | G            | H              |
|-----|----------------|------------------|--------------------|-------------|-------|--------------|--------------|----------------|
| 1   | RDG_DATE       | GASMCF_GROSS_TOT | GROSS_OIL_BBLT_TOT | WTRBBLT_TOT | CHOKE | CASING_PRESS | TUBING_PRESS | GAS_LINE_PRESS |
| 226 | 1/15/2013 0:00 | 0                | 33                 | 220         | 64    | 110          | 103          | 64             |
| 227 | 1/16/2013 0:00 | 0                | 33                 | 271         | 64    | 80           | 65           | 64             |
| 228 | 1/17/2013 0:00 | 0                | 22                 | 228         | 64    | 100          | 113          | 65             |
| 229 | 1/18/2013 0:00 | 0                | 8                  | 240         | 64    | 145          | 152          | 66             |
| 230 | 1/19/2013 0:00 | 0                | 14                 | 231         | 64    | 138          | 147          | 146            |
| 231 | 1/20/2013 0:00 | 0                | 14                 | 331         | 64    | 136          | 132          | 41             |
| 232 | 1/21/2013 0:00 | 0                | 25                 | 245         | 64    | 45           | 46           | 105            |
| 233 | 1/22/2013 0:00 | 0                | 34                 | 277         | 64    | 42           | 42           | 70             |
| 234 | 1/23/2013 0:00 | 0                | 13                 | 213         | 64    | 47           | 46           | 92             |
| 235 | 1/24/2013 0:00 | 0                | 0                  | 107         | 64    | 46           | 42           | 102            |
| 236 | 1/25/2013 0:00 | 0                | 0                  | 200         | 64    | 52           | 42           | 125            |
| 237 | 1/26/2013 0:00 | 0                | 0                  | 189         | 64    | 48           | 38           | 175            |
| 238 | 1/27/2013 0:00 | 0                | 0                  | 251         | 64    | 52           | 45           | 175            |
| 239 | 1/28/2013 0:00 | 0                | 0                  | 268         | 64    | 47           | 43           | 52             |
| 240 | 1/29/2013 0:00 | 0                | 0                  | 263         | 64    | 51           | 48           | 46             |
| 241 | 1/30/2013 0:00 | 0                | 0                  | 210         | 64    | 47           | 47           | 96             |
| 242 | 1/31/2013 0:00 | 0                | 0                  | 141         | 64    | 46           | 43           | 45             |
| 243 | 2/1/2013 0:00  | 0                | 123                | 436         | 64    | 42           | 37           | 45             |
| 244 | 2/2/2013 0:00  | 21               | 0                  | 302         | 64    | 45           | 43           | 108            |
| 245 | 2/3/2013 0:00  | 0                | 0                  | 342         | 64    | 75           | 67           | 90             |
| 246 | 2/4/2013 0:00  | 0                | 3                  | 292         | 64    | 76           | 225          | 89             |
| 247 | 2/5/2013 0:00  | 0                | 3                  | 341         | 64    | 32           | 127          | 89             |
| 248 | 2/6/2013 0:00  | 0                | 53                 | 280         | 64    | 57           | 222          | 87             |
| 249 | 2/7/2013 0:00  | 0                | 8                  | 367         | 64    | 87           | 248          | 85             |
| 250 | 2/8/2013 0:00  | 0                | 6                  | 280         | 64    | 85           | 251          | 87             |
| 251 | 2/9/2013 0:00  | 0                | 0                  | 357         | 64    | 153          | 316          | 82             |
| 252 | 2/10/2013 0:00 | 0                | 14                 | 358         | 64    | 150          | 147          | 33             |
| 253 | 2/11/2013 0:00 | 0                | 8                  | 141         | 64    | 78           | 100          | 69             |

|     | A              | B                | C                  | D           | E     | F            | G            | H              |
|-----|----------------|------------------|--------------------|-------------|-------|--------------|--------------|----------------|
| 1   | RDG_DATE       | GASMCF_GROSS_TOT | GROSS_OIL_BBLT_TOT | WTRBBLT_TOT | CHOKE | CASING_PRESS | TUBING_PRESS | GAS_LINE_PRESS |
| 254 | 2/12/2013 0:00 | 0                | 62                 | 170         | 64    | 65           | 52           | 104            |
| 255 | 2/13/2013 0:00 | 0                | 9                  | 110         | 64    | 65           | 52           | 104            |
| 256 | 2/14/2013 0:00 | 0                | 22                 | 280         | 64    | 78           | 227          | 86             |
| 257 | 2/15/2013 0:00 | 0                | 6                  | 295         | 64    | 48           | 96           | 126            |
| 258 | 2/16/2013 0:00 | 0                | 8                  | 148         | 64    | 11           | 1            | 163            |
| 259 | 2/17/2013 0:00 | 0                | 78                 | 101         | 64    | 128          | 118          | 162            |
| 260 | 2/18/2013 0:00 | 0                | 0                  | 120         | 64    | 137          | 133          | 162            |
| 261 | 2/19/2013 0:00 | 0                | 36                 | 0           | 64    | 137          | 130          | 162            |
| 262 | 2/20/2013 0:00 | 0                | 11                 | 122         | 64    | 132          | 121          | 162            |
| 263 | 2/21/2013 0:00 | 0                | 14                 | 148         | 64    | 137          | 122          | 162            |
| 264 | 2/22/2013 0:00 | 0                | 3                  | 74          | 64    | 137          | 205          | 52             |
| 265 | 2/23/2013 0:00 | 0                | 30                 | 274         | 64    | 141          | 201          | 67             |
| 266 | 2/24/2013 0:00 | 49               | 6                  | 227         | 64    | 152          | 207          | 64             |
| 267 | 2/25/2013 0:00 | 24               | 0                  | 106         | 64    | 155          | 211          | 94             |
| 268 | 2/26/2013 0:00 | 0                | 0                  | 94          | 64    | 151          | 212          | 47             |
| 269 | 2/27/2013 0:00 | 0                | -59                | 31          | 64    | 151          | 203          | 95             |
| 270 | 2/28/2013 0:00 | 0                | 0                  | 0           | 64    | 151          | 198          | 72             |
| 271 | 3/1/2013 0:00  | 0                | 0                  | 0           | 64    | 150          | 201          | 162            |
| 272 | 3/2/2013 0:00  | 0                | 0                  | 0           | 64    | 146          | 136          | 63             |
| 273 | 3/3/2013 0:00  | 0                | 0                  | 0           | 64    | 152          | 226          | 37             |
| 274 | 3/4/2013 0:00  | 0                | 0                  | 0           | 64    | 156          | 230          | 36             |
| 275 | 3/5/2013 0:00  | 0                | 0                  | 0           | 64    | 155          | 143          | 34             |
| 276 | 3/6/2013 0:00  | 0                | 0                  | 0           | 64    | 153          | 142          | 62             |
| 277 | 3/7/2013 0:00  | 0                | 0                  | 0           | 64    | 83           | 68           | 32             |
| 278 | 3/8/2013 0:00  | 0                | 0                  | 0           | 64    | 155          | 183          | 34             |
| 279 | 3/9/2013 0:00  | 0                | 0                  | 0           | 64    | 155          | 183          | 34             |
| 280 | 3/10/2013 0:00 | 0                | 0                  | 0           | 64    | 155          | 183          | 34             |
| 281 | 3/11/2013 0:00 | 0                | 0                  | 0           | 64    | 155          | 183          | 34             |

|     | A              | B                | C                  | D           | E     | F            | G            | H              |
|-----|----------------|------------------|--------------------|-------------|-------|--------------|--------------|----------------|
| 1   | RDG_DATE       | GASMCF_GROSS_TOT | GROSS_OIL_BBLT_TOT | WTRBBLT_TOT | CHOKE | CASING_PRESS | TUBING_PRESS | GAS_LINE_PRESS |
| 282 | 3/12/2013 0:00 | 0                | 0                  | 0           | 64    | 155          | 183          | 34             |
| 283 | 3/13/2013 0:00 | 0                | 0                  | 0           | 64    | 155          | 183          | 34             |
| 284 | 3/14/2013 0:00 | 0                | 0                  | 0           | 64    | 155          | 183          | 34             |
| 285 | 3/15/2013 0:00 | 0                | 0                  | 0           | 64    | 155          | 183          | 34             |
| 286 | 3/16/2013 0:00 | 0                | 0                  | 0           | 64    | 155          | 183          | 34             |
| 287 | 3/17/2013 0:00 | 0                | 0                  | 0           | 64    | 155          | 183          | 34             |
| 288 | 3/18/2013 0:00 | 0                | 0                  | 0           | 64    | 155          | 183          | 34             |
| 289 | 3/19/2013 0:00 | 0                | 0                  | 0           | 64    | 155          | 183          | 34             |
| 290 | 3/20/2013 0:00 | 0                | 0                  | 0           | 64    | 155          | 183          | 34             |
| 291 | 3/21/2013 0:00 | 0                | 0                  | 0           | 64    | 155          | 183          | 34             |
| 292 | 3/22/2013 0:00 | 0                | 0                  | 0           | 64    | 155          | 183          | 34             |
| 293 | 3/23/2013 0:00 | 0                | 0                  | 0           | 64    | 155          | 183          | 34             |
| 294 | 3/24/2013 0:00 | 0                | 0                  | 0           | 64    | 155          | 183          | 34             |
| 295 | 3/25/2013 0:00 | 0                | 0                  | 0           | 64    | 155          | 183          | 34             |
| 296 | 3/26/2013 0:00 | 0                | 0                  | 0           | 64    | 155          | 183          | 34             |
| 297 | 3/27/2013 0:00 | 0                | 0                  | 0           | 64    | 155          | 183          | 34             |
| 298 | 3/28/2013 0:00 | 0                | 0                  | 0           | 64    | 155          | 183          | 34             |
| 299 | 3/29/2013 0:00 | 0                | 0                  | 0           | 64    | 155          | 183          | 34             |
| 300 | 3/30/2013 0:00 | 0                | 0                  | 0           | 64    | 155          | 183          | 34             |
| 301 | 3/31/2013 0:00 | 0                | 0                  | 0           | 64    | 155          | 183          | 34             |
| 302 | 4/1/2013 0:00  | 0                | 0                  | 0           | 64    | 155          | 183          | 34             |
| 303 | 4/2/2013 0:00  | 0                | 0                  | 0           | 64    | 155          | 183          | 34             |
| 304 | 4/3/2013 0:00  | 0                | 0                  | 0           | 64    | 155          | 183          | 34             |
| 305 | 4/4/2013 0:00  | 0                | 0                  | 0           | 64    | 155          | 183          | 34             |
| 306 | 4/5/2013 0:00  | 0                | 0                  | 0           | 64    | 155          | 183          | 34             |
| 307 | 4/6/2013 0:00  | 0                | 0                  | 0           | 64    | 155          | 183          | 34             |
| 308 | 4/7/2013 0:00  | 0                | 0                  | 0           | 64    | 155          | 183          | 34             |
| 309 | 4/8/2013 0:00  | 0                | 0                  | 0           | 64    | 155          | 183          | 34             |

|     | A              | B                | C                  | D           | E     | F            | G            | H              |
|-----|----------------|------------------|--------------------|-------------|-------|--------------|--------------|----------------|
| 1   | RDG_DATE       | GASMCF_GROSS_TOT | GROSS_OIL_BBLS_TOT | WTRBBLS_TOT | CHOKE | CASING_PRESS | TUBING_PRESS | GAS_LINE_PRESS |
| 310 | 4/9/2013 0:00  | 0                | 0                  | 0           | 64    | 155          | 183          | 34             |
| 311 | 4/10/2013 0:00 | 0                | 0                  | 0           | 64    | 155          | 183          | 34             |
| 312 | 4/11/2013 0:00 | 0                | 0                  | 0           | 64    | 155          | 183          | 34             |
| 313 | 4/12/2013 0:00 | 0                | 0                  | 0           | 64    | 155          | 183          | 34             |
| 314 | 4/13/2013 0:00 | 0                | 0                  | 0           | 64    | 155          | 183          | 34             |
| 315 | 4/14/2013 0:00 | 0                | 0                  | 0           | 64    | 155          | 183          | 34             |
| 316 | 4/15/2013 0:00 | 0                | 0                  | 0           | 64    | 155          | 183          | 34             |
| 317 | 4/16/2013 0:00 | 0                | 0                  | 0           | 64    | 155          | 183          | 34             |
| 318 | 4/17/2013 0:00 | 0                | 0                  | 0           | 64    | 155          | 183          | 34             |
| 319 | 4/18/2013 0:00 | 0                | 0                  | 0           | 64    | 155          | 183          | 34             |
| 320 | 4/19/2013 0:00 | 0                | 0                  | 0           | 64    | 155          | 183          | 34             |
| 321 | 4/20/2013 0:00 | 0                | 0                  | 0           | 64    | 155          | 183          | 34             |
| 322 | 4/21/2013 0:00 | 0                | 0                  | 0           | 64    | 155          | 183          | 34             |
| 323 | 4/22/2013 0:00 | 0                | 0                  | 0           | 64    | 155          | 183          | 34             |
| 324 | 4/23/2013 0:00 | 0                | 0                  | 0           | 64    | 155          | 183          | 34             |
| 325 | 4/24/2013 0:00 | 0                | 0                  | 0           | 64    | 155          | 183          | 34             |
| 326 | 4/25/2013 0:00 | 0                | 0                  | 0           | 64    | 17           | 63           | 13             |
| 327 | 4/26/2013 0:00 | 0                | 64                 | 346         | 64    | 372          | 137          | 14             |
| 328 | 4/27/2013 0:00 | 0                | 81                 | 480         | 64    | 372          | 137          | 14             |
| 329 | 4/28/2013 0:00 | 0                | 54                 | 195         | 64    | 192          | 120          | 181            |
| 330 | 4/29/2013 0:00 | 0                | 45                 | 538         | 64    | 198          | 156          | 176            |
| 331 | 4/30/2013 0:00 | 23               | 11                 | 33          | 64    | 47           | 45           | 34             |
| 332 | 5/1/2013 0:00  | 1                | 0                  | -66         | 64    | 47           | 69           | 21             |
| 333 | 5/2/2013 0:00  | 32               | 59                 | 313         | 64    | 175          | 147          | 118            |
| 334 | 5/3/2013 0:00  | 0                | 31                 | 347         | 64    | 220          | 158          | 118            |
| 335 | 5/4/2013 0:00  | 24               | 33                 | 240         | 64    | 205          | 141          | 96             |
| 336 | 5/5/2013 0:00  | 81               | 25                 | 212         | 64    | 181          | 147          | 63             |
| 337 | 5/6/2013 0:00  | 18               | 31                 | 298         | 64    | 177          | 165          | 119            |

|     | A              | B                | C                  | D           | E     | F            | G            | H              |
|-----|----------------|------------------|--------------------|-------------|-------|--------------|--------------|----------------|
| 1   | RDG_DATE       | GASMCF_GROSS_TOT | GROSS_OIL_BBLT_TOT | WTRBBLT_TOT | CHOKE | CASING_PRESS | TUBING_PRESS | GAS_LINE_PRESS |
| 338 | 5/7/2013 0:00  | 111              | 20                 | 25          | 64    | 98           | 80           | 65             |
| 339 | 5/8/2013 0:00  | 37               | 11                 | 100         | 64    | 98           | 80           | 65             |
| 340 | 5/9/2013 0:00  | 21               | 45                 | 255         | 64    | 163          | 244          | 119            |
| 341 | 5/10/2013 0:00 | 89               | 17                 | 220         | 64    | 163          | 244          | 119            |
| 342 | 5/11/2013 0:00 | 84               | 3                  | 111         | 64    | 93           | 132          | 46             |
| 343 | 5/12/2013 0:00 | 0                | -11                | -191        | 64    | 63           | 63           | 41             |
| 344 | 5/13/2013 0:00 | 12               | 25                 | 206         | 64    | 696          | 223          | 119            |
| 345 | 5/14/2013 0:00 | 20               | 47                 | 264         | 64    | 102          | 196          | 120            |
| 346 | 5/15/2013 0:00 | 0                | 22                 | 282         | 64    | 103          | 195          | 118            |
| 347 | 5/16/2013 0:00 | 0                | 33                 | 339         | 64    | 116          | 216          | 68             |
| 348 | 5/17/2013 0:00 | 0                | 22                 | 286         | 64    | 97           | 190          | 83             |
| 349 | 5/18/2013 0:00 | 0                | 27                 | 289         | 64    | 103          | 193          | 77             |
| 350 | 5/19/2013 0:00 | 0                | 25                 | 273         | 64    | 99           | 175          | 77             |
| 351 | 5/20/2013 0:00 | 0                | 25                 | 493         | 64    | 103          | 185          | 77             |
| 352 | 5/21/2013 0:00 | 0                | 31                 | 281         | 64    | 101          | 174          | 79             |
| 353 | 5/22/2013 0:00 | 0                | 25                 | 72          | 64    | 95           | 179          | 121            |
| 354 | 5/23/2013 0:00 | 3                | 20                 | 518         | 64    | 95           | 201          | 133            |
| 355 | 5/24/2013 0:00 | 5                | 8                  | 278         | 64    | 100          | 251          | 135            |
| 356 | 5/25/2013 0:00 | 5                | 33                 | 358         | 64    | 101          | 262          | 136            |
| 357 | 5/26/2013 0:00 | 5                | 20                 | -28         | 64    | 101          | 210          | 135            |
| 358 | 5/27/2013 0:00 | 4                | 14                 | 123         | 64    | 106          | 216          | 134            |
| 359 | 5/28/2013 0:00 | 5                | 14                 | -14         | 64    | 100          | 209          | 135            |
| 360 | 5/29/2013 0:00 | 3                | 22                 | 292         | 64    | 95           | 199          | 134            |
| 361 | 5/30/2013 0:00 | 1                | 14                 | 195         | 64    | 77           | 83           | 130            |
| 362 | 5/31/2013 0:00 | 0                | 17                 | 134         | 64    | 56           | 205          | 123            |
| 363 | 6/1/2013 0:00  | 0                | -98                | 220         | 64    | 42           | 105          | 123            |
| 364 | 6/2/2013 0:00  | 1                | 17                 | 110         | 64    | 41           | 185          | 136            |
| 365 | 6/3/2013 0:00  | 4                | 36                 | 226         | 64    | 24           | 172          | 134            |

|     | A             | B                | C                  | D           | E     | F            | G            | H              |
|-----|---------------|------------------|--------------------|-------------|-------|--------------|--------------|----------------|
| 1   | RDG_DATE      | GASMCF_GROSS_TOT | GROSS_OIL_BBLT_TOT | WTRBBLT_TOT | CHOKE | CASING_PRESS | TUBING_PRESS | GAS_LINE_PRESS |
| 366 | 6/4/2013 0:00 | 2                | -14                | 602         | 64    | 83           | 240          | 63             |
| 367 | 6/5/2013 0:00 | 0                | 0                  | 0           | 0     | 0            | 0            | 0              |

File No. MF 112119 (17)  
Operations & Production Reports

Date Filed: 06/05/2013

Jerry E. Patterson, Commissioner

By JEP

MEMO TO FILE MF112119

Date: 06/06/2013

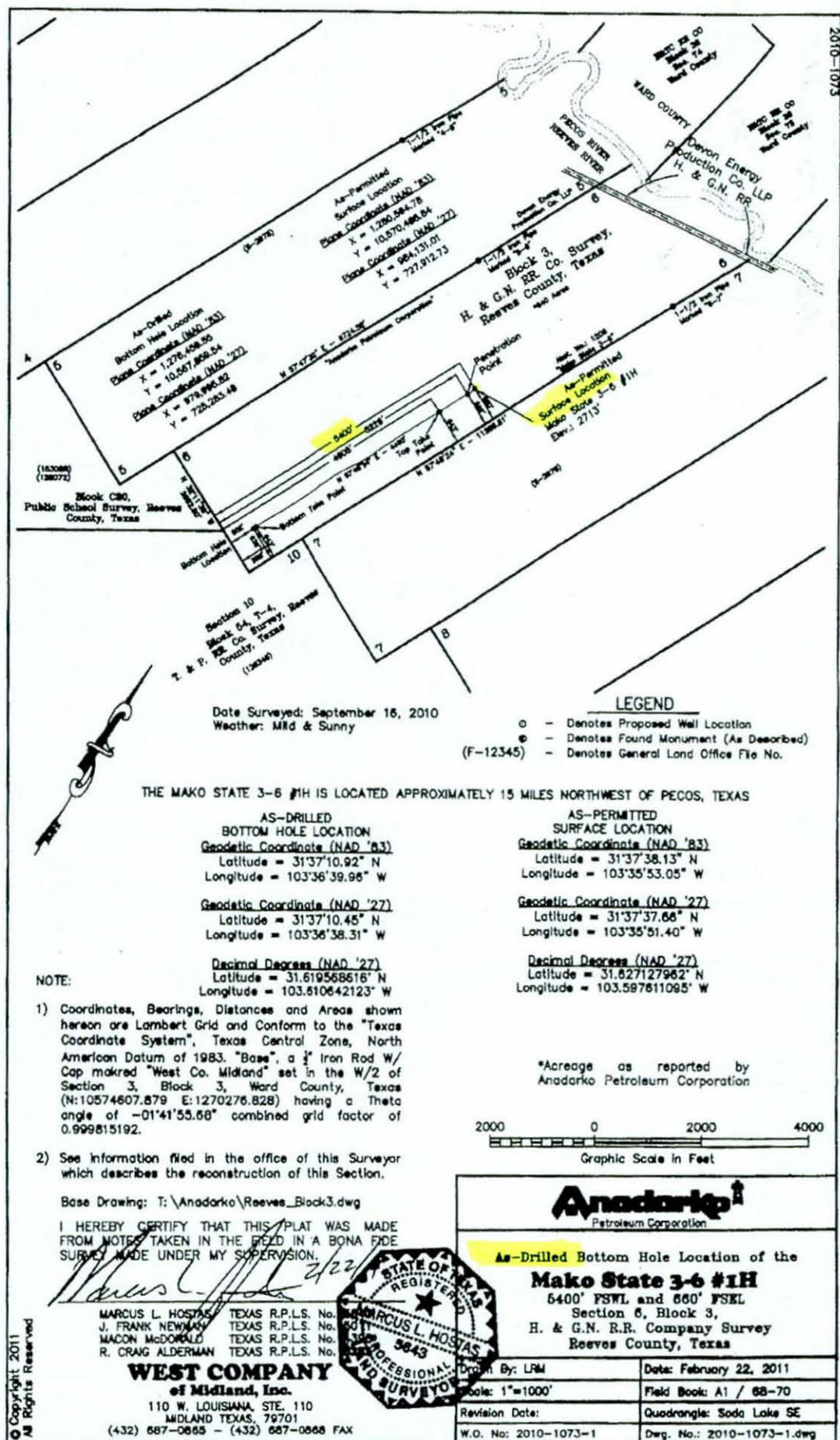
From: Linda Price 

RE: Deep Rights Extension

The lease well, the Mako State 3-6 #1H, was completed as a horizontal oil well in the Phantom (Wolfcamp) field. The well ceased producing on February 25, 2013. Anadarko's workover operations on the well commenced with a rig on location April 17, 2013 (50 days after cessation). Production was re-established on April 26, 2013.

Under RRC Oil & Gas Docket 08-0274237, Rule 3a and b, in the Phantom Wolfcamp field, 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 5,400' (see attached plat), which allows for a maximum 704 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 640 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 \$800,000.00, which is \$1,250.00 per acre times 640 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.



File No. MF112119

(18)

Memo To File re DRE

Date Filed: 06/06/2013

Jerry E. Patterson, Commissioner

By JEP



VIA UPS OVERNIGHT MAIL

July 30, 2013

Commissioner of General Land Office  
Attn: Minerals Leasing  
1700 N. Congress Ave., Room 600  
Austin, TX 78701

Re: Mako State 3-6 1H Well – Cessation of Production Notice  
ST TX M-112119 Mineral Production Agreement dated 1-18-11  
Anadarko Lease No. TX-000135623  
Section 6, Block 3, H&G N Ry Co Survey  
Reeves County, Texas

Gentlemen:

Pursuant to the terms of the captioned lease, please be advised that subject well had cessation of production on July 15, 2013 due to a suspected tubing leak.

Anadarko, as Operator, intends to commence reworking operations as soon as possible, but within sixty (60) days of July 15, or before September 13, 2013.

If you have any questions, please do not hesitate to contact Landman, Joe Colerick, at 832.636.1729.

Sincerely,

**ANADARKO PETROLEUM CORPORATION**

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

19

File No.

M-112119

Lt. From Amador

Date Filed:

7/31/13

Jerry E. Patterson, Commissioner

By





August 13, 2013

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

RE: Consent to Assignment  
TX-000135623 Mineral Production Allocation Agreement  
Lease dated effective January 18, 2011  
Instrument Number M-112119  
640 acres, Reeves County, Texas

Gentlemen:

Pursuant to Article XXII of that certain Mineral Production Allocation Agreement ("Agreement") number M-112119, 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:**

|                        |                                                                                                      |
|------------------------|------------------------------------------------------------------------------------------------------|
| <b>Lessor:</b>         | School Land Board, executed by the<br>Commissioner of the GLO on behalf of the State of Texas        |
| <b>Lessee:</b>         | Anadarko Petroleum Corporation                                                                       |
| <b>Effective Date:</b> | January 18, 2011                                                                                     |
| <b>Description:</b>    | Section 6, Block 3, H. & G. N. Ry. Co. Survey, Reeves County, Texas<br>Being 640 acres, more or less |
| <b>Instrument No:</b>  | M-112119                                                                                             |

**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

A handwritten signature in blue ink, appearing to read "Bill Hough", is written over a horizontal line.

Bill Hough  
Project Land Advisor

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 14th day of August, 2013 by:

**STATE OF TEXAS**  
**COMMISSIONER OF GENERAL LAND OFFICE**

J. Paul Morgan  
Signature

J. Daryl Morgan  
Printed Name

Landman  
Title

File No.

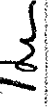
M-112119  
Approval to Assign Ltr  
from Anandkumar

Date Filed:

8/14/13

Jerry E. Patterson, Commissioner

By





August 13, 2013

General Land Office  
Attn: Minerals Leasing  
1700 N. Congress Ave., Room 600  
Austin, TX 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 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 and State of Texas as additional insureds, but only to the extent of those liabilities assumed 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 832-636-1513.

Best regards,

A handwritten signature in blue ink, appearing to read "Jessica Hoop".

Jessica Hoop  
Treasury Analyst II, Risk Management  
Anadarko Petroleum Corporation  
1201 Lake Robbins Drive  
The Woodlands, TX 77380  
(832) 636-1513  
Jessica.Hoop@anadarko.com

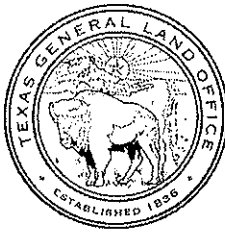
12

File No. M-112119  
Lt. From Honolulu

Date Filed: 8/14/17  
Jerry E. Patterson, Commissioner

By [Signature]

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

August 14, 2013

Ms. Jessica Hoop  
Anadarko Petroleum Corporation  
1201 Lake Robbins Drive  
The Woodlands, Texas 77380

Re: Mineral Production Allocation Agreement  
M-112119  
Section 6, Block 3, H&GN Ry. Co. Survey  
Reeves County, Texas

Dear Ms. Hoop:

We hereby acknowledge receipt of your letter dated August 13, 2013, requesting acceptance from the General Land Office ("GLO") of proof of self-insurance by Anadarko as required under the referenced Mineral Production Allocation Agreement. By this letter the GLO hereby accepts the letter as proof of self-insurance.

Please let me know if you have any questions in this regard or if I may be of further assistance.

Sincerely,

Robert Hatter, Director  
Mineral Leasing  
(512) 475-1542

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](http://glo.texas.gov)

File No. M-112119  
ltr. to Anadarko

Date Filed: 8/14/13  
Jerry E. Patterson, Commissioner

By [Signature]

**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 ONSHORE LLC  
PO BOX 1330  
Houston, TX  
77251-1330

2. Article Number

(Transfer from service label)

7011 1150 0001 2415 7365

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X

B. Received by (Printed Name)

JAMES FELDER

☐ Agent☐ Addressee

C. Date of Delivery

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

If YES, enter delivery address below:

☐ No

MF 112119

Mike M.

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

RECEIVED

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

DEC 15 2015



Texas General Land Office

George P. Bush, Commissioner

P.O. Box 12873

Austin, Texas 78711-2873

General Land Office

21510



# 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  
PO Box 1330  
Houston, TX 77251-1330

Billing Date: 11/24/2015  
**Billing Due Date: 12/24/2015**  
Customer Number: C000044444

| Invoice   | Mineral File | Gas Royalty | Oil Royalty | Penalty  | Interest | Total Due         |
|-----------|--------------|-------------|-------------|----------|----------|-------------------|
| 16I00122  | MF112119     | \$4,073.61  | \$0.00      | \$407.36 | \$130.39 | \$4,611.36        |
| Total Due |              | \$4,073.61  | \$0.00      | \$407.36 | \$130.39 | <b>\$4,611.36</b> |

Penalty and interest have been calculated thru 11/30/2015. Payment remitted after 11/30/2015 will result in additional penalty and interest charges.

Contact Info: Mike Nicklaus (512) 475-1517 or [mike.nicklaus@glo.texas.gov](mailto:mike.nicklaus@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](mailto: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: 11/24/2015

Billing Due Date: 12/24/2015

**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         |
|-----------|--------------|-------------|-------------|----------|----------|-------------------|
| 16I00122  | MF112119     | \$4,073.61  | \$0.00      | \$407.36 | \$130.39 | \$4,611.36        |
| Total Due |              | \$4,073.61  | \$0.00      | \$407.36 | \$130.39 | <b>\$4,611.36</b> |
| Amt. Paid |              |             |             |          |          |                   |

FILE COPY

Customer ID: C00004444

Invoice Number:

GLO Lease: MF112119

GLO Review: Anadarko E&P Onshore LLC

Review Period: January - December 2014

Auditor/AE: Mnicklau

Billing Date: 11/19/2015

P&I Calculation Date: 11/30/2015

Royalty Rate: 27.00%

| Month / Year | RRC Number | (1)<br>Gas Volume | (2)<br>Tract<br>Participation<br>Rate | (3)<br>Price | (4)<br>BTU | (5)<br>Gross Value | (6)<br>Royalty Due<br>(5) * Royalty Rate | (7)<br>Royalty Paid | (8)<br>Additional<br>Royalty Due | (9)<br>Number of<br>Days Late | (10)<br>Interest Rate<br>For Additional<br>Royalty | (11)<br>Penalty<br>From Additional<br>Royalty | (12)<br>Interest<br>From Additional<br>Royalty | (14)<br>Revenue Due<br>(8)+(11)+(12) |
|--------------|------------|-------------------|---------------------------------------|--------------|------------|--------------------|------------------------------------------|---------------------|----------------------------------|-------------------------------|----------------------------------------------------|-----------------------------------------------|------------------------------------------------|--------------------------------------|
| Sep-14       | 08-41426   | 1,014             | 1.000000                              | \$ 3.827849  | 1.025403   | \$3,980.04         | \$1,074.61                               | \$0.00              | \$1,074.61                       | 380                           | 4.25%                                              | \$107.46                                      | \$40.17                                        | \$1,222.24                           |
| Oct-14       | 08-41426   | 883               | 1.000000                              | \$ 3.741157  | 1.034598   | \$3,417.73         | \$922.79                                 | \$0.00              | \$922.79                         | 350                           | 4.25%                                              | \$92.28                                       | \$31.27                                        | \$1,046.34                           |
| Nov-14       | 08-41426   | 1,038             | 1.000000                              | \$ 3.428625  | 1.034301   | \$3,680.99         | \$993.87                                 | \$0.00              | \$993.87                         | 319                           | 4.25%                                              | \$99.39                                       | \$30.09                                        | \$1,123.35                           |
| Dec-14       | 08-41426   | 1,178             | 1.000000                              | \$ 3.268292  | 1.041201   | \$4,008.67         | \$1,082.34                               | \$0.00              | \$1,082.34                       | 288                           | 4.25%                                              | \$108.23                                      | \$28.86                                        | \$1,219.43                           |
| TOTALS       |            | 4,113             |                                       |              |            | \$15,087.43        | \$4,073.61                               | \$0.00              | \$4,073.61                       |                               |                                                    | \$407.36                                      | \$130.39                                       | \$4,611.36                           |

COMMENTS: Column (1) —represents lease fuel use volumes shown on your GLO2 Reports for Sept - Dec 2014 from RRC #08-41426 & #08-276545.

Column (3) & (4) —prices & btu's were taken from Glo2 production reports filed for September - December 2014.

Column (10), (11) & (12) —PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENT:  
<http://www.glo.texas.gov/what-we-do/energy-and-minerals/documents/royalty-reporting/penalty-interest-assessment-rules.pdf>

ATTENTION: David Robertson

CERTIFIED MAIL: 7011 1150 0001 2415 7365

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.

NOTE 2: PRODUCTION & DISPOSITION VOLUMES REPORTED TO THE GLO WERE COMPARED TO VOLUMES REPORTED TO THE RRC. LEASE FUEL USE VOLUMES WERE REPORTED TO BOTH THE RRC & GLO BUT ROYALTY WAS NOT PAID AS REQUIRED BY THE MINERAL PRODUCTION ALLOCATION AGREEMENT.

FILE COPY

**Energy Financial Management  
SMAR Activity / Invoicing Approval**

Auditor/Account Examiner: Mike Nicklaus  
Company Name: Anadarko E&P Onshore LLC  
Customer Number: C000044444  
Mineral File #: MF112119  
Transaction Type: Recon  
Other / Invoice #:

| Previous Amount | Current Amount | Date     | AE / Reviewer's Notes                                   | Reviewer's Signature                                                                                 | AR Notes |
|-----------------|----------------|----------|---------------------------------------------------------|------------------------------------------------------------------------------------------------------|----------|
|                 | \$4,611.36     | 11/19/15 | Royalty not paid on lease use volumes for Sept-Dec 2014 | MM 11/23/2015<br> |          |
|                 |                |          |                                                         |                                                                                                      |          |
|                 |                |          |                                                         |                                                                                                      |          |
|                 |                |          |                                                         |                                                                                                      |          |
|                 |                |          |                                                         |                                                                                                      |          |

All original invoices must be approved.

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

23

File No. MT 112119

Reeves County

Reconciliation Billing

Date Filed: 12/30/15

By George P. Bush, Commissioner  
Nancy Ramirez

## ANADARKO E&amp;P ONSHORE LLC

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

16714919

## 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: 1319396000

| DEPOSIT TO THE CREDIT OF              | BA NUMBER  | CHECK DATE  | CHECK NUMBER | AMOUNT                     |
|---------------------------------------|------------|-------------|--------------|----------------------------|
| STATE OF TEXAS<br>GENERAL LAND OFFICE | LA45678203 | Aug-02-2016 | 50016566     | <del>***\$12,800.00*</del> |

121

MAKO STATE 3-6 2H (H2671) SHUT-IN PAYMENT

MF 112119

24.



File No.

ME112119

Shut-in Payment County

Date Filed:

8/8/16

George P. Bush, Commissioner

By

SSD



**Shut-In Affidavit**  
Texas General Land Office  
George P. Bush, Commissioner  
700 North Congress Avenue  
Austin, Texas 78701-1495

*Please respond fully to all applicable questions on this affidavit. Shut-in status may be denied for failure to provide information establishing the validity of this request for shut-in status. For a shut-in lease contained within a unit; separate affidavits must be submitted for each state lease within the unit.*

|                                   |         |                                                                                                                                              |               |
|-----------------------------------|---------|----------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| State Lease No. MF 112119         |         | Operator Anadarko E&P Onshore LLC                                                                                                            |               |
| Lease Name Mako State 3-6         |         | Field Name Phantom (Wolfcamp)                                                                                                                |               |
| Area                              | Tract   | Part                                                                                                                                         | Acres 640     |
| Section 6                         | Block 3 | Survey H&GN RR CO                                                                                                                            | County Reeves |
| State's NRI in Lease: .27         |         |                                                                                                                                              |               |
| Unit Name (if applicable)         |         | State's Unit NRI (if applicable)                                                                                                             |               |
| Total Shut-In Due:<br>\$12,800.00 |         | Explain how payment was calculated:<br>Per the terms of the lease $20 \times 640 = \$12,800$                                                 |               |
| <b>SHUT-IN PAYMENTS</b>           |         | Wells must be capable of producing in paying quantities. TAC, Title 31, Part 1, Chapter 9, Subchapter C, Rule 9.36, (e). Affidavit required. |               |

Reason for Shut-In – Be Specific— (Add page as needed)

Lack of pipeline infrastructure has relinquished our ability to market the produced gas from the well.

Explain when and how shut-in is expected to be resolved (Add page as needed)

Infrastructure is currently being built in order to market the gas of this and many other wells in the vicinity. It is anticipated that the project will be concluded in late 2016.



Add Pages as need for additional wells.

| WELL INFORMATION                                                                                                                                                      |                                 |                           |                                    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|---------------------------|------------------------------------|
| <input checked="" type="radio"/> OIL <input type="radio"/> GAS                                                                                                        | Well Name:<br>Mako State 3-6 2H | API:<br>42-389-33912      | RRC: Dist#-Lease#<br>08/No Lease # |
| Produced in Past:<br><input checked="" type="radio"/> Yes <input type="radio"/> No                                                                                    | Completion Date:<br>5/1/2011    | Shut-In Date:<br>8/1/2016 |                                    |
| Provide average daily production rate.<br>Define basis for production report (prior or current) from monthly production report or well test data.                     |                                 |                           |                                    |
| Basis for production report of average: <input type="checkbox"/> Well Test <input checked="" type="checkbox"/> Monthly Average <input type="checkbox"/> RRC Well Test |                                 |                           |                                    |
| GAS<br>631.85 mcf/d                                                                                                                                                   | OIL<br>97.967 bbls/d            | WATER<br>Ø bbls/d         |                                    |

|                                                                                                                                                            |                  |                 |                   |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|-----------------|-------------------|
| <input type="radio"/> OIL <input type="radio"/> GAS                                                                                                        | Well Name:       | API:            | RRC: Dist#-Lease# |
| Produced in Past:<br><input type="radio"/> Yes <input type="radio"/> No                                                                                    | Completion Date: | Shut-In Date:   |                   |
| Provide average daily production rate.<br>Define basis for production report (prior or current) from monthly production report or well test data.          |                  |                 |                   |
| Basis for production report of average: <input type="checkbox"/> Well Test <input type="checkbox"/> Monthly Average <input type="checkbox"/> RRC Well Test |                  |                 |                   |
| GAS<br>mcf/d                                                                                                                                               | OIL<br>bbls/d    | WATER<br>bbls/d |                   |

|                                                                                                                                                            |                  |                 |                   |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|-----------------|-------------------|
| <input type="radio"/> OIL <input type="radio"/> GAS                                                                                                        | Well Name:       | API:            | RRC: Dist#-Lease# |
| Produced in Past:<br><input type="radio"/> Yes <input type="radio"/> No                                                                                    | Completion Date: | Shut-In Date:   |                   |
| Provide average daily production rate.<br>Define basis for production report (prior or current) from monthly production report or well test data.          |                  |                 |                   |
| Basis for production report of average: <input type="checkbox"/> Well Test <input type="checkbox"/> Monthly Average <input type="checkbox"/> RRC Well Test |                  |                 |                   |
| GAS<br>mcf/d                                                                                                                                               | OIL<br>bbls/d    | WATER<br>bbls/d |                   |

|                                                                                                                                                            |                  |                 |                   |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|-----------------|-------------------|
| <input type="radio"/> OIL <input type="radio"/> GAS                                                                                                        | Well Name:       | API:            | RRC: Dist#-Lease# |
| Produced in Past:<br><input type="radio"/> Yes <input type="radio"/> No                                                                                    | Completion Date: | Shut-In Date:   |                   |
| Provide average daily production rate.<br>Define basis for production report (prior or current) from monthly production report or well test data.          |                  |                 |                   |
| Basis for production report of average: <input type="checkbox"/> Well Test <input type="checkbox"/> Monthly Average <input type="checkbox"/> RRC Well Test |                  |                 |                   |
| GAS<br>mcf/d                                                                                                                                               | OIL<br>bbls/d    | WATER<br>bbls/d |                   |



List all producing wells in the same Railroad Commission designated field and Reservoir within 1,000 feet of this lease. If there are wells more than 1,000 feet from the lease, draining the lease, list these also.

|                             |                     |                 |                   |
|-----------------------------|---------------------|-----------------|-------------------|
| Operator                    | Lease Name & Well # | API             | RRC: Dist#-Lease# |
| RRC Field & Reservoir Name: |                     | RRC Field Code: |                   |
| Distance                    | Completion Interval | Status          |                   |

|                             |                     |                 |                   |
|-----------------------------|---------------------|-----------------|-------------------|
| Operator                    | Lease Name & Well # | API             | RRC: Dist#-Lease# |
| RRC Field & Reservoir Name: |                     | RRC Field Code: |                   |
| Distance                    | Completion Interval | Status          |                   |

|                             |                     |                 |                   |
|-----------------------------|---------------------|-----------------|-------------------|
| Operator                    | Lease Name & Well # | API             | RRC: Dist#-Lease# |
| RRC Field & Reservoir Name: |                     | RRC Field Code: |                   |
| Distance                    | Completion Interval | Status          |                   |

Contact for Shut-in: Riley Morris  
 Operator's Representative  
 Phone: 832-636-1794 Email: riley.morris@anadarko.com

I certify that this statement is true and correct.

Signature: Gary W. Carlisle Print Name: Gary W. Carlisle

Title: Land Supervisor

Sworn and subscribed to before me, the undersigned authority this 17<sup>th</sup> day of August, 2016.

Patricia A. Kennedy  
 Notary Public in and for  
Montgomery County, State of Texas



Revised 1/20/2016





August 26, 2016

1700 Texas General Land Office  
700 North Congress Avenue  
Austin, Texas 78701-1495  
Attn: Ms. Susan Draughn

RE: Shut-in Affidavit – Mako State 3-6 2H Well  
Reeves County, Texas

Dear Ms. Draughn:

Enclosed please find the original captioned document which was sent to you electronically on August 18, 2016. This Affidavit should have accompanied check in the amount of \$12,800 for ST TX M-112119.

If you have any questions, please do not hesitate to call the Landman, Riley Morris, at 832-636-1794 or email at [riley.morris@anadarko.com](mailto:riley.morris@anadarko.com).

Sincerely,

ANADARKO E&P ONSHORE LLC

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

Pat Kennedy  
Land Analyst Advisor  
Enclosure as stated



File No. MF 112119  
Shut in affidavit County

Date Filed: 9/9/16  
George P. Bush, Commissioner  
By SSP

25



TEXAS GENERAL LAND OFFICE  
GEORGE P. BUSH, COMMISSIONER

September 13, 2016

Ms. Pat Kennedy  
Anadarko E&P Onshore LLC – Hackett Tower 26011  
1201 Lake Robbins Drive  
The Woodlands, TX 77380

Re: **Texas State Lease MF112119** – Mineral Production Allocation Agreement.  
640acres, Section 6, Block 3, H&GN RR Co. Survey, Reeves County, TX  
**Well:** Mako State 3-6 2H, API: 4238933912  
**Shut-In Payment**

This acknowledges receipt of shut-in payment in the total amount of \$12,800.00 for the subject shut-in well by the Texas General Land Office on August 8, 2016.

The Shut-In Royalty Committee has accepted the shut-in payment on behalf of the GLO and this shut-in is valid until the first of the month next, following one year from the shut-in anniversary date of August 1, 2016. Therefore, the shut-in payment period will end September 1, 2017.

Please notify us when the well returns to production.

Yours very truly,

Susan Draughn, Landman  
Mineral Leasing, Energy Resources  
Direct: 512.463.6521  
[susan.draughn@glo.texas.gov](mailto:susan.draughn@glo.texas.gov)  
Website: [www.glo.texas.gov](http://www.glo.texas.gov)

File No. MF112119  
Letter accepting County  
shut-in  
Date Filed: 9/13/16  
George P. Bush, Commissioner  
By SSD

7015 1520 0000 6667 3726

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*Domestic Mail Only*

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

Postmark  
Here

MF 112119

Postage

\$

Total Postage and Fees

\$

Sent To

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

City, State, ZIP+4®

ANADARKO E+P Onshore LLC  
P.O. Box 1330  
Houston TX 77251-1330

## Certified Mail service provides the following benefits:

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

### Important Reminders:

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

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

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

**IMPORTANT: Save this receipt for your records.**

**SENDER: COMPLETE THIS SECTION**

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

1. Article Addressed to:

ANADARKO E+P Onshore LLC  
P.O. Box 1330  
Houston, TX 77251-1330



9590 9403 0495 5173 5819 13

2. Article Number (Transfer from service label)

7015 1520 0000 6667 3726

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X

B. Received by (Printed Name)

JAMES FELDMAN

☐ Agent☐ Addressee

C. Date of Delivery

SEP 27 2016

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
- ☐ Collect on Delivery Restricted Delivery

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

Mail

Mail Restricted Delivery

(0)

UNITED STATES POSTAL SERVICE



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



**Texas General Land Office**

George P. Bush, Commissioner

P.O. Box 12873

Austin, Texas 78711-2873

ATTN: ANDREA CHARLTON

MF112119

USPS TRACKING#



9590 9403 0495 5173 5819 13



# 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: 9/20/2016  
**Billing Due Date: 10/20/2016**  
Customer Number: C000044444

| Invoice   | Mineral File | Gas Royalty | Oil Royalty | Penalty    | Interest | Total Due          |
|-----------|--------------|-------------|-------------|------------|----------|--------------------|
| 17I00025  | MF112119     | \$0.00      | \$3,554.01  | \$355.41   | \$159.23 | \$4,068.65         |
| 17I00026  | MF112119     | \$6,632.38  | \$0.00      | \$663.25   | \$286.08 | \$7,581.71         |
| Total Due |              | \$6,632.38  | \$3,554.01  | \$1,018.66 | \$445.31 | <b>\$11,650.36</b> |

Penalty and interest have been calculated thru 9/30/2016. Payment remitted after 9/30/2016 will result in additional penalty and interest charges.

Contact Info: Andrea Charlton (512) 463-5190 or [acharlto@glo.texas.gov](mailto:acharlto@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](mailto: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: 9/20/2016

Billing Due Date: 10/20/2016

**Customer Number: C000044444**

**Remit Payment To:**

Texas General Land Office

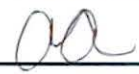
PO Box 12873

Austin, TX 78711-2873

| Invoice   | Mineral File | Gas Royalty | Oil Royalty | Penalty    | Interest | Total Due          |
|-----------|--------------|-------------|-------------|------------|----------|--------------------|
| 17I00025  | MF112119     | \$0.00      | \$3,554.01  | \$355.41   | \$159.23 | \$4,068.65         |
| 17I00026  | MF112119     | \$6,632.38  | \$0.00      | \$663.25   | \$286.08 | \$7,581.71         |
| Total Due |              | \$6,632.38  | \$3,554.01  | \$1,018.66 | \$445.31 | <b>\$11,650.36</b> |
| 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 #: MF112119  
Transaction Type: Volume Reconciliation  
Other / Invoice #:

| Previous Amount | Current Amount | Date     | AE / Reviewer's Notes            | Reviewer's Signature                                                                                         | AR Notes |
|-----------------|----------------|----------|----------------------------------|--------------------------------------------------------------------------------------------------------------|----------|
|                 | \$7,581.71     | 09/19/16 | Under paid lease fuel<br>volumes | Amanda Allen 09/19/16<br> |          |
|                 |                |          |                                  |                                                                                                              |          |
|                 |                |          |                                  |                                                                                                              |          |
|                 |                |          |                                  |                                                                                                              |          |

All original invoices must be approved.

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

Customer ID: C000044444  
 Invoice Number: MF112119  
 GLO Lease: ANADARKO E&P ONSHORE LLC  
 GLO Review: January thru August 2015  
 Review Period:

Category: Gas  
 Auditor/AE: Acharito  
 Billing Date: 9/19/2016  
 P&I Calculation Date: 9/30/2016  
 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       |
| Jan-15        | 08-41426   | 530            | 1.00000000     | \$2.999710 | 1.037089 | \$1,959.93         | \$529.18          | \$0.00        | \$529.18          | 565          | 4.25%             | \$52.92          | \$31.18           | \$613.28          |
| Feb-15        | 08-41426   | 576            | 1.00000000     | \$2.559298 | 1.055600 | \$1,556.12         | \$420.15          | \$0.00        | \$420.15          | 534          | 4.25%             | \$42.02          | \$23.24           | \$485.41          |
| Mar-15        | 08-41426   | 1,074          | 1.00000000     | \$2.437477 | 1.062030 | \$2,780.24         | \$750.66          | \$0.00        | \$750.66          | 504          | 4.25%             | \$75.07          | \$38.90           | \$864.63          |
| Apr-15        | 08-41426   | 408            | 1.00000000     | \$2.315029 | 1.046304 | \$988.27           | \$266.83          | \$0.00        | \$266.83          | 473          | 4.25%             | \$26.68          | \$12.86           | \$306.37          |
| May-15        | 08-41426   | 1,208          | 1.00000000     | \$2.562247 | 1.048699 | \$3,245.93         | \$876.40          | \$0.00        | \$876.40          | 443          | 4.25%             | \$87.64          | \$39.19           | \$1,003.23        |
| Jun-15        | 08-41426   | 1,467          | 1.00000000     | \$2.585517 | 1.048697 | \$3,977.66         | \$1,073.97        | \$0.00        | \$1,073.97        | 412          | 4.25%             | \$107.40         | \$44.14           | \$1,225.51        |
| Jul-15        | 08-41426   | 1,590          | 1.00000000     | \$2.703266 | 1.048700 | \$4,507.51         | \$1,217.03        | \$0.00        | \$1,217.03        | 381          | 4.25%             | \$121.70         | \$45.63           | \$1,384.36        |
| Aug-15        | 08-41426   | 1,973          | 1.00000000     | \$2.681729 | 1.048700 | \$5,548.73         | \$1,498.16        | \$0.00        | \$1,498.16        | 351          | 4.25%             | \$149.82         | \$50.94           | \$1,698.92        |
| <b>TOTALS</b> |            | <b>8,926</b>   |                |            |          | <b>\$24,564.38</b> | <b>\$6,632.38</b> | <b>\$0.00</b> | <b>\$6,632.38</b> |              |                   | <b>\$663.25</b>  | <b>\$286.08</b>   | <b>\$7,581.71</b> |

ATTN: David Robertson  
 CERTIFIED MAIL: 7015 1520 0000 6667 3726

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# 08-41426 08-276545

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

COLUMN (6) BTU - TAKEN FROM PRODUCTION ROYALTY REPORTS SUBMITTED TO THE TEXAS GENERAL LAND OFFICE

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

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

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

Energy Financial Management  
SMAR Activity / Invoicing Approval

Auditor/Account Examiner: Andrea Charlton  
Company Name: ANADARKO E&P ONSHORE LLC  
Customer Number: C000044444  
Mineral File #: MF112119  
Transaction Type: Volume Reconciliation  
Other / Invoice #:

| Previous Amount | Current Amount | Date     | AE / Reviewer's Notes   | Reviewer's Signature                                                                                         | AR Notes |
|-----------------|----------------|----------|-------------------------|--------------------------------------------------------------------------------------------------------------|----------|
|                 | \$4,068.65     | 09/19/16 | Under paid sales volume | Amanda Allen 09/19/16<br> |          |
|                 |                |          |                         |                                                                                                              |          |
|                 |                |          |                         |                                                                                                              |          |
|                 |                |          |                         |                                                                                                              |          |

All original invoices must be approved.

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

Customer ID: C000044444  
 Invoice Number:  
 GLO Lease: MF112119  
 GLO Review: ANADARKO E&P ONSHORE LLC  
 Review Period: January thru August 2015

Category: Oil  
 Auditor/AE: Acharito  
 Billing Date: 9/19/2016  
 P&I Calculation Date: 9/30/2016  
 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 Fro | Interest Rate Fro | Revenue Due       |
| May-15        | 08-41426   | 221            | 1.00000000     | \$53.590600 | 1.00 | \$11,843.52        | \$3,197.75        | \$0.00        | \$3,197.75        | 453          | 4.25%             | \$319.78         | \$146.70          | \$3,664.23        |
| Aug-15        | 08-41426   | 33             | 1.00000000     | \$39.984800 | 1.00 | \$1,319.50         | \$356.26          | \$0.00        | \$356.26          | 361          | 4.25%             | \$35.63          | \$12.53           | \$404.42          |
| <b>TOTALS</b> |            | <b>254</b>     |                |             |      | <b>\$13,163.02</b> | <b>\$3,554.01</b> | <b>\$0.00</b> | <b>\$3,554.01</b> |              |                   | <b>\$355.41</b>  | <b>\$159.23</b>   | <b>\$4,068.65</b> |

ATTENTION: David Robertson  
 CERTIFIED MAIL: 7015 1520 0000 6667 3726

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# 08-41426 08-276545

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/frac/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 112119

County

ANADARKO Exp Onshore

Date Filed: 10-4-16

George P. Bush, Commissioner

By AN

27

U.S. Postal Service™  
**CERTIFIED MAIL® RECEIPT**

Domestic Mail Only

For delivery information, visit our website at [www.usps.com](http://www.usps.com)®.

OFFICIAL USE

Certified Mail Fee

\$

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

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

Postage

\$

Total Postage and Fees

\$

Sent To

ATTN: David Robertson  
Anadarko E & P Onshore LLC

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

PO Box 1330

City, State, ZIP+4® Houston, TX 77251-1330

MF112119

Postmark  
Here

## Certified Mail service provides the following benefits:

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

### Important Reminders:

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

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

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

**IMPORTANT: Save this receipt for your records.**

**SENDER: COMPLETE THIS SECTION**

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

1. Article Addressed to:

Anadarko E3 P Onshore LLC  
ATTN: David Robertson  
PO BOX 1330  
Houston, TX 77251-1330



9590 9402 1749 6074 7561 23

7016 0600 0000 6595 5219

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

- ☐ Agent  
☐ Addressee

B. Received by (Printed Name)

CRAIG BLANTON

C. Date of Delivery

9/11/18

D. Is delivery address different from item 1?  
If YES, enter delivery address below:

- ☐ Yes  
☐ No



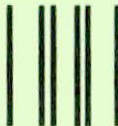
3. Service Type

- ☐ Adult Signature  
☐ Adult Signature Restricted Delivery  
☐ 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

Mail  
Mail Restricted Delivery  
(over \$500)

USPS TRACKING #



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

9590 9402 1749 6074 7561 23

United States  
Postal Service



**Texas General Land Office**

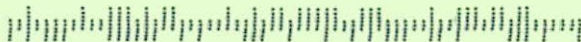
George P. Bush, Commissioner

P.O. Box 12873

Austin, Texas 78711-2873

ATTN: Aurora Jordan 8th flr Enersy

MF112119





# 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: 9/5/2018  
**Billing Due Date: 10/5/2018**  
Customer Number: C000044444

| Invoice   | Mineral File | Gas Royalty | Oil Royalty | Penalty  | Interest | Total Due         |
|-----------|--------------|-------------|-------------|----------|----------|-------------------|
| 19I00000  | MF112119     | \$4,047.14  | \$0.00      | \$404.72 | \$251.24 | \$4,703.10        |
| 19I00001  | MF112119     | \$0.00      | \$2,425.91  | \$251.84 | \$154.17 | \$2,831.92        |
| Total Due |              | \$4,047.14  | \$2,425.91  | \$656.56 | \$405.41 | <b>\$7,535.02</b> |

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: Jasmina Alapag (512) 475-1447 or [jasmina.alapag@glo.texas.gov](mailto:jasmina.alapag@glo.texas.gov)

### NOTICE

- Please update GLO1 and GLO2 production reports to correct volumes.
- Please do not update GLO3 report to include billed royalty, penalty or interest. This receivable has already been recorded.
- For other royalty reporting questions, visit <http://www.glo.texas.gov>, call (512) 463-6850 or email us at [glo123@glo.texas.gov](mailto: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: 9/5/2018

Billing Due Date: 10/5/2018

**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         |
|-----------|--------------|-------------|-------------|----------|----------|-------------------|
| 19I00000  | MF112119     | \$4,047.14  | \$0.00      | \$404.72 | \$251.24 | \$4,703.10        |
| 19I00001  | MF112119     | \$0.00      | \$2,425.91  | \$251.84 | \$154.17 | \$2,831.92        |
| Total Due |              | \$4,047.14  | \$2,425.91  | \$656.56 | \$405.41 | <b>\$7,535.02</b> |
| Amt. Paid |              |             |             |          |          |                   |

Customer ID: C000044444  
 Invoice Number:  
 GLO Lease: MF112119  
 GLO Review: Anadarko E&P Onshore LLC  
 Review Period: 201609-201708

Category: Gas  
 Auditor/AE: Jalapaq  
 Billing Date: 9/4/2018  
 P&I Calculation Date: 9/30/2018  
 Royalty Rate: 25.00%

| (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 |
| Dec-16       | 08-276545  | 1,897          | 1.00000000     | 3.317367 | 1,043,085 | \$6,564.18  | \$1,641.05  | \$0.00       | \$1,641.05    | 592          | 4.75%             | \$164.11         | \$113.83          | \$1,918.99  |
| Mar-17       | 08-276545  | 3,003          | 1.00000000     | 2.522906 | 1,058,337 | \$8,018.26  | \$2,004.57  | \$0.00       | \$2,004.57    | 503          | 4.75%             | \$200.46         | \$115.83          | \$2,320.86  |
| Apr-17       | 08-276545  | 583            | 1.00000000     | 2.719210 | 1,013,109 | \$1,606.08  | \$401.52    | \$0.00       | \$401.52      | 472          | 4.75%             | \$40.15          | \$21.58           | \$463.25    |
| TOTALS       |            | 5,483          |                |          |           | \$16,188.53 | \$4,047.14  | \$0.00       | \$4,047.14    |              |                   | \$404.72         | \$251.24          | \$4,703.10  |

ATTN: David Robetson  
 CERTIFIED MAIL: 7016 0600 0000 6595 5219

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# 08-276545

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

COLUMN (6) BTU - TAKEN FROM PRODUCTION ROYALTY REPORTS SUBMITTED TO THE TEXAS GENERAL LAND OFFICE

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

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

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

**Energy Financial Management**  
**SMAR Activity / Invoicing Approval**

Auditor/Account Examiner: Jasmin Alapag  
Company Name: Anadarko E&P Onshore LLC  
Customer Number: C000044444  
Mineral File #: MF112119  
Transaction Type:  
Other / Invoice #:

| Previous Amount | Current Amount | Date     | AE / Reviewer's Notes | Reviewer's Signature | AR Notes |
|-----------------|----------------|----------|-----------------------|----------------------|----------|
|                 | \$4,703.10     | 09/04/18 |                       | MM 8/27/2018         |          |
|                 |                |          |                       |                      |          |
|                 |                |          |                       |                      |          |
|                 |                |          |                       |                      |          |
|                 |                |          |                       |                      |          |

All original invoices must be approved.

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

Customer ID: C000044444  
 Invoice Number:  
 GLO Lease: MF112119  
 GLO Review: Anadarko E&P Onshore LLC  
 Review Period: SEPT 2016 Through AUG 2017

Category: Oil  
 Auditor/AE: Jalapag  
 Billing Date: 9/4/2018  
 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       |
| Dec-16        | 08-276545  | 132            | 1.00000000      | 48.593097 | 1.000000 | \$6,414.29        | \$1,731.86        | \$0.00        | \$1,731.86        | 602          | 4.75%             | \$173.19         | \$122.38          | \$2,027.43        |
| Apr-17        | 08-276545  | 16             | 1.00000000      | 36.479624 | 1.000000 | \$583.67          | \$157.59          | \$0.00        | \$157.59          | 482          | 4.75%             | \$25.00          | \$8.68            | \$191.27          |
| Jul-17        | 08-276545  | 56             | 1.00000000      | 35.480419 | 1.000000 | \$1,986.90        | \$536.46          | \$0.00        | \$536.46          | 390          | 4.75%             | \$53.65          | \$23.11           | \$613.22          |
| <b>TOTALS</b> |            | <b>204</b>     |                 |           |          | <b>\$8,984.87</b> | <b>\$2,425.91</b> | <b>\$0.00</b> | <b>\$2,425.91</b> |              |                   | <b>\$251.84</b>  | <b>\$154.17</b>   | <b>\$2,831.92</b> |

ATTENTION: David Robertson  
 CERTIFIED MAIL: 7016 0600 0000 6595 5219

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# 08-276545

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

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

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

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

**Energy Financial Management**  
**SMAR Activity / Invoicing Approval**

Auditor/Account Examiner: Jasmin Alapag  
Company Name: Anadarko E&P Onshore LLC  
Customer Number: C000044444  
Mineral File #: MF112119  
Transaction Type:  
Other / Invoice #:

| Previous Amount | Current Amount | Date     | AE / Reviewer's Notes | Reviewer's Signature | AR Notes |
|-----------------|----------------|----------|-----------------------|----------------------|----------|
|                 | \$2,831.92     | 09/04/18 |                       | MM 8/27/2018         |          |
|                 |                |          |                       |                      |          |
|                 |                |          |                       |                      |          |
|                 |                |          |                       |                      |          |
|                 |                |          |                       |                      |          |

All original invoices must be approved.

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

File No. MF 112119

County

Recon Billing

Date Filed: 9/13/18

George P. Bush, Commissioner

By GA

USPS TRACKING #



9590 9402 1749 6074 7778 38



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

United States  
Postal Service

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

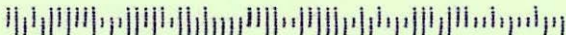


**Texas General Land Office**

George P. Bush, Commissioner

P.O. Box 12873

Austin, Texas 78711-2873



MF 112119  
Verdis  
8th FLR  
ENR64

**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 & P Onshore LLC  
 PO Box 1330  
 Houston, TX 77251-1330



9590 9402 1749 6074 7778 38

2. Article Number (Transfer from service label)

7016 0600 0000 6595 5882

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

☐ Agent☐ Addressee

B. Received by (Printed Name)

CRAIG BLANTON

C. Date of Delivery

11/26/19

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
- ☐ Collect on Delivery Restricted Delivery

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

Mail

Mail Restricted Delivery

(over \$500)

2885 5659 0000 0090 9102

**U.S. Postal Service™**  
**CERTIFIED MAIL® RECEIPT**  
*Domestic Mail Only*

For delivery information, visit our website at [www.usps.com](http://www.usps.com)®.

OFFICIAL USE

Certified Mail Fee

\$

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

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

Postmark  
here

MF11219

Postage

\$

Total Postage and Fees

\$

Sent To

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

City, State, ZIP+4®

Anadarko Exp 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  
PO Box 1330  
Houston, TX 77251-1330

Billing Date: 11/21/2019  
**Billing Due Date: 12/21/2019**  
Customer Number: C000044444

| Invoice   | Mineral File | Gas Royalty | Oil Royalty | Penalty  | Interest | Total Due         |
|-----------|--------------|-------------|-------------|----------|----------|-------------------|
| 20I00200  | MF112119     | \$0.00      | \$3,135.59  | \$339.21 | \$255.39 | \$3,730.19        |
| Total Due |              | \$0.00      | \$3,135.59  | \$339.21 | \$255.39 | <b>\$3,730.19</b> |

Penalty and interest have been calculated thru 11/30/2019. Payment remitted after 11/30/2019 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](mailto: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: 11/21/2019

Billing Due Date: 12/21/2019

**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         |
|-----------|--------------|-------------|-------------|----------|----------|-------------------|
| 20I00200  | MF112119     | \$0.00      | \$3,135.59  | \$339.21 | \$255.39 | \$3,730.19        |
| Total Due |              | \$0.00      | \$3,135.59  | \$339.21 | \$255.39 | <b>\$3,730.19</b> |
| 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 #: MF112119  
Transaction Type: Volume Reconciliation  
Other / Invoice #:

| Previous Amount | Current Amount | Date     | AE / Reviewer's Notes                 | Reviewer's Signature                                                                              | AR Notes |
|-----------------|----------------|----------|---------------------------------------|---------------------------------------------------------------------------------------------------|----------|
|                 | \$3,730.19     | 08/18/19 | Under reported/paid sales volumes     | MM 11/18/2019  |          |
|                 |                |          | To include interest with cancellation |                                                                                                   |          |
|                 |                |          |                                       |                                                                                                   |          |

All original invoices must be approved.

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

Customer ID: C000044444  
 Invoice Number:  
 GLO Lease: MF112119  
 GLO Review: ANADARKO E&P ONSHORE LLC  
 Review Period: SEPT 2016 Through AUG 2017

Category: Oil  
 Auditor/AE: Acharito  
 Billing Date: 11/18/2019  
 P&I Calculation Date: 11/30/2019  
 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        | 08-41426   | 3              | 1.00000000      | 46.166240 | 1.000000 | \$138.50           | \$37.39           | \$0.00        | \$37.39           | 755          | 4.75%             | \$25.00           | \$3.39             | \$65.78           |
| Nov-17        | 08-41426   | 28             | 1.00000000      | 53.516000 | 1.000000 | \$1,498.45         | \$404.58          | \$0.00        | \$404.58          | 694          | 5.50%             | \$40.46           | \$38.71            | \$483.75          |
| Dec-17        | 08-41426   | 74             | 1.00000000      | 55.408900 | 1.000000 | \$4,100.26         | \$1,107.07        | \$0.00        | \$1,107.07        | 663          | 5.50%             | \$110.71          | \$100.76           | \$1,318.54        |
| Mar-18        | 08-41426   | 59             | 1.00000000      | 60.234490 | 1.000000 | \$3,553.83         | \$959.54          | \$0.00        | \$959.54          | 574          | 5.50%             | \$95.95           | \$74.46            | \$1,129.95        |
| Jun-18        | 08-41426   | 28             | 1.00000000      | 55.667980 | 1.000000 | \$1,558.70         | \$420.85          | \$0.00        | \$420.85          | 482          | 5.50%             | \$42.09           | \$26.82            | \$489.76          |
| Aug-18        | 08-41426   | 14             | 1.00000000      | 54.539730 | 1.000000 | \$763.56           | \$206.16          | \$0.00        | \$206.16          | 421          | 5.50%             | \$25.00           | \$11.25            | \$242.41          |
| <b>TOTALS</b> |            | <b>206</b>     |                 |           |          | <b>\$11,613.30</b> | <b>\$3,135.69</b> | <b>\$0.00</b> | <b>\$3,135.69</b> |              |                   | <b>\$339.21</b>   | <b>\$255.39</b>    | <b>\$3,730.19</b> |

ATTENTION: Anna Anklam  
 CERTIFIED MAIL: 7016 0600 0000 6595 5882

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# 08-41426 08-48535 08-276545

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

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29

File No. MF112119

County

Reconciliation Billing

Date Filed: 11/22/19

George P. Bush, Commissioner

By VD