

00A-0004

MF113596

6495-exp 11-5-14

6763

7222

State Lease	Control	Base File	County
MF113596	07-032739	133938	CULBERSON
MF113596	07-032793	135390	CULBERSON

Survey	PUBLIC SCHOOL LAND		
Block	113		
Block Name			
Township			
Section/Tract	10, 16		
Land Part			
Part Description			
Acres	1280		
Depth Below	Depth Above	Depth Other	

Leasing: Git

Analyst: Git

Maps: _____

GIS: ML

DocuShare: _____

Name	LEGEND NATURAL GAS IV, LP		
Lease Date	7/29/2011		
Primary Term	3 yrs		
Bonus (\$)	\$960,000.00		
Rental (\$)	\$0.00		
Lease Royalty	0.1250		



CAUTION

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① RAL Rowan Sherco	10/10/11	scanned PT 3-8-16
② Lease	7/29/11	⑬ BHP Billiton Petroleum 10/4/16
③ Cover Letter to Bawse Frac	9/30/11	⑭ BHP Billiton Petroleum 10/4/16
④ Final Letter	6/19/12	scanned PT 10-27-16
5. Rental 2012	06/18/12	See #s 16-27 in M-111132 For info. on Horseshoe Springs State Unit ORA #4
Scanned SM 2/22/13		
6. Rental Payment - 3rd year	06/28/2013	scanned PT 3-27-17
7. Email regarding delay rental due or deferred for drilling - deferred	6/10/13	⑮ Recon Billing 9/14/17
8. ID MF #'s For BHP	10/3/13	⑯ Recon Billing 9/14/17
- See MF 113061 #7 for Assignment 06/7/13		Scanned SM 9/18/2017
- See MF 113061 #8 Plat for Horseshoesprings St. 113-10 #1	8/10/13	See #s 34 & 37 in M-111132 For the 2016 Plan of Dev. & 2nd Amend to Horseshoe Springs Unit
- See MF 113061 G-1 Comp. Rpt. 109-32619	11/30/13	scanned PT 6-1-2018
- See MF 113061 Comp. Rpt. 109-32612	11/30/13	⑰ Recon Billing 8/10/18
See #14 in M-113061 For the Horseshoe Springs State Unit #6495		scanned PT 8-30-2018
See #16 MF 113061 Title Opinion - Sec. 10		18. Division Order 1-28-19
Scanned PT 9-26-14		scanned PT 2-28-2019
See MF 111132 #15 For Assignment #9198		See #41 in M-111132 For the 2019 Plan of Dev. For the Horseshoe Springs State Unit
9. email to J/A	12-15-14	scanned PT 7-11-2019
See #19 in M-113061 For the Horseshoe Springs State Unit #7222		19. Damages Pmt 9/8/21
Scanned PT 1-5-15		Scanned JG 9/28/2021
10. DIVISION ORDER	12.9.13	See MF 111132 #46. Clarification And Correction of Amended Unit Agreement #06763 Horseshoe Springs State Unit 4/24/23
11. permit 109-32565	6-29-15	scanned PT 4-25-2023
12. Completion Report 109-32565	6-29-15	See MF 111132 #47
See MF 113061 #30	1/15/16	Surface Demogel 5/12/23
NUMC 8028		scanned PT 5-23-2023

See MF111132 #48 Recorded Copy

Clarification And Correction of
Amended Unit Agreement #06763

Horseshoe Springs State Unit 6/7/23

scanned AT 6-14-2023

See MF111132 #50 Designation of
Retained Tracts Horseshoe

Spring State Unit ODA # 4

scanned WMM 2-27-2024

see MF113061 #58+59 Surface

Damage Pmt(s)

Scanned sm 06/28/2024

RAL REVIEW SHEET

Transaction # 7467

Lessor: Roddy L. Harrison

Lessee: Legend Natural Gas

Geologist:

Lease Date: 7/29/2011

UL ☒

Gross Acres: 1280

Net Acres: 960

LEASE DESCRIPTION

County	PIN#	Base File No	Part	Sec.	Block	Twp	Survey	Abst#
CULBERSON	07-032739	133938	all	10	113	00	PUBLIC SCHOOL LAND	5093
CULBERSON	07-032793	135390	all	16	113	00	PUBLIC SCHOOL LAND	5115

TERMS OFFERED

Primary Term: 3 years

Bonus/Acre: \$2,000.00

Rental/Acre: \$1.00

Royalty: 1/4

TERMS RECOMMENDED

Primary Term: 3 years

Bonus/Acre: \$2,000.00

Rental/Acre: \$1.00

Royalty: 1/4

COMPARISONS

MF #	Lessee	Date	Term	Bonus/Ac.	Rental/Ac.	Royalty	Distance
MF109589	Hallwood Energy, II, LP	7/28/2008	3 years	\$400.00	\$1.00	1/4	Last Lease
Pending	Clay Johnson	7-20-11	5 Yrs	\$1300.00	\$1.00	1/4	Adjacent

Comments: 180 continuous drilling starts at the end of the primary term

Approved: 10/10/11

RELINQUISHMENT ACT LEASE APPLICATION

Texas General Land Office

Jerry Patterson, Commissioner

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

DATE: 10-Oct-11

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

Applicant: Legend Natural Gas

County: CULBERSON

Prim. Term: 3 years

Bonus/Acre

\$2,000.00

Royalty: 1/4

Rental/Acre

\$1.00

Consideration

Recommended: TL

Date: 10/10/11

Not Recommended: _____

Comments: 180 continuous drilling starts at the end of the primary term

☒ Lease Form

Recommended: RJH

Date: 10/12/11

Not Recommended: _____

Comments:

Louis Renaud, Deputy Commissioner

Date: 10-20-11

Recommended: CLR

Not Recommended: _____

Bill Warnick, General Counsel

Date: 10/26/11

Recommended: WFW

Not Recommended: _____

Larry Laine, Chief Clerk

Date: 10/26/11

Approved: [Signature]

Not Approved: _____

Jerry Patterson, Commissioner

Date: 10/27/2011

Approved: Jerry E. Patterson

Not Approved: _____

File No. 113596

RIAL Review Sheet

Date Filed: 10/10/11

Jerry E. Patterson, Commissioner

By GR

ME 113594A

#67191

OIL AND GAS LEASE

THIS AGREEMENT is made and entered into this 29th day of July, 2011, between the State of Texas, acting by and through its agent, **RODDY L. HARRISON, TRUSTEE OF THE HARRISON TRUST UNDER TRUST INDENTURE DATED 04/25/96, AS AMENDED**, P.O. Box 1908, Pecos, Texas 79772

said agent

(Give Permanent Address)

herein referred to as the owner of the soil (whether one or more), and **LEGEND NATURAL GAS IV, LP**
of 410 W. Grand Parkway South, Suite 400
Katy, Texas 77494

(Give Permanent Address)

hereinafter called Lessee.

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

Block 113, Public School Land Survey

Section 10: All

Section 16: All

Containing 1,280.00 acres, more or less. The bonus consideration paid for this lease is as follows:

To the State of Texas: Nine Hundred Sixty Thousand and No/100-----
Dollars (\$ 960,000.00)

To the owner of the soil: Nine Hundred Sixty Thousand and No/100-----
Dollars (\$ 960,000.00)

Total bonus consideration: One Million Nine Hundred Twenty Thousand and No/100-----
Dollars (\$ 1,920,000.00)

The total bonus consideration paid represents a bonus of Two Thousand and No/100-----
Dollars (\$ 2,000.00) per acre, on 960.00 net acres.

2. **TERM.** Subject to the other provisions in this lease, this lease shall be for a term of Three (3) years from this date (herein called primary term") and as long thereafter as oil and gas, or either of them, is produced in paying quantities from said land. As used in this lease, the term "produced in paying quantities" means that the receipts from the sale or other authorized commercial use of the substance(s) covered exceed out of pocket operational expenses for the six months last past.

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

To the owner of the soil: Four Hundred Eighty and No/100-----
Dollars (\$ 480.00)
To the State of Texas: Four Hundred Eighty and No/100-----
Dollars (\$ 480.00)
Total Rental: Nine Hundred Sixty and No/100-----
Dollars (\$ 960.00)

11.00.00

A CERTIFIED COPY
IF IT BEARS THE SEAL OF THE COUNTY CLERK
ATTEST: 8-12-2011
LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS
BY [Signature] DEPUTY



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

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

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

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

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

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

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

11.00.0

A CERTIFIED COPY
IF IT BEARS THE SEAL OF THE COUNTY CLERK
ATTEST: 8-12-2011

LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS



BY [Signature] DEPUTY

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

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

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

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

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

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

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

11.00.0



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

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

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

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

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

15. COMPENSATORY ROYALTIES. If, during the period the lease is kept in effect by payment of the shut-in oil or gas royalty, oil or gas is sold and delivered in paying quantities from a well located within one thousand (1,000) feet of the leased premises and completed in the same producing reservoir, or in any case in which drainage is occurring, the right to continue to maintain the lease by paying the shut-in oil or gas royalty shall cease, but the lease shall remain effective for the remainder of the year for which the royalty has been paid. The Lessee may maintain the lease for four more successive years by Lessee paying compensatory royalty at the royalty rate provided in the lease of the market value of production from the well causing the drainage or which is completed in the same producing reservoir and within one thousand (1,000) feet of the leased premises. The compensatory royalty is to be paid monthly, one-half (1/2) to the Commissioner of the General Land Office and one-half (1/2) to the owner of the soil, beginning on or before the last day of the month following the month in which the oil or gas is produced from the well causing the drainage or that is completed in the same producing reservoir and located within one thousand (1,000) feet of the leased premises. If the compensatory royalty paid in any 12-month period is in an amount less than the annual shut-in oil or gas royalty, Lessee shall pay an amount equal to the difference within thirty (30) days from the end of the 12-month period. Compensatory royalty payments

17.02.6



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

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

(A) **VERTICAL.** In the event this lease is in force and effect two (2) years after the expiration date of the primary or extended term it shall then terminate as to all of the leased premises, EXCEPT (1) 40 acres surrounding each oil well capable of producing in paying quantities and 320 acres surrounding each gas well capable of producing in paying quantities (including a shut-in oil or gas well as provided in Paragraph 14 hereof), or a well upon which Lessee is then engaged in continuous drilling or reworking operations, or (2) the number of acres included in a producing pooled unit pursuant to Texas Natural Resources Code 52.151-52.153, or (3) such greater or lesser number of acres as may then be allocated for production purposes to a proration unit for each such producing well under the rules and regulations of the Railroad Commission of Texas, or any successor agency, or other governmental authority having jurisdiction. If at any time after the effective date of the partial termination provisions hereof, the applicable field rules are changed or the well or wells located thereon are reclassified so that less acreage is thereafter allocated to said well or wells for production purposes, this lease shall thereupon terminate as to all acreage not thereafter allocated to said well or wells for production purposes. Notwithstanding the termination of this lease as to a portion of the lands covered hereby, Lessee shall nevertheless continue to have the right of ingress to and egress from the lands still subject to this lease for all purposes described in Paragraph 1 hereof, together with easements and right-of-ways for existing roads, existing pipelines and other existing facilities on, over and across all the lands described in Paragraph 1 hereof ("the retained lands"), for access to and from the retained lands and for the gathering or transportation of oil, gas and other minerals produced from the retained lands.

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

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

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

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

11.02.08

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ATTEST: 8-19-2011



LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS

BY Linda McDonald DEPUTY

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

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

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

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

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

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

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

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

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

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

11.02.06

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ATTEST: 8-19-2011



LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS

BY *[Signature]* DEPUTY

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

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

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

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

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

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

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

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

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



proceedings in the manner provided in the Title I, Chapter 9 of the Texas Business and Commerce Code. Lessee agrees that the Commissioner may require Lessee to execute and record such instruments as may be reasonably necessary to acknowledge, attach or perfect this lien. Lessee hereby represents that there are no prior or superior liens arising from and relating to Lessee's activities upon the above-described property or from Lessee's acquisition of this lease. Should the Commissioner at any time determine that this representation is not true, then the Commissioner may declare this lease forfeited as provided herein.

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

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

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

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

11.05.06

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ATTEST: 8-19-2011

LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS

BY  DEPUTY

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

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

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

LEGEND NATURAL GAS IV, LP

Carl Wimberley
Carl Wimberley, Vice President

Date: 8/5/2011

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ATTEST: 8-19-2011



LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS

BY [Signature] DEPUTY

STATE OF TEXAS

STATE OF TEXAS

BY: [Signature]
Individually and as agent for the State of Texas
Roddy L. Harrison, Trustee of the Harrison Trust
Under Trust Indenture dated 04/25/96, as amended

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

DATE: 7-29-11

DATE: _____

STATE OF TEXAS

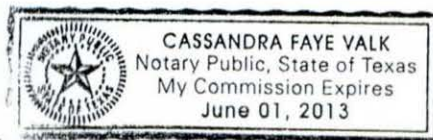
(CORPORATE ACKNOWLEDGMENT)

COUNTY OF HARRIS

BEFORE ME, the undersigned authority, on this day personally appeared Carl Wimberley known to me to be the person whose name is subscribed to the foregoing instrument, as Vice President of Legend Natural Gas IV, LP, a Delaware limited partnership, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said partnership.

Given under my hand and seal of office this the 5th day of August, 2011.

Cassandra Faye Valk
Notary Public in and for the State of TEXAS



STATE OF TEXAS

(INDIVIDUAL ACKNOWLEDGMENT)

COUNTY OF REEVES

Before me, the undersigned authority, on this day personally appeared Roddy L. Harrison, Trustee of the Harrison Trust Under Trust Indenture dated 04/25/96, as amended known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this the 29 day of July, 2011.

Clay Johnson
Notary Public in and for the State of TEXAS

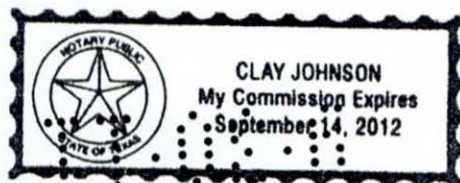


EXHIBIT "A"

ATTACHED TO AND MADE PART OF THAT CERTAIN OIL AND GAS LEASE
DATED AUGUST 1, 2011, BY AND BETWEEN THE STATE OF TEXAS, ACTING BY AND
THROUGH ITS AGENT, RODDY L. HARRISON, TRUSTEE OF THE HARRISON TRUST UNDER TRUST
INDENTURE DATED 01/4/25/96, AS AMENDED, AS LESSOR, AND
LEGEND NATURAL GAS IV, LP, AS LESSEE

***The provisions of this Exhibit shall prevail and control over any inconsistent language
contained in the foregoing provisions of said lease.***

41. Lessor has advised that certain, specific, individual(s) shall not be allowed access to the lands herein described. Lessee hereby agrees to restrict access to the specific individual(s) defined by Lessee. Lessor agrees to deliver by written request notice to Lessee of the specific individual(s) to be denied access.

42. At the end of the primary term, this lease shall terminate as to all of the above described land, except as to each proration unit allocated for production allowable purposes under the rules and regulations of the Railroad Commission of the State of Texas, or other governmental authority having jurisdiction to each well producing oil and/or gas in commercial quantities, and as to each such proration unit, as to all depths 100 feet below the base of the deepest formation from which such production is being obtained on such proration unit unless Lessee commences that actual drilling of an additional well within one hundred eighty (180) days of the last to occur of (i) the expiration of the primary term (only if a well was completed prior to the expiration of the primary term) or, (ii) the date that any well actually being drilling at the expiration of the primary term is completed as a well capable or producing oil and/or gas in commercial quantities or as a dry hole, and thereafter Lessee shall continuously develop the above described land with no more than one hundred eighty days elapsing between the date one well is completed as a well capable of producing oil and/or gas in commercial quantities or as a dry hole and the date the actual drilling of the next succeeding well commences, until said land has been drilled to the density necessary to obtain the maximum production allowable per well under the rules and regulations of the Railroad Commission of Texas, or other governmental authority having jurisdiction. Upon the cessation of such continuous development, this lease shall terminate except as to each proration unit allocated as aforesaid upon which a well is producing oil and/or gas in commercial quantities. At the end of the primary term or the date that this lease shall expire as to any part hereon, whichever is later, Lessee shall select and designate a producing unit around each producing oil and gas well. The acres in each unit are to be limited to or expanded to conform with the minimum area provided for or established directly or indirectly, in the applicable rules and regulations of the regulatory authority having jurisdiction of the premises with reference to the spacing of wells or the size of producing wells. A well shall be deemed to have been completed on the first to occur of (i) the date the completion or plugging report required by the Railroad Commission of the State of Texas or other governmental authority having jurisdiction is filed, or, (ii) thirty (30) days after the completion rig that drilled the relevant well is released from the well location.

A CERTIFIED COPY
IF IT BEARS THE SEAL OF THE COUNTY CLERK
ATTEST: 8-19-2011
LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS
BY [Signature] DEPUTY



2

File No. 113596
100SP
Date Filed: 7/29/11
Jerry E. Patterson, Commissioner
By Q-ff

#67191
"FILED FOR RECORD"
AT 3:43 O'CLOCK P M.
Aug. 18, 2011
Linda McDonald
County Clerk, Culberson County, Tx
BY Linda McDonald DEPUTY

THE STATE OF TEXAS
COUNTY OF CULBERSON I, Linda McDonald, Clerk of the County Court in and
for said County and State, do hereby certify that the foregoing is a true and
correct copy of De Lease dated 8-5-2011
- filed for record in my office this 18 day of Aug
2011 at 3:43 P. M. under Clerk's File No. 67191 to be
recorded in the OP+GAS Records of Culberson County,
Texas.

TO CERTIFY WHICH, Witness my hand and seal at Van Horn this 19
day of Aug 2011
By Linda McDonald Deputy LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS

3.30.11

Legend Natural Gas IV, LP

410 W. Grand Parkway South, Suite 400 • Katy, TX 77494 • (281) 644-5900

CHECK NO.

002319

1109-AP-3813 09/26/11 CKR092611 8921925.00 0.00 8921925.00

Harrison Ranch Culberson County Leases Blk 113, Sections: 8, 9, 10,
13, 14, 15, 16, 19, 20, 21, 22, 24 Blk 114, Sections: 12, 13, 22, 23,
24 Blk 111, Sections: 1, 4, 5

12701305

CLAY JOHNSON

General Land Office - State of Texas

9/26/2011

15067

225.00

need \$100.00 processing fee

\$25.00 for 121

MF 113596

12701304

1109

FIRST NATIONAL CH Filing Fees-Harrison-Legend

225.00

Bonus \$960,000.00

1161 Texas General Land Office

09/29/11

8,921,925.00

BOLO-100

Nov

Clay Johnson Oil & Gas Properties

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



AAPL-CPL

September 26, 2011

GENERAL LAND OFFICE

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

Attn: Mr. Drew Reid

Re: Relinquishment Act Lease Culberson
County, Texas

Dear Drew:

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

- 1) Oil and Gas Lease dated July 29, 2011, by and between The State of Texas, acting by and through its agent, Roddy L. Harrison, Trustee of the Harrison Trust under Trust Indenture dated 4-25-96, as amended, as Lessor and Legend Natural Gas IV, LP, as Lessee, File Stamp 67190, Culberson County, Texas.

Oil and Gas Lease covers All of Section 8 and 9, Block 113, Public School Land Survey, Save and Except that Portion of Bexar Preemption Survey 199, lying within the boundaries of Section 8 and 9, (840.00 net acres).

States 1/2 Bonus: \$ 840,000.00

- 2) Oil and Gas Lease dated July 29, 2011, by and between The State of Texas, acting by and through its agent, Roddy L. Harrison, Trustee of the Harrison Trust under Trust Indenture dated 4-25-96, as amended, as Lessor and Legend Natural Gas IV, LP, as Lessee, File Stamp 67191, Culberson County, Texas.

Oil and Gas Lease covers:

Block 113, Public School Land Survey

Section 10: All

Section 16: All

(960.00 net acres)

MF113596

States 1/2 Bonus: \$ 960,000.00

- 3) Oil and Gas Lease dated July 29, 2011, by and between The State of Texas, acting by and through its agent, Roddy L. Harrison, Trustee of the Harrison Trust under Trust Indenture dated 4-25-96, as Amended, as Lessor and Legend Natural Gas IV, LP, as Lessee, File Stamp 67192, Culberson County, Texas.

Oil and Gas Lease covers:

Block 114, Public School Land Survey

Section 12: All

Section 13: All

(960.00 net acres)

States 1/2 Bonus: \$ 960,000.00

- 4) Oil and Gas Lease dated July 29, 2011, by and between The State of Texas, acting by and through its agent, Roddy L. Harrison, Trustee of the Harrison Trust under Trust Indenture dated 4-25-96, as Amended, as Lessor and Legend Natural Gas IV, LP, as Lessee, File Stamp 61793, Culberson County, Texas.

Oil and Gas Lease covers:

Block 114, Public School Land Survey

Section 22: All

Section 23: All

(960.00 net acres)

States 1/2 Bonus: \$ 960,000.00

- 5) Oil and Gas Lease dated July 29, 2011, by and between The State of Texas, acting by and through its agent, Roddy L. Harrison, Trustee of the Harrison Trust under Trust Indenture dated 4-25-96, as Amended, as Lessor and Legend Natural Gas IV, LP, as Lessee, File Stamp 67194, Culberson County, Texas.

Oil and Gas Lease covers:

Block 114, Public School Land Survey

Section 24: All

Block 113, Public School Land Survey

Section 19: All

Block 111, Public School Land Survey

Section 5: N/143.7 acres

(1,067.775 net acres)

States 1/2 Bonus: \$ 1,067,775.00

- 6) Oil and Gas Lease dated July 29, 2011, by and between The State of Texas, acting by and through its agent, Roddy L. Harrison, Trustee of the Harrison Trust under Trust Indenture dated 4-25-96, as Amended, as Lessor and Legend Natural Gas IV, LP, as Lessee, File Stamp 67195, Culberson County, Texas.

Oil and Gas Lease covers:

Block 113, Public School Land Survey

Section 20: All

Section 21: All

Block 111, Public School Land Survey

Section 4: N/392.2 acres

(1,254.15 net acres)

States 1/2 Bonus: \$ 1,254,150.00

- 7) Oil and Gas Lease dated July 29, 2011, by and between The State of Texas, acting by and through its agent, Roddy L. Harrison, Trustee of the Harrison Trust under Trust Indenture dated 4-25-96, as Amended, as Lessor and Legend Natural Gas IV, LP, as Lessee, File Stamp 67196, Culberson County, Texas.

Oil and Gas Lease covers:

Block 113, Public School Land Survey

Section 15: All

Section 22: All

(960.00 net acres)

States 1/2 Bonus: \$ 960,000.00

- 8) Oil and Gas Lease dated July 29, 2011, by and between The State of Texas, acting by and through its agent, Roddy L. Harrison, Trustee of the Harrison Trust under Trust Indenture dated 4-25-96, as Amended, as Lessor and Legend Natural Gas IV, LP, as Lessee, File Stamp 67197, Culberson County, Texas.

Oil and Gas Lease covers:

Block 113, Public School Land Survey

Section 24: All

Block 11, Public School Land Survey

Section 1: All

(960.00 net acres)

States 1/2 Bonus: \$ 960,000.00

- 9) Oil and Gas Lease dated July 29, 2011, by and between The State of Texas, acting by and through its agent, Roddy L. Harrison, Trustee of the Harrison Trust under Trust Indenture dated 4-25-96, as Amended, as Lessor and Legend Natural Gas IV, LP, as Lessee, File Stamp 67198, Culberson County, Texas.

Oil and Gas Lease covers:

Block 113, Public School Land Survey

Section 13: All

Section 14: All

(960.00 net acres)

States 1/2 Bonus: \$ 960,000.00

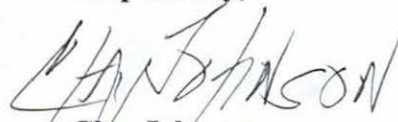
STATES TOTAL 1/2 BONUS FOR ALL NINE LEASES: \$ 8,921,925.00

Above I have broken out what each lease covers and the State of Texas' 1/2 Bonus that they are to receive under each Oil and Gas Lease.

Please find enclosed, a payment for the State's 1/2 bonus due for the first 3 years for the above nine (9) Oil and Gas Leases in the amount of \$8,921,925.00.

To cover the required filing fees for handling this matter find enclosed Clay Johnson Check in the amount of \$225.00 made payable to the order of General Land Office – State of Texas.

Respectfully,



Clay Johnson

WCJ/cj

Enclosures:

File No. 113596

Cour Letter @ Bouscaves

Date Filed: 8/30/11

Jerry E. Patterson, Commissioner

By Git

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

June 19, 2012

Carl Wimberly
Legend Natural Gas IV, LP
410 W. Grand Parkway South, Suite 400
Katy, Texas 77494

Re: **State Lease MF 113596A**

RAL Lease dated July 29, 2011 recorded File 67191, covering
Sec. 10, 16, Blk 113, PSL Survey, Culberson County, TX,
Harrison Trust, agent for State of Texas, Lessor

Dear Mr. Wimberly:

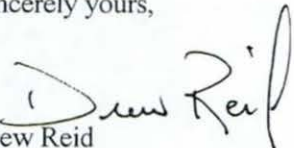
The certified copy of the Relinquishment Act lease covering the above referenced tract has been approved and filed in our records under Mineral File numbers **MF-113596A**. **Please refer to this lease number when making payments to the State and in all future correspondence concerning the lease. Failure to include the mineral file number may delay processing of any payments towards the lease.**

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

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

Of your remittance of **\$8,921,925.00**, **\$960,000.00** has been applied to the State's portion of the cash bonus. In addition, we are in receipt of the filing fee. However, we are not in receipt of the \$100 processing fee, which we request you send as soon as possible.

Sincerely yours,


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

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

Post Office Box 12873 • Austin, Texas 78711-2873

512-463-5001 • 800-998-4GLO

www.glo.state.tx.us

File No. 113596

Final Letter

Date Filed: 6/19/12

Jerry E. Patterson, Commissioner

By Git

(4)

PETROHAWK ENERGY CORPORATION

1000 LOUISIANA STREET, SUITE 5600 • HOUSTON, TX 77002 832-204-2787

CHECK NO.

104027

REFERENCE	INVOICE DATE	INVOICE NO.	INVOICE AMT.	PRIOR PAYMENT	DISCOUNT	AMOUNT PAID
KCS07JUN2012- LAND2	6/4/12 DELAY RENTAL-TX1703-043	1015	480.00 MF 113596		12713025	480.00
VENDOR				CHECK DATE	TOTAL	
437294 COMMISSIONER OF THE TEXAS				06/08/12		\$480.00

COPY

719121

PETROHAWK ENERGY CORPORATION

1000 LOUISIANA STREET, SUITE 5600 • HOUSTON, TX 77002 832-204-2787

CHECK NO.

104027

REFERENCE	INVOICE DATE	INVOICE NO.	INVOICE AMT.	PRIOR PAYMENT	DISCOUNT	AMOUNT PAID
KCS07JUN2012- LAND2	6/4/12 DELAY RENTAL	1015 TX1703-043	480.00			480.00
			MF 113596		12713025	
VENDOR				CHECK DATE	121	
437294 COMMISSIONER OF THE TEXAS				06/08/12	TOTAL	\$480.00

RECEIVED
JUN 18 2012

BOLO-200

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

PETROHAWK ENERGY CORPORATION

ACCOUNTS PAYABLE DISBURSEMENT ACCOUNT
1000 LOUISIANA STREET, SUITE 5600
HOUSTON, TX 77002
832-204-2787

Bank of America

64-1278/611 GA

DATE

06/08/12

104027

12713025

PAY Four Hundred Eighty Dollars And Zero Cents*****

AMOUNT \$*****480.00

TO THE
ORDER
OF

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

VOID AFTER 180 DAYS

John A. S. [Signature]



June 11, 2012

Commissioner of the Texas
General Land Office
1700 North Congress Avenue
Stephen F. Austin State Office Bldg.
Austin, TX 78701

Re: Annual Delay Rental
State of Texas Lease
Recorded: Bk. 106, Pg. 510
Culberson County, Texas

MF-113596
A-5093 & 5115

Gentlemen:

Enclosed please find check #104027 in the amount of \$480.00 to cover annual delay rental for above captioned agreement. I kindly request that you acknowledge receipt of this payment by signing and dating in the spaces provided below and return in the provided envelope.

Thank you for your attention to this matter. Should you have any questions, I can be contacted at (918) 497-4536.

Sincerely,

Theresa Skelton
Lease Analyst

Enclosures

ABOVE PAYMENT IS ACKNOWLEDGED ON
THIS _____, DAY OF _____, 2012

By: _____

Lease TX1703-043/004



June 11, 2012

Commissioner of the Texas
General Land Office
1700 North Congress Avenue
Stephen F. Austin State Office Bldg.
Austin, TX 78701

Re: Annual Delay Rental
State of Texas Lease
Recorded: Bk. 106, Pg. 510
Culberson County, Texas

Gentlemen:

Enclosed please find check #104027 in the amount of \$480.00 to cover annual delay rental for above captioned agreement. I kindly request that you acknowledge receipt of this payment by signing and dating in the spaces provided below and return in the provided envelope.

Thank you for your attention to this matter. Should you have any questions, I can be contacted at (918) 497-4536.

Sincerely,

Theresa Skelton
Lease Analyst

Enclosures

JUN 18 2012
ABOVE PAYMENT IS ACKNOWLEDGED ON
THIS _____, DAY OF _____, 2012

By: RENTAL PAYMENT

Lease TX1703-043/004



File No. 113596

Rental

Date Filed: 06/18/12

Jerry E. Patterson, Commissioner

By [Signature]

113596

PETROHAWK ENERGY CORPORATION

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

163984

CHECK NO.

REFERENCE	INVOICE DATE	INVOICE NO.	INVOICE AMT.	PRIOR PAYMENT	DISCOUNT	AMOUNT PAID
EPL10JUN2013L AND-2	6/3/13 NORTH REEVES PROSPECT TX 1703-043-004 MF 113596	1726	480.00		13713056	+ 480.00 121
437294 COMMISSIONER OF THE TEXAS GENERAL LAND OFFICE				CHECK DATE 06/11/13	TOTAL	\$480.00

PETROHAWK ENERGY CORPORATION
163984

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

CHECK NO.

REFERENCE	INVOICE DATE	INVOICE NO.	INVOICE AMT.	PRIOR PAYMENT	DISCOUNT	AMOUNT PAID
EPL10JUN2013L AND-2	6/3/13 NORTH REEVES PROSPECT <i>TX 1703-043-004</i> <i>MF 113596</i>	1726	480.00		13713056	+ 480.00 <i>121</i>
437294 COMMISSIONER OF THE TEXAS GENERAL LAND OFFICE				CHECK DATE 06/11/13	TOTAL	\$480.00

BOLO-200

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

PETROHAWK ENERGY CORPORATION

ACCOUNTS PAYABLE DISBURSEMENT ACCOUNT

1360 POST OAK BLVD., SUITE 1900CT

HOUSTON, TX 77056

inquiry@bhpbilliton.com

Bank of America

163984

DATE

06/11/13

13713056

PAY Four Hundred Eighty Dollars And Zero Cents*****

COMMISSIONER OF THE TEXAS GENERAL LAND OFFICE

ATTENTION MINERAL LEASING

1700 N CONGRESS AVE

AUSTIN, TX 78701 USA

AMOUNT

\$*****480.00

 TO THE
ORDER
OF

VOID AFTER 180 DAYS

163984

Check Receipt

Check No.: 163984

Check Date: 6/11/2013

Period Covered:
7/29/2013-7/29/2014

Payment Type: DELAY RENTAL

Payment Amount: \$480.00

Lease Number: TX1703-043-004

Original Lessor: STATE OF TEXAS ET AL

Lease Effective Date: 7/29/2011

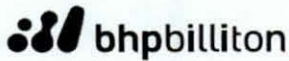
Recording Information: FILE#67191 B106 P510

State: TX

County: CULBERSON

Check Remarks:

MF113596. SEC 10, 16 BLK 113 - PSL SVY, CULBERSON CO. TX. ANNUAL DELAY RENTAL



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

Owner Relations:
1-877-311-1443

For the Credit of:

(BA#): 437294-1

Payment Amount: \$480.00

Owner:
Address:

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

IMPORTANT

PLEASE SIGN AND RETURN

Date Received

06/28/2013

Sign Here

[Handwritten Signature] for GLO

By

Title

0105 File No. MF113596 (6)
Rental Payment. 3rd year

Date Filed: 06/28/2013

Jerry E. Patterson, Commissioner

By JEP

05073

Harriet Dunne - Re: July Rental MF113596 (TX1703-043-004)

From: Harriet Dunne
To: Brenda Guzman
Date: 6/10/2013 8:46 AM
Subject: Re: July Rental MF113596 (TX1703-043-004)

Brenda,

In reading the attached lease, it appears that the drilling of the well will defer the payment of any delay rentals under this lease. I see no added provision that requires you to pay rental on any portion of the lease if a well is drilling over the anniversary date.

If you see something different, please point out the paragraph number.

Thank you for checking,

Harriet Dunne, CPL
Manager, Mineral Leasing, Energy Resources
Texas General Land Office
512-475-1579
harriet.dunne@glo.texas.gov

>>> "Guzman, Brenda" <Brenda.Guzman@bhpbilliton.com> 6/7/2013 3:33 PM >>>
Hi Harriet,

We are in the process of releasing our July payments and had a question regarding the subject lease that will determine Land's final recommendation. The lease covers sections 10 & 16 in Block 113 we have a well in section 16 that is currently drilling to TD. Please confirm that we are not required to pay rentals on section 16 and that the rental on this lease would be proportionately reduced to \$480.00 (\$1.00/acr) for the acreage in section 10 -- ½ paid to the soil owner and ½ to state. For your convenience, I'm attaching a copy of the lease form.

Hope you have a fantastic weekend!

Thank you,

Brenda Guzman
Lease Analyst - Permian PU
1360 Post Oak Blvd, Suite 150, Room 456B
Houston, TX 77056

Direct: 713-585-4349
brenda.guzman@bhpbilliton.com



File No. MF113596
Email regarding rental due
or deferred for drilling
Date Filed: 6/10/13
Jerry E. Patterson, Commissioner
By SSD

Harriet Dunne - BHP Mineral File Numbers Block 113, Culberson County

From: "Wright, Tiffany" <Tiffany.Wright@bhpbilliton.com>
To: "Harriet Dunne (harriet.dunne@glo.texas.gov)" <harriet.dunne@glo.texas.gov>
Date: 10/3/2013 9:08 AM
Subject: BHP Mineral File Numbers Block 113, Culberson County
Attachments: Picture (Device Independent Bitmap) 1.jpg

Hi Harriet,

Can you send me the mineral file numbers for the leases listed below or tell me where I can find them?

Surface Agent	Lessee	Lease Date	Section(s)	Block	
Roddy L. Harrison, Trustee of the Harrison Trust Under Trust indenture Dated 04/25/96, As Amended	Legend Natural Gas IV, LP	July 29, 2011	15 & 22	113	MF 113601A
Roddy L. Harrison, Trustee of the Harrison Trust Under Trust indenture Dated 04/25/96, As Amended	Legend Natural Gas IV, LP	July 29, 2011	10 & 16	113	MF 113596A
Mary Jane Barron, Individually and is Trustee of the Mary Jane Barron Revocable Living Trust u/t/a Dated 07/27/92	Clay Johnson	July 20, 2011	10, 14, 15, 16, 21 & 22	113	MF 113061A

I greatly appreciate your help.

Thank you,

Tiffany Wright
 Staff Landman - Permian



1360 Post Oak Blvd.
Houston, TX 77056
Direct: (713) 297-6566
Mobile: (405)-623-3780

This message and any attached files may contain information that is confidential and/or subject of legal privilege intended only for use by the intended recipient. If you are not the intended recipient or the person responsible for delivering the message to the intended recipient, be advised that you have received this message in error and that any dissemination, copying or use of this message or attachment is strictly forbidden, as is the disclosure of the information therein. If you have received this message in error please notify the sender immediately and delete the message.

From: Susan Draughn
To: Tiffany.Wright@bhpbilliton.com
Date: 10/4/2013 2:59 PM
Subject: Fwd: BHP Mineral File Numbers Block 113, Culberson County
Attachments: Picture (Device Independent Bitmap) 1.jpg

Tiffany,

Please see below for lease numbers in blue.
Susan for Harriet.

Susan Draughn
Landman
Energy Resources/Mineral Leasing
Texas General Land Office
512/463-6521 Direct
email: susan.draughn@glo.texas.gov
>>> Harriet Dunne 10/4/2013 1:46 PM >>>
Susan,
Please respond to Tiffany's request below.

Thank you,
Harriet

>>> "Wright, Tiffany" <Tiffany.Wright@bhpbilliton.com> 10/3/2013
9:07 AM >>>

Hi Harriet,

Can you send me the mineral file numbers for the leases listed below
or tell me where I can find them?

Surface Agent Lessee Lease Date Section(s) Block
MF113601A

Roddy L. Harrison, Trustee of the Harrison Trust Under Trust

Indenture Dated 04/25/96, As Amended Legend Natural Gas IV,
LP July 29, 2011 15 & 22 113

MF113596A

Roddy L. Harrison, Trustee of the Harrison Trust Under Trust
Indenture Dated 04/25/96, As Amended Legend Natural Gas IV,
LP July 29, 2011 10 & 16 113

MF113061A

Mary Jane Barron, Individually and as Trustee of the Mary Jane
Barron Revocable Living Trust u/t/a Dated 07/27/92 Clay Johnson July
20, 2011 10, 14, 15, 16, 21 & 22 113

I greatly appreciate your help.

Thank you,

Tiffany Wright

Staff Landman - Permian

1360 Post Oak Blvd.
Houston, TX 77056
Direct: (713) 297-6566
Mobile: (405)-623-3780

This message and any attached files may contain information that is confidential and/or subject of legal privilege intended only for use by the intended recipient. If you are not the intended recipient or the person responsible for delivering the message to the intended recipient, be advised that you have received this message in error and that any dissemination, copying or use of this message or attachment is strictly forbidden, as is the disclosure of the information therein. If you have received this message in error please notify the sender immediately and delete the message.

8.

File No. MF 113596
ID MF #'s for BHP

Date Filed: 10/3/13
Jerry E. Patterson, Commissioner

By SSD

From: Carl Bonn
To: Arellano, Jesse
BC Bonn, Carl
Date: 12/15/2014 8:20 AM
Subject: Fwd: Unit 6495 Horseshoe Springs State 113 - ADD to GIS
Attachments: Bonn, Carl.vcf

Jesse,

I sent the email below regarding Unit 6495 being a producing unit in Alamo and not appearing on GIS at all (not even as a Historical Unit). I spoke to Harriet and she said the Unit was a temporary Unit and never should have been Producing in Alamo. We updated the unit from Producing to expired effective 11/5/14. Please Add Unit 6495 as Historical in GIS since it was replaced by permanent Unit 7222. Harriet agreed to handle the Active vs Producing acreage amounts under MF113596 since only 480 ac is showing as producing under Unit 7222.

Thanks for adding Unit 7222 to GIS in accordance with notes in Alamo 12/09/14. I placed a calendar note for Unit 6763 (Active on Alamo and in GIS) under an Orderly Development Agreement to be reviewed 4/01/15.

Thank you,
CB

Carl Bonn, CPL
Landman, Energy Resources
Texas General Land Office
1700 N Congress Austin TX 78701
P.O. Box 12873 Austin, TX 78711
>Fax 512 475-1543 Office 512 463-5407

>>> Carl Bonn 12/8/2014 1:28 PM >>>

Jesse,

The referenced unit is producing and yet does not appear on GIS.
Please check it out.

TY
CB

(9)
File No. MF 113596
email to JA

Date Filed: 12-15-14
Jerry Patterson, Commissioner

By C. Ben

MF 113596



DIVISION ORDER

To: **BHP Billiton Petroleum**
Land Administration
P O Box 22719
Houston, TX 77027-9998
(877) 311- 1443

Issue Date: 12/5/2013
Property Name: HORSESHOE SPRINGS STATE 113-16 2V
Property #: P1L803/00501
Production: ALL PRODUCTS
Operator: BHP BILLITON PETROLEUM (TXLA OPERATING)
Legal Description: PSL ABST/ID# 5115 Grantee J.M. COOKSEY Blk 113 Sec 16 CULBERSON COUNTY, TEXAS (1.0000 ACRES)

CREDIT TO

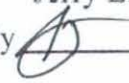
Owner # 80113945
STATE OF TEXAS GLO
1700 N CONGRESS AVE #640
AUSTIN TX 78701-1495

Decimal	Type	Status	Reason	Start Date
0.12500000	RI	PAY		9/1/2013

PLEASE KEEP THIS COPY FOR YOUR RECORDS

File No. MF 118596DIVISION ORDERDate Filed: 12.9.13

Jerry E. Patterson, Commissioner

By 

15 3.73

Well drilled for geologic purposes
Very little production interest

API No. <u>42-109-32565</u>		RAILROAD COMMISSION OF TEXAS OIL & GAS DIVISION		FORM W-1 07/2004	
Drilling Permit # <u>761774</u>		APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER		Permit Status: <u>Approved</u>	
SWR Exception Case/Docket No. _____		This facsimile W-1 was generated electronically from data submitted to the RRC. A certification of the automated data is available in the RRC's Austin office.			
1. RRC Operator No. <u>660146</u>		2. Operator's Name (as shown on form P-5, Organization Report) <u>PETROHAWK OPERATING COMPANY</u>		3. Operator Address (include street, city, state, zip):	
4. Lease Name <u>HORSESHOE SPRINGS STATE 113-16</u>		5. Well No. <u>2V</u>			
GENERAL INFORMATION					
6. Purpose of filing (mark ALL appropriate boxes): ☒ New Drill ☐ Recompletion ☐ Reclass ☐ Field Transfer ☐ Re-Enter ☐ Amended ☐ Amended as Drilled (BHL) (Also File Form W-1D)					
7. Wellbore Profile (mark ALL appropriate boxes): ☒ Vertical ☐ Horizontal (Also File Form W-1H) ☐ Directional (Also File Form W-1D) ☐ Sidetrack					
8. Total Depth <u>13500</u>		9. Do you have the right to develop the minerals under any right-of-way? ☒ Yes ☐ No		10. Is this well subject to Statewide Rule 36 (hydrogen sulfide area)? ☒ Yes ☐ No	
SURFACE LOCATION AND ACREAGE INFORMATION					
11. RRC District No. <u>08</u>		12. County <u>CULBERSON</u>		13. Surface Location ☒ Land ☐ Bay/Estuary ☐ Inland Waterway ☐ Offshore	
14. This well is to be located <u>16.4</u> miles in a <u>SW</u> direction from <u>Orla</u> which is the nearest town in the county of the well site.					
15. Section <u>16</u>	16. Block <u>113</u>	17. Survey <u>PSL/COOKSEY, J M</u>		18. Abstract No. <u>A-5115</u>	19. Distance to nearest lease line: <u>1070</u> ft.
20. Number of contiguous acres in lease, pooled unit, or unitized tract: <u>317.73</u>					
21. Lease Perpendiculars: <u>1070</u> ft from the <u>S</u> line and <u>1319</u> ft from the <u>E</u> line.					
22. Survey Perpendiculars: <u>1070</u> ft from the <u>S</u> line and <u>1319</u> ft from the <u>E</u> line.					
23. Is this a pooled unit? ☐ Yes ☒ No		24. Unitization Docket No:		25. Are you applying for Substandard Acreage Field? ☐ Yes (attach Form W-1A) ☒ No	
FIELD INFORMATION List all fields of anticipated completion including Wildcat. List one zone per line.					
26. RRC District No.	27. Field No.	28. Field Name (exactly as shown in RRC records)		29. Well Type	30. Completion Depth
<u>08</u>	<u>98359800</u>	<u>WOLFBONE (TREND AREA)</u>		<u>Oil or Gas Well</u>	<u>8070</u>
				31. Distance to Nearest Well in this Reservoir	32. Number of Wells on this lease in this Reservoir
				<u>0.00</u>	<u>1</u>
BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS					
Remarks [RRC STAFF May 7, 2013 4:11 PM]: Manual review ok for density				Certificate: I certify that information stated in this application is true and complete, to the best of my knowledge. <u>Carey Holtzendorf, Lead Regulatory Specialist</u> <u>May 01, 2013</u> Name of filer Date submitted	
RRC Use Only Data Validation Time Stamp: <u>May 8, 2013 6:15 AM(Current Version)</u>				<u>(713)5524581</u> <u>Carey.Holtzendorf@BHPBilliton.com</u> Phone E-mail Address (OPTIONAL)	

PERMIT PLAT WID #141 JOB #: 1201108



NAD 27
LAT. = 31.72973761° N
LONG. = 104.16844096° W

SURVEY/SECTION/UNIT LINE

NAD 27
LAT. = 31.72972607° N
LONG. = 104.15154301° W

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



ROBERT GLEN MALOY
REGISTERED PROFESSIONAL LAND SURVEYOR
LICENSE NO. 6028

GENERAL NOTES

- COORDINATES SHOWN ARE BASED ON TEXAS COORDINATE SYSTEM OF NAD 1927 (WEST TEXAS HARN), TEXAS CENTRAL ZONE AND ARE BASED ON THE MONUMENT "CASTILE" (Y = 768,451.91, X = 792,335.72)
- VERTICAL DATUM IS NAVD 83
- LATITUDE AND LONGITUDE ARE NAD 83 HARN GEOGRAPHIC
- AREA, DISTANCES, AND COORDINATES ARE "GRID"
- UNITS ARE UNITED STATES SURVEY FOOT
- COMBINED SCALE FACTOR = 0.999807451
- ALL LEASE AND TRACT INFORMATION SHOWN HEREON IS DONE SO BY LIMITED DEED RECORD INFORMATION ONLY. ALL ACREAGES SHOWN ARE BY DEED AND LEASE CALL, EXCEPT WHERE NOTED. THIS IS NOT IN ANY WAY A "BOUNDARY SURVEY"
- NAD 83 COORDINATES WERE CALCULATED USING CORPSCON VERSION 6.0.1 AS DEVELOPED BY THE U.S. ARMY CORPS OF ENGINEERS, ENGINEER RESEARCH AND DEVELOPMENT CENTER, TOPOGRAPHIC ENGINEERING CENTER.

J.M. COOKSEY
A-5115
SECTION-16, BLOCK 113
P S L

317.731 ACRE UNIT

PETROHAWK OPERATING CO.
SURFACE HOLE LOCATION
HORSESHOE SPRINGS STATE 113-16 #2V
WID #141
NAD 83 (HARN)
Y = 10,609,128.77
X = 1,108,081.36
LAT. = 31.71832143° N
LONG. = 104.15627731° W
NAD 27
Y = 766,552.59
X = 811,620.49
LAT. = 31.71819629° N
LONG. = 104.15579732° W
ELEV. = 3268.19'

NAD 27
LAT. = 31.71525789° N
LONG. = 104.15155903° W

PETROHAWK PETROHAWK Operating Company
6100 S. Yale Ave.
Tulsa, Oklahoma, 74136

REV.	DATE	BY	REVISIONS MADE
1	02/26/13	BB	MAKE PRELIMINARY PLAT
2	03/01/13	JK	MAKE REVISIONS

PLAT OF:

A PROPOSED WELL LOCATION FOR:

PETROHAWK OPERATING CO.

HORSESHOE SPRINGS STATE 113-16 #2V

SITUATED IN SECTION 16, BLOCK 113, THE J.M. COOKSEY SURVEY, A-5115, PUBLIC SCHOOL LAND, LOCATED APPROXIMATELY 16.4 MILES SOUTHWEST OF ORLA, IN CULBERSON COUNTY, TEXAS

Completion Date: 04/23/13 File Name: 1201108.DWG

Scale: 1" = 1000' Surveyed by: JG/MR

Drawn by: BB Checked by: RM

FRONTIER
SURVEYING COMPANY

3108 W. 8th STREET, FORT WORTH, TEXAS 76107
PH: (817) 580-4500 FAX: (817) 289-3530
Copyright © 2010 All Rights Reserved

500 0 500 1000 1500 2000 2500 3000

SCALE: 1" = 1000 FEET

PLOT DATE: 04-23-2013 8:25 A.M.

57.67.9

31023

File No. MF113596

Culberson County

Drilling Permit for API 109-32565

Date Filed: 6-29-15

George P. Bush, Commissioner

By Jm



Well drilled for geologic purposes. Not producing
(Production only interest)

RAILROAD COMMISSION OF TEXAS

Form G-1

1701 N. Congress
P.O. Box 12967
Austin, Texas 78701-2967

Status: Approved
Date: 08/19/2014
Tracking No.: 94321

GAS WELL BACK PRESSURE TEST, COMPLETION OR RECOMPLETION REPORT, AND LOG

OPERATOR INFORMATION

Operator Name: BHP BILLITON PET(TXLA OP) CO Operator No.: 068596
Operator Address: 1360 POST OAK BLVD STE 150 HOUSTON, TX 77056-0000

WELL INFORMATION

API No.: 42-109-32565 County: CULBERSON
Well No.: 2V RRC District No.: 08
Lease Name: HORSESHOE SPRINGS STATE 113-16 Field Name: WOLFBONE (TREND AREA)
RRC Gas ID No.: 271770 Field No.: 98359800
Location: Section: 16, Block: 113, Survey: PSL/COOKSEY, J.M., Abstract: 5115
Latitude: Longitude:
This well is located 16.4 miles in a SW
direction from ORLA,
which is the nearest town in the county.

FILING INFORMATION

Purpose of filing: Initial Potential
Type of completion: New Well
Well Type: Producing Completion or Recompletion Date: 08/09/2013
Type of Permit Date Permit No.
Permit to Drill, Plug Back, or Deepen 05/07/2013 761774
Rule 37 Exception
Fluid Injection Permit
O&G Waste Disposal Permit
Other:

COMPLETION INFORMATION

Spud date: 05/17/2013 Date of first production after rig released: 08/09/2013
Date plug back, deepening, recompletion, or
drilling operation commenced: 05/17/2013 Date plug back, deepening, recompletion, or
drilling operation ended: 07/01/2013
Number of producing wells on this lease in
this field (reservoir) including this well: 1 Distance to nearest well in lease &
reservoir (ft.): 0.0
Total number of acres in lease: 317.73 Elevation (ft.): 3268 GL
Total depth TVD (ft.): 10602 Total depth MD (ft.):
Plug back depth TVD (ft.): 10482 Plug back depth MD (ft.):
Was directional survey made other than
inclination (Form W-12)? Yes Rotation time within surface casing (hours):
Is Cementing Affidavit (Form W-15) attached? No
Recompletion or reclass? No Multiple completion? No
Type(s) of electric or other log(s) run: Combo of Induction/Neutron/Density
Electric Log Other Description: CBL/CCL/GR
Location of well, relative to nearest lease boundaries Off Lease: No
of lease on which this well is located: 1070.0 Feet from the South Line and
1319.0 Feet from the East Line of the
HORSESHOE SPRINGS STATE 113-16 Lease.

FORMER FIELD (WITH RESERVOIR) & GAS ID OR OIL LEASE NO.

Field & Reservoir	Gas ID or Oil Lease No.	Well No.	Prior Service Type
-------------------	-------------------------	----------	--------------------

G1: N/A
 PACKET: N/A

FOR NEW DRILL OR RE-ENTRY, SURFACE CASING DEPTH DETERMINED BY:

GAU Groundwater Protection Determination Depth (ft.): 300.0 Date: 05/08/2013
 SWR 13 Exception Depth (ft.):

GAS MEASUREMENT DATA

Date of test: 08/16/2013 Gas measurement method(s):
 Gas production during test (MCF): 645 Orifice Meter, Flange Taps
 Was the well preflowed for 48 hours? Yes

Run No.	Line size	Orif. or Choke Size (in.)	24 hr. Coeff. Orif. Or Choke (in.)	Static Pm or Choke (in.)	Diff (hw)	Flow Temp (°F)	Temp. (Ftf)	Gravity (Fg)	Compress (Fpv)	Volume (MCF/day)
1	3.068	1.000	6341.17	215.0	7.0	86.0	0.9759	0.8856	1.024	215.0

FIELD DATA AND PRESSURE CALCULATIONS

Gravity (dry gas): 0.764 Gravity (liquid hydrocarbons) (Deg. API): 61.0
 Gas-Liquid Hydro Ratio (CF/Bbl): 71667 Gravity (mixture): Gmix= 0.799
 Avg. shut in temp. (°F): 121.0 Bottom hole temp. and depth: 151.0 °F@ 9570.0 FT

Run No.	Time of Run (Min.)	Choke Size (in.)	Wellhead Pressure (PSIA)	Wellhead Flow Temp (°F)
SHUT-IN	4320		3143	90.0
1	4320	46/64	248	86.0

CASING RECORD

Row	Type of Casing	Casing Size (in.)	Hole Size (in.)	Setting Depth (ft.)	Multi - Stage Depth (ft.)	Multi - Stage Shoe Cement Class	Cement Amount (sacks)	Slurry Volume (cu. ft.)	Top of Cement (ft.)	TOC Determined By
1	Surface	13 3/8	17 1/2	442		C	650	864.5	SURF	Circulated to Surface
2	Intermediate	9 5/8	12 1/4	3394		C	1005	166.8	ACE	Calculation
3	Intermediate	7	8 3/4	8850		H	355	671.0	5433	Calculation
4	Tapered Production	5	6 1/4	10575		H	170	484.5	5400	Calculation

LINER RECORD

Row	Liner Size (in.)	Hole Size (in.)	Liner Top (ft.)	Liner Bottom (ft.)	Cement Class	Cement Amount (sacks)	Slurry Volume (cu. ft.)	Top of Cement (ft.)	TOC Determined By
N/A									

TUBING RECORD

Row	Size (in.)	Depth Size (ft.)	Packer Depth (ft.)/Type
1	2 3/8	9357	8596 / SNAPSHOT WITH HOLD DOWNS

PRODUCING/INJECTION/DISPOSAL INTERVAL

Row	Open hole?	From (ft.)	To (ft.)
1	No	L 8930	8931
2	No	L 9569	9570

ACID, FRACTURE, CEMENT SQUEEZE, CAST IRON BRIDGE PLUG, RETAINER, ETC.

Was hydraulic fracturing treatment performed?

Yes

Is well equipped with a downhole actuation sleeve? No

If yes, actuation pressure (PSIG):

Production casing test pressure (PSIG) prior to hydraulic fracturing treatment:

Actual maximum pressure (PSIG) during hydraulic fracturing:

Has the hydraulic fracturing fluid disclosure been reported to FracFocus disclosure registry (SWR29)?

Yes

Row	Type of Operation	Amount and Kind of Material Used	Depth Interval (ft.)	
1	Fracture	15 BBLS 15% HCL; 997 172 BBLS S/W & 997 BBLS YF125FLEXD & 64,370 # 100, 40/80, & 20/40 MESH PROP	8930.0	8931.0
2	Fracture	15 BBLS 15% HCL; 198.4 BBLS S/W; 1,255 BBLS YF125 FLEX & 6,1850 # 100,40/80 & 20/40 MESH PROP	9569.0	9570.0
3	Other	PUMP 150 SX INTO ANNULUS BETWEEN 9-5/8 & 7" CASING STRINGS	0.0	3800.0

FORMATION RECORD

Formations	Encountered	Depth TVD (ft.)	Depth MD (ft.)	Is formation isolated?	Remarks
BONE SPRING	No	5600.0		No	
U. WOLFCAMP	No	8575.0		No	
. WOLFCAMP	No	9406.0		No	

Do the producing interval of this well produce H2S with a concentration in excess of 100 ppm (SWR 36)?

No

Is the completion being downhole commingled (SWR 10)?

No

REMARKS

L-1, LOG HEADER, W-15'S SUBMITTED WITH WRO FILING TRKING #89388.

RRC REMARKS**PUBLIC COMMENTS:**

[RRC Staff 2014-06-16 10:50:18.115] Typo on the slurry volume for the 9 5/8" casing, it should be 1668 per the W-15, will not hold up completion due to this discrepancy.

CASING RECORD :

5"-4-1/2" X-O IS @ 8,646'.

TUBING RECORD:**PRODUCING//INJECTION/DISPOSAL INTERVAL :****ACID, FRACTURE, CEMENT SQUEEZE, CAST IRON BRIDGE PLUG, RETAINER, ETC. :****GAS MEASUREMENT DATE REMARK:****OPERATOR'S CERTIFICATION**

Printed Name: James Melear

Title: Sr. Regulatory Specialist

Telephone No.: (713) 961-8561

Date Certified: 06/10/2014

**RAILROAD COMMISSION OF TEXAS****Form G-1**

1701 N. Congress
P.O. Box 12967
Austin, Texas 78701-2967

Status: Approved
Date: 03/31/2014
Tracking No.: 89388

GAS WELL BACK PRESSURE TEST, COMPLETION OR RECOMPLETION REPORT, AND LOG**OPERATOR INFORMATION**

Operator Name: BHP BILLITON PET(TXLA OP) CO Operator No.: 068596
Operator Address: 1360 POST OAK BLVD STE 150 HOUSTON, TX 77056-0000

WELL INFORMATION

API No.: 42-109-32565 County: CULBERSON
Well No.: 2V RRC District No.: 08
Lease Name: HORSESHOE SPRINGS STATE 113-16 Field Name: WOLFBONE (TREND AREA)
RRC Gas ID No.: 271770 Field No.: 98359800
Location: Section: 16, Block: 113, Survey: PSL/COOKSEY, J M, Abstract: 5115

Latitude: Longitude:
This well is located _____ miles in a _____
direction from 16.4 MILES SW OF ORLA,
which is the nearest town in the county.

FILING INFORMATION

Purpose of filing: Well Record Only
Type of completion: New Well
Well Type: Shut-In Producer Completion or Recompletion Date: 07/01/2013

Type of Permit	Date	Permit No.
Permit to Drill, Plug Back, or Deepen	05/07/2013	761774
Rule 37 Exception		
Fluid Injection Permit		
O&G Waste Disposal Permit		
Other:		

COMPLETION INFORMATION

Spud date:	Date of first production after rig released:	07/01/2013
Date plug back, deepening, recompletion, or drilling operation commenced: 05/17/2013	Date plug back, deepening, recompletion, or drilling operation ended:	07/01/2013
Number of producing wells on this lease in this field (reservoir) including this well: 1	Distance to nearest well in lease & reservoir (ft.):	0.0
Total number of acres in lease: 317.73	Elevation (ft.):	3317 GL
Total depth TVD (ft.): 10602	Total depth MD (ft.):	
Plug back depth TVD (ft.): 10482	Plug back depth MD (ft.):	
Was directional survey made other than inclination (Form W-12)? Yes	Rotation time within surface casing (hours):	
Recompletion or reclass? No	Is Cementing Affidavit (Form W-15) attached? Yes	
Type(s) of electric or other log(s) run: Neutron/Density logs (combo of tools)	Multiple completion? No	
Electric Log Other Description: ECS/ELAN/SONIC/SPEC GR		
Location of well, relative to nearest lease boundaries	Off Lease: No	
of lease on which this well is located:	1070.0 Feet from the South Line and	
	1319.0 Feet from the East Line of the	
	HORSESHOE SPRINGS STATE 113-16 Lease.	

FORMER FIELD (WITH RESERVOIR) & GAS ID OR OIL LEASE NO.

Field & Reservoir	Gas ID or Oil Lease No.	Well No.	Prior Service Type
-------------------	-------------------------	----------	--------------------

G1: N/A
 PACKET: N/A

FOR NEW DRILL OR RE-ENTRY, SURFACE CASING DEPTH DETERMINED BY:

GAU Groundwater Protection Determination Depth (ft.): 300.0 Date: 05/08/2013
 SWR 13 Exception Depth (ft.):

GAS MEASUREMENT DATA

Date of test: Gas measurement method(s):
 Gas production during test (MCF):
 Was the well preflowed for 48 hours? No

Run No.	Line size	Orif. or Choke Size (in.)	24 hr. Coeff. Orif. Or Choke (in.)	Static Pm or Choke (in.)	Diff (hw)	Flow Temp (°F)	Temp. (Ftf)	Gravity (Fg)	Compress (Fpv)	Volume (MCF/day)
N/A										

FIELD DATA AND PRESSURE CALCULATIONS

Gravity (dry gas): Gravity (liquid hydrocarbons) (Deg. API):
 Gas-Liquid Hydro Ratio (CF/Bbl): Gravity (mixture): Gmix=
 Avg. shut in temp. (°F): Bottom hole temp. and depth: °F@ FT

Run No.	Time of Run (Min.)	Choke Size (in.)	Wellhead Pressure (PSIA)	Wellhead Flow Temp (°F)
N/A				

CASING RECORD

Row	Type of Casing	Casing Size (in.)	Hole Size (in.)	Setting Depth (ft.)	Multi - Stage Tool Depth (ft.)	Multi - Stage Shoe Cement Class	Cement Amount (sacks)	Slurry Volume (cu. ft.)	Top of Cement (ft.)	TOC Determined By
1	Surface	13 3/8	17 1/2	442		C	650	864.5	SURF	Circulated to Surface
2	Intermediate	9 5/8	12 1/4	3394		C	1005	1668.0	ACE 250	Calculation
3	Intermediate	7	8 3/4	8850		H	355	671.0	5433	Calculation
4	Tapered Production	5	6 1/4	10575		H	170	484.5	5400	Calculation
5	Tapered Production	4 1/2	6 1/4	10575		H	170	484.5	5400	Calculation

LINER RECORD

Row	Liner Size (in.)	Hole Size (in.)	Liner Top (ft.)	Liner Bottom (ft.)	Cement Class	Cement Amount (sacks)	Slurry Volume (cu. ft.)	Top of Cement (ft.)	TOC Determined By
N/A									

TUBING RECORD

Row	Size (in.)	Depth Size (ft.)	Packer Depth (ft.)/Type
N/A			

PRODUCING/INJECTION/DISPOSAL INTERVAL

Row	Open hole?	From (ft.)	To (ft.)
N/A			

ACID, FRACTURE, CEMENT SQUEEZE, CAST IRON BRIDGE PLUG, RETAINER, ETC.

Was hydraulic fracturing treatment performed?

No

Is well equipped with a downhole actuation sleeve? No

If yes, actuation pressure (PSIG):

Production casing test pressure (PSIG) prior to hydraulic fracturing treatment:

Actual maximum pressure (PSIG) during hydraulic fracturing:

Has the hydraulic fracturing fluid disclosure been reported to FracFocus disclosure registry (SWR29)?

No

Row Type of OperationAmount and Kind of Material UsedDepth Interval (ft.)

N/A

FORMATION RECORD

<u>Formations</u>	<u>Encountered</u>	<u>Depth TVD (ft.)</u>	<u>Depth MD (ft.)</u>	<u>Is formation isolated?</u>	<u>Remarks</u>
BONE SPRING	No	5600.0		No	
WOLFCAMP	No	8575.0		No	
L. WOLFCAMP	No	9406.0		No	

Do the producing interval of this well produce H2S with a concentration in excess of 100 ppm (SWR 36)?

No

Is the completion being downhole commingled (SWR 10)?

No

REMARKS

WAITING ON PIPELINE CONNECTION TO BEGIN COMPLETION OPERATIONS NO P-4 ATTACHED WAITING TO SEE WHO GAS GATHERERS AND PURCHASERS WILL BE.

RRC REMARKS

PUBLIC COMMENTS:

CASING RECORD :

PRODUCTION CASING IS 5" TAPERED TO 4 1/2"

TUBING RECORD:

PRODUCING/INJECTION/DISPOSAL INTERVAL :

ACID, FRACTURE, CEMENT SQUEEZE, CAST IRON BRIDGE PLUG, RETAINER, ETC. :

GAS MEASUREMENT DATE REMARK:

OPERATOR'S CERTIFICATION

Printed Name: James Melear

Title: Sr. Regulatory Specialist

Telephone No.: (713) 961-8561

Date Certified: 03/31/2014



RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

GAS WELL
CLASSIFICATION REPORT

Form G-5

Tracking No.: 94321

This facsimile G-5 was generated electronically from data submitted to the RRC.

1. OPERATOR NAME (Exactly as shown on Form P5 Organization Report) BHP BILLITON PET(TXLA OP) CO		3. RRC DISTRICT NO. 08	4. OIL LEASE NO OR GAS WELL ID NO. 271770										
2. MAILING ADDRESS 1360 POST OAK BLVD STE 150 HOUSTON, TX 77056		5. WELL NO. 2V	6. API NO. 42- 109-32565										
		7. COUNTY OF WELL SITE CULBERSON											
8. FIELD NAME (as per RRC Records) WOLFBONE (TREND AREA)		9. LEASE NAME HORSESHOE SPRINGS STATE 113-16											
10. LOCATION (Section, Block and Survey) 16 , 113 , PSL/COOKSEY, J M , A-5115		11. PIPELINE CONNECTION OR USE OF GAS NONE AT THIS TIME											
PRODUCTION TEST AT RATE ELECTED BY OPERATOR (data on 24-hour basis)		A.S.T.M. DISTILLATION OF LIQUID SAMPLE. Distillation test is required for gas wells ONLY if the producing gas-liquid hydrocarbon ratio is less than 100,000 CF/barrel.											
A. Date of Test <u>08/16/2013</u> B. Gas Volume <u>215.0</u> (Mcf) C. Oil or Condensate Volume <u>3.0</u> (Bbl) D. Water Volume <u>388.0</u> (Bbl) E. Gas/Liquid Hydrocarbon Ratio <u>71667</u> (Cf/Bbl) F. Flowing Tubing Pressure <u>248</u> (psia) G. Choke Size <u>46/64</u> (in.) H. Casing Pressure <u>3143.0</u> (psia) I. Shut-in Wellhead Pressure-- Tubing <u>3143</u> (psia) J. Separator Operating Pressure <u>7.0</u> (psia) K. Color of Stock Tank Liquid <u>Straw</u> L. Gravity of Separator Liquid <u>61.0</u> °API M. Gravity of Stock Tank Liquid <u>53.0</u> °API N. Specific Gravity of the Gas (Air = 1) <u>0.764</u>		Date Liquid Sample Obtained <u>09/03/2014</u> Where Obtained: ☒ Separator ☐ Stock Tank <table style="width:100%;"> <tr> <td style="width:50%;"> % Over Temp. (deg. F) Initial Boiling Temp. <u>5.0</u> 10 <u>168.0</u> 20 <u>192.0</u> 30 <u>230.0</u> 40 <u>268.0</u> 50 <u>316.0</u> </td> <td style="width:50%;"> % Over Temp. (deg. F) 60 <u>456.0</u> 70 <u>544.0</u> 80 <u>656.0</u> 90 <u>718.0</u> 95 <u>722.0</u> End Point <u>722.0</u> </td> </tr> </table> Total Recovery <u>93.0</u> percent Residue <u>1.0</u> percent Loss <u>6.0</u> percent		% Over Temp. (deg. F) Initial Boiling Temp. <u>5.0</u> 10 <u>168.0</u> 20 <u>192.0</u> 30 <u>230.0</u> 40 <u>268.0</u> 50 <u>316.0</u>	% Over Temp. (deg. F) 60 <u>456.0</u> 70 <u>544.0</u> 80 <u>656.0</u> 90 <u>718.0</u> 95 <u>722.0</u> End Point <u>722.0</u>								
% Over Temp. (deg. F) Initial Boiling Temp. <u>5.0</u> 10 <u>168.0</u> 20 <u>192.0</u> 30 <u>230.0</u> 40 <u>268.0</u> 50 <u>316.0</u>	% Over Temp. (deg. F) 60 <u>456.0</u> 70 <u>544.0</u> 80 <u>656.0</u> 90 <u>718.0</u> 95 <u>722.0</u> End Point <u>722.0</u>												
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. <u>06/10/2014</u> DATE		RRC USE ONLY <table style="width:100%;"> <tr> <td colspan="2">PETROHAWK OPERATING COMPANY</td> </tr> <tr> <td>NAME (Type or Print)</td> <td><u>James Melear</u></td> </tr> <tr> <td>SIGNATURE</td> <td><u>Sr. Regulatory Specialist</u></td> </tr> <tr> <td>TITLE</td> <td><u>(713) 961-8561 EXT 8561</u></td> </tr> <tr> <td>CONTACT PERSON</td> <td>PHONE NUMBER</td> </tr> </table>		PETROHAWK OPERATING COMPANY		NAME (Type or Print)	<u>James Melear</u>	SIGNATURE	<u>Sr. Regulatory Specialist</u>	TITLE	<u>(713) 961-8561 EXT 8561</u>	CONTACT PERSON	PHONE NUMBER
PETROHAWK OPERATING COMPANY													
NAME (Type or Print)	<u>James Melear</u>												
SIGNATURE	<u>Sr. Regulatory Specialist</u>												
TITLE	<u>(713) 961-8561 EXT 8561</u>												
CONTACT PERSON	PHONE NUMBER												

STATEMENT OF PRODUCTIVITY OF ACREAGE
ASSIGNED TO PRORATION UNITS

Form P-15

Tracking No.: 94321

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 BHP BILLITON PET(TXLA OP) CO ,
OPERATOR
HORSESHOE SPRINGS STATE 113-16 , No. 2V ; that such well is
LEASE WELL
completed in the WOLFBONE (TREND AREA) Field, CULBERSON 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 _____
317.731 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 autho-
rized to make this report, that this report was prepared by me or
under my supervision and direction,*

Date 06/10/2014 Signature James Melear

Telephone (713) 961-8561 EXT 8561 Title Sr. Regulatory Specialist
AREA CODE

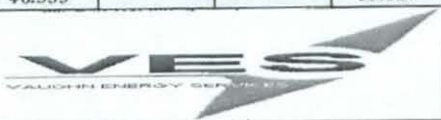


0.20.13

PERMIT PLAT WID #141 JOB #: 1201108

VES Bottom Hole Location is 70.409' @ 311.151° of Surface Location

MD / FT	8725.000	8723.370	TVD / FT
North / FT	South / FT	East / FT	West / FT
46.333			53.017



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

Robert Glen Maloy
 ROBERT GLEN MALOY
 REGISTERED PROFESSIONAL LAND SURVEYOR
 LICENSE NO. 6028



GENERAL NOTES

- COORDINATES SHOWN ARE BASED ON TEXAS COORDINATE SYSTEM OF NAD 1927 (WEST TEXAS HARN), TEXAS CENTRAL ZONE AND ARE BASED ON THE MONUMENT "CASTLE" (Y = 768,451.91, X = 792,335.72)
- VERTICAL DATUM IS NAVD 88
- LATITUDE AND LONGITUDE ARE NAD 83 HARN GEOGRAPHIC
- AREA, DISTANCES, AND COORDINATES ARE "GRID"
- UNITS ARE UNITED STATES SURVEY FOOT.
- COMBINED SCALE FACTOR = 0.999807451
- ALL LEASE AND TRACT INFORMATION SHOWN HEREON IS DONE SO BY LIMITED DEED RECORD INFORMATION ONLY. ALL ACRES SHOWN ARE BY DEED AND LEASE CALL, EXCEPT WHERE NOTED. THIS IS NOT IN ANY WAY A "BOUNDARY SURVEY"
- NAD 83 COORDINATES WERE CALCULATED USING CORPSCON VERSION 6.0.1 AS DEVELOPED BY THE U.S. ARMY CORPS OF ENGINEERS, ENGINEER RESEARCH AND DEVELOPMENT CENTER, TOPOGRAPHIC ENGINEERING CENTER.

PETROHAWK PETROHAWK Operating Company
 6100 S. Yale Ave.
 Tulsa, Oklahoma, 74136

REV.	DATE	BY	REVISIONS MADE
1	02/26/13	BB	MAKE PRELIMINARY PLAT
2	03/01/13	JK	MAKE REVISIONS

PLAT OF:

A PROPOSED WELL LOCATION FOR:
PETROHAWK OPERATING CO.

HORSESHOE SPRINGS STATE 113-16 #2V

SITUATED IN SECTION 16, BLOCK 113, THE J.M. COOKSEY SURVEY, A-5115, PUBLIC SCHOOL LAND, LOCATED APPROXIMATELY 16.4 MILES SOUTHWEST OF ORLA, IN CULBERSON COUNTY, TEXAS

Completion Date: 04/23/13 File Name: 1201108.DWG
 Scale: 1" = 1000' Surveyed by: JG/MR
 Drawn by: BB Checked by: RM

J.M. COOKSEY
 A-5115
 SECTION-16, BLOCK 113
 P S L

317.731 ACRE UNIT

PETROHAWK OPERATING CO.
 SURFACE HOLE LOCATION
 HORSESHOE SPRINGS STATE 113-16 #2V

VES Bottom Hole Location is 70.409' @ 311.151° of Surface Location

NAD 83 (HARN)
 LAT. = 31.71524640° N
 LONG. = 104.16847679° W
 NAD 27
 LAT. = 31.71524640° N
 LONG. = 104.16847679° W
 ELEV. = 3232.19'

VES LEGEND	
	Surface Location Highlight
	Bottom Hole Location
	° of SL Direction Line
	North Indicator
	Bottom Hole Text Box

500 0 500 1000 1500 2000 2500 3000
 SCALE: 1" = 1000 FEET

FRONTIER

SURVEYING COMPANY
 3108 W. 9TH STREET, FORT WORTH, TEXAS 76107
 PH: (817) 260-4500 FAX: (817) 288-3530
 Copyright © 2010 All Rights Reserved

PLOT DATE: 04-23-2013 8:25 A.M.



Company: BHP Billiton/Petrohawk
Lease/Well: Horseshoe Springs State 113-16/2V

Rig Name: H&P 489
State/County: Texas/Culberson
Latitude: 31.718, Longitude: -104.156
GRID North is 1.970 Degrees West of True North
VS-Azi: 0.000 Degrees



Depth Reference : RKB= 22.6

DRILLOG HA GYRO SURVEY CALCULATIONS

Filename: hgyro_8800-de_01.ut
Minimum Curvature Method
Report Date/Time: 6/24/2013 / 14:22

Vaughn Energy Services
Midland, Texas
866-835-8333

Surveyor: Brian Brewbaker
Horseshoe Springs State 113-16 2V / API 42-109-32565

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	TVD FT	+N/-S FT	+E/-W FT	Vertical Section FT	Closure Distance FT	Closure Direction Deg	Dogleg Severity Deg/100
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	****
100.000	0.889	44.714	99.996	0.561	0.546	0.551	0.776	44.714	0.889
200.000	1.261	48.639	199.978	1.829	1.917	1.829	2.650	46.343	0.379
300.000	1.351	58.036	299.952	3.181	3.743	3.181	4.912	49.646	0.232
400.000	1.091	50.834	399.930	4.406	5.482	4.406	7.033	51.209	0.302
500.000	0.959	56.854	499.914	5.465	6.920	5.465	8.818	51.703	0.170
600.000	0.546	56.217	599.905	6.187	8.017	6.187	10.126	52.340	0.413
700.000	0.254	37.332	699.902	6.628	8.547	6.628	10.816	52.207	0.317
800.000	0.117	328.470	799.902	6.891	8.627	6.891	11.042	51.385	0.238
900.000	0.321	333.278	899.901	7.228	8.448	7.228	11.118	49.450	0.204
1000.000	0.463	300.181	999.899	7.681	7.973	7.681	11.071	46.066	0.262
1100.000	0.347	325.110	1099.896	8.133	7.450	8.133	11.029	42.491	0.209
1200.000	0.217	305.549	1199.895	8.491	7.123	8.491	11.083	39.994	0.160
1300.000	0.283	287.317	1299.894	8.675	6.734	8.675	10.981	37.820	0.103
1400.000	0.204	309.057	1399.893	8.860	6.359	8.860	10.906	35.669	0.120
1500.000	0.330	282.421	1499.892	9.034	5.940	9.034	10.812	33.326	0.173
1600.000	0.763	340.620	1599.888	9.724	5.438	9.724	11.142	29.216	0.653
1700.000	1.480	12.705	1699.869	11.613	5.501	11.613	12.850	25.349	0.927
1800.000	2.432	7.379	1799.810	14.977	6.058	14.977	16.156	22.023	0.968





Measured Depth FT	Incl Angle Deg	Drift Direction Deg	TVD FT	+N/-S FT	+E/-W FT	Vertical Section FT	Closure Distance FT	Closure Direction Deg	Dogleg Severity Deg/100
1900.000	3.087	11.727	1899.693	19.718	6.878	19.718	20.883	19.229	0.687
2000.000	3.189	15.644	1999.544	25.033	8.175	25.033	26.335	18.086	0.237
2100.000	3.087	13.236	2099.394	30.333	9.542	30.333	31.798	17.462	0.167
2200.000	2.945	12.518	2199.255	35.462	10.715	35.462	37.046	16.813	0.146
2300.000	2.525	0.271	2299.142	40.173	11.283	40.173	41.728	15.687	0.717
2400.000	1.739	348.187	2399.072	43.850	10.931	43.850	45.192	13.997	0.939
2500.000	0.971	321.248	2499.044	45.984	10.038	45.984	47.067	12.314	0.952
2600.000	0.614	285.969	2599.035	46.792	8.993	46.792	47.648	10.879	0.588
2700.000	0.532	272.445	2699.030	46.959	8.015	46.959	47.638	9.686	0.158
2800.000	0.478	269.834	2799.026	46.978	7.134	46.978	47.516	8.635	0.058
2900.000	0.634	266.251	2899.022	46.940	6.165	46.940	47.343	7.482	0.160
3000.000	0.964	258.362	2999.012	46.734	4.789	46.734	46.979	5.850	0.347
3100.000	1.069	256.249	3098.996	46.343	3.059	46.343	46.444	3.777	0.111
3200.000	1.115	254.084	3198.978	46.021	1.185	46.021	46.036	1.475	0.156
3300.000	1.222	252.094	3298.957	45.593	-0.797	45.593	45.600	358.998	0.266
3400.000	1.011	253.621	3398.938	45.017	-2.658	45.017	45.095	356.621	0.213
3500.000	0.545	254.299	3498.929	44.639	-3.962	44.639	44.815	354.927	0.466
3600.000	0.135	259.238	3598.927	44.488	-4.536	44.488	44.719	354.178	0.410
3700.000	0.208	225.224	3698.926	44.338	-4.781	44.338	44.595	353.845	0.122
3800.000	0.191	190.304	3798.926	44.046	-4.940	44.046	44.323	353.601	0.121
3900.000	0.260	195.995	3898.925	43.664	-5.032	43.664	43.953	353.425	0.073
4000.000	0.302	203.480	3998.924	43.203	-5.200	43.203	43.515	353.137	0.056
4100.000	0.229	225.969	4098.923	42.823	-5.449	42.823	43.168	352.748	0.126
4200.000	0.077	277.008	4198.923	42.692	-5.659	42.692	43.065	352.449	0.190
4300.000	0.563	219.099	4298.921	42.319	-6.035	42.319	42.747	351.883	0.526
4400.000	0.361	181.174	4398.918	41.623	-6.352	41.623	42.105	351.323	0.356
4500.000	0.297	194.222	4498.916	41.056	-6.422	41.056	41.556	351.110	0.098
4600.000	0.351	221.629	4598.914	40.576	-6.689	40.576	41.124	350.639	0.162
4700.000	0.436	234.762	4698.912	40.128	-7.203	40.128	40.769	349.824	0.123
4800.000	0.355	207.014	4798.910	39.633	-7.654	39.633	40.365	349.069	0.205
4900.000	0.295	199.750	4898.908	39.114	-7.882	39.114	39.901	348.607	0.073
5000.000	0.092	217.233	4998.908	38.808	-8.017	38.808	39.628	348.328	0.209
5100.000	0.197	218.026	5098.907	38.609	-8.172	38.609	39.464	348.050	0.105
5200.000	0.156	243.531	5198.907	38.413	-8.399	38.413	39.321	347.666	0.088
5300.000	0.139	224.140	5298.907	38.265	-8.606	38.265	39.221	347.325	0.052
5400.000	0.178	272.079	5398.906	38.184	-8.846	38.184	39.195	346.956	0.134
5500.000	0.183	241.760	5498.906	38.114	-9.142	38.114	39.195	346.512	0.094
5600.000	0.189	229.571	5598.905	37.931	-9.408	37.931	39.081	346.070	0.040
5700.000	0.200	225.445	5698.905	37.701	-9.658	37.701	38.919	345.631	0.018

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	TVD FT	+N/-S FT	+E/-W FT	Vertical Section FT	Closure Distance FT	Closure Direction Deg	Dogleg Severity Deg/100
5800.000	0.082	273.289	5798.904	37.583	-9.854	37.583	38.853	345.308	0.158
5900.000	0.439	258.940	5898.903	37.514	-10.301	37.514	38.902	344.646	0.360
6000.000	0.489	251.125	5998.900	37.302	-11.081	37.302	38.913	343.456	0.081
6100.000	0.619	257.132	6098.895	37.044	-12.011	37.044	38.942	342.036	0.142
6200.000	0.444	260.221	6198.891	36.858	-12.919	36.858	39.056	340.684	0.177
6300.000	0.523	272.584	6298.887	36.812	-13.757	36.812	39.299	339.509	0.131
6400.000	1.191	259.000	6398.876	36.635	-15.233	36.635	39.675	337.423	0.693
6500.000	1.488	259.455	6498.848	36.199	-17.529	36.199	40.220	334.162	0.298
6600.000	1.678	259.292	6598.810	35.689	-20.244	35.689	41.031	330.436	0.189
6700.000	1.405	254.342	6698.774	35.086	-22.863	35.086	41.878	326.910	0.303
6800.000	1.434	252.022	6798.743	34.369	-25.235	34.369	42.638	323.713	0.064
6900.000	1.471	281.516	6898.712	34.239	-27.683	34.239	44.030	321.043	0.740
7000.000	1.261	266.998	6998.684	34.438	-30.040	34.438	45.699	318.902	0.404
7100.000	1.108	260.919	7098.663	34.228	-32.093	34.228	46.920	316.843	0.198
7200.000	1.034	276.561	7198.645	34.178	-33.944	34.178	48.170	315.197	0.300
7300.000	1.531	307.605	7298.621	35.096	-35.898	35.096	50.204	314.353	0.837
7400.000	1.885	326.668	7398.577	37.286	-37.861	37.286	53.138	314.562	0.664
7500.000	1.859	331.951	7498.524	40.091	-39.527	40.091	56.299	315.406	0.174
7600.000	1.220	351.632	7598.488	42.575	-40.444	42.575	58.723	316.470	0.820
7700.000	0.464	347.734	7698.477	44.024	-40.685	44.024	59.945	317.257	0.757
7800.000	0.603	337.421	7798.472	44.905	-40.973	44.905	60.789	317.622	0.169
7900.000	0.365	286.793	7898.469	45.483	-41.480	45.483	61.557	317.636	0.467
8000.000	0.810	305.204	7998.464	45.983	-42.362	45.983	62.522	317.347	0.478
8100.000	0.701	323.017	8098.455	46.879	-43.308	46.879	63.822	317.268	0.258
8200.000	1.026	285.794	8198.444	47.612	-44.538	47.612	65.196	316.911	0.631
8300.000	0.952	270.223	8298.430	47.859	-46.230	47.859	66.541	315.992	0.278
8400.000	1.001	260.353	8398.415	47.715	-47.922	47.715	67.626	314.876	0.175
8500.000	0.878	277.604	8498.402	47.671	-49.543	47.671	68.763	313.897	0.307
8600.000	1.002	242.093	8598.389	47.363	-51.075	47.363	69.656	312.840	0.586
8700.000	1.021	240.748	8698.374	46.518	-52.625	46.518	70.238	311.475	0.030
8725.000	0.969	248.774	8723.370	46.333	-53.017	46.333	70.409	311.151	0.594



Tracking No.: 94321

OPERATOR NAME AND ADDRESS including city, state and zip

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

GAS WELL STATUS REPORT

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division
P.O. Box 12967
Austin, Texas 78711-2967

This facsimile G-10 was generated electronically
from data submitted to the RRC.

Reason for Filing

☐ Survey

☐ Retest

☒ Initial Test

☐ Correction

Operator P-5 Organization No.

068596

RRC Dist. No.

08

G-10

Test Period:

Due Date:

Effective Date:

FIELD NAME

* LEASE NAME

RRC IDENT NO.

DATE TESTED
MO/DAY/YRGAS PRODUCED
MCF/DAY **CONDENSATE
PRODUCEDWATER PROD
BBL/DAY***SIWH
PRESSURE PSIA

WELL NO.

MARK X FOR
SHUT-IN WELLGAS SPEC.
GRAVITYCONDENSATE
GRAVITY (API)X BOTTOMHOLE
PRESSURE PSIA***FLOWING
PRESSURE PSIA

WOLFBONE (TREND AREA)

271770

08/16/2013

215 MCF

3.0 BBL

388.0 BBL

3143

HORSESHOE SPRINGS STATE 113-16

2V

0.764

61.0

7421

248

CERTIFICATION: I declare under penalties prescribed in Texas Natural Resources Code, Sec. 91.143, 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 herein are true, correct, and complete to the best of my knowledge.

PETROHAWK OPERATING COMPANY

Signature: James Melear

Title: Sr. Regulatory Specialist

Phone: (713) 961-8561 EXT 8561 Date: 06/10/2014

* AN ASTERISK PREPRINTED ON A SURVEY IDENTIFIES WELL SUBJECT TO COMMINGLING TEST REQUIREMENT

** GAS PRODUCTION RATE, IN MCF, IS TO BE REPORTED FULL-WELL STREAM, INCLUDING
CONDENSATE *** PRESSURE FOR THE TEXAS HUGOTON FIELD IS REPORTED IN PSIG

X AN 'X' PREPRINTED ON A SURVEY IN THE BOTTOMHOLE PRESSURE BOX INDICATES A BOTTOMHOLE PRESSURE MUST BE REPORTED FOR THE WELL

1. Field name exactly as shown on proration schedule Wolfbone (Trend Area)		2. Lease name as shown on proration schedule Horseshoe Springs 113-16	
3. Current operator name exactly as shown on P-5 Organization Report BHP BILLITON PET (TXLA OP) CO.		4. Operator P-5 no. 068596	5. Oil Lse/Gas ID no. 2V
8. Operator address including city, state, and zip code 1360 Post Oak Blvd #150 Houston, TX 77056		7. RRC district Culberson 8	
10. Classification ☐ Oil ☒ Gas ☐ Other (see instruction A)		11. Effective Date 09/03/13	

12. Purpose of Filing. (Complete section a or b below.) (See instructions B and G)

a. Change of: ☐ operator ☐ oil or condensate gatherer ☐ gas gatherer ☐ gas purchaser ☐ gas purchaser system code

OR

b. New RRC Number for: ☐ oil lease ☒ gas well ☐ other well (specify) _____

Due to: ☒ new completion or recompletion ☐ reclass oil to gas ☐ reclass gas to oil ☐ consolidation, unitization, or subdivision (oil lease only)

13. Authorized GAS WELL GAS or CASINGHEAD GAS Gatherer(s) and/or Purchaser(s). (See instruction G).

Gatherer	Purchaser	Name of GAS WELL GAS or CASINGHEAD GAS Gatherer(s) or Purchaser(s) As Indicated in Columns to the Left (Attach an additional sheet in same format if more space is needed)	Purchaser's RRC Assigned System Code	Percent of Take	Full-well stream
X					
	X				

14. Authorized OIL or CONDENSATE Gatherer(s). (See instruction G).

Name of OIL or CONDENSATE Gatherer(s) - List Highest Volume Gatherer First (Attach an additional sheet in same format if more space is needed)	Percent of Take	RRC USE ONLY
Genesis Crude Oil, LP (300178)	34.0	Reviewer's initials: _____ Approval date: _____
Enterprise Crude Oil LLC (253117)	33.0	
Shell Trading (US) Company (774715)	33.0	

15. PREVIOUS OPERATOR CERTIFICATION FOR CHANGE OF OPERATOR P-4 FILING. Being the PREVIOUS OPERATOR, I certify that operating responsibility for the well(s) designated in this filing, located on the subject lease has been transferred in its entirety to the above named Current Operator. I understand, as Previous Operator, that designation of the above named operator as Current Operator is not effective until this certificate is approved by the Commission.

Petrohawk Operating Company

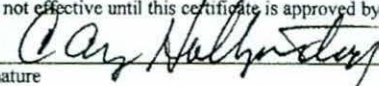
Name of Previous Operator: _____

Carey Holtzendorf

Name (print): _____

Sr, Regulatory Specialist

Title: _____

Signature: 

☒ Authorized Employee of previous operator ☐ Authorized agent of previous operator (see instruction G)

09/03/13 Date (713) 821-4581 Phone with area code

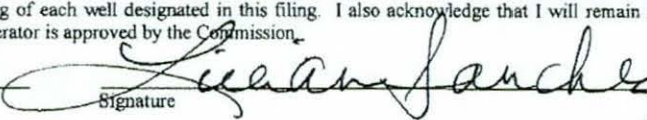
16. CURRENT OPERATOR CERTIFICATION. By signing this certificate as the Current Operator, I certify that all statements on this form are true and correct and I acknowledge responsibility for the regulatory compliance of the subject lease including plugging of well(s) pursuant to Rule 14. I further acknowledge 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.

Lillian Sanchez

Name (print): _____

Regulatory Tech Asst.

Title: _____

Signature: 

☒ Authorized Employee of current operator ☐ Authorized agent of current operator (see instruction G)

09/03/13 Date (713) 552-4537 Phone with area code

lillian.sanchez@bhpbilliton.com E-mail Address (optional)

31093

File No. MF 113596 12.

Culberson County

Completion Report for API 109-32565

Date Filed: 6-29-15

George P. Bush, Commissioner

By Jm



Texas General Land Office

Reconciliation Billing

George P. Bush, Commissioner

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

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

COPY

Billing Date: 7/26/2016
Billing Due Date: 8/25/2016
Customer Number: C000046383

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
16I00534	MF113061	\$1,546.91	\$0.00	\$195.28	\$65.95	\$1,808.14
16I00536	MF113596	\$3,078.24	\$0.00	\$364.88	\$131.18	\$3,574.30
16I00538	MF113601	\$1,546.91	\$0.00	\$195.28	\$65.95	\$1,808.14
Total Due		\$6,172.06	\$0.00	\$755.44	\$263.08	\$7,190.58

Penalty and interest have been calculated thru 7/31/2016. Payment remitted after 7/31/2016 will result in additional penalty and interest charges.

Contact Info: Andrea Charlton (512) 463-5190 or 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.

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

Detach and return with payment

Reconciliation Billing

BHP Billiton Petroleum (TXLA Operating) Company

Billing Date: 7/26/2016

Billing Due Date: 8/25/2016

Customer Number: C000046383

Remit Payment To:

Texas General Land Office

PO Box 12873

Austin, TX 78711-2873

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
16I00534	MF113061	\$1,546.91	\$0.00	\$195.28	\$65.95	\$1,808.14
16I00536	MF113596	\$3,078.24	\$0.00	\$364.88	\$131.18	\$3,574.30
16I00538	MF113601	\$1,546.91	\$0.00	\$195.28	\$65.95	\$1,808.14
Total Due		\$6,172.06	\$0.00	\$755.44	\$263.08	\$7,190.58
Amt. Paid						

Energy Financial Management
SMAR Activity / Invoicing Approval

Auditor/Account Examiner: Andrea Charlton
Company Name: BHP BILLITON PET(TXLA OP) CO
Customer Number: C000046383
Mineral File #: MF113601
Transaction Type: Volume Reconciliation
Other / Invoice #:

Previous Amount	Current Amount	Date	AE / Reviewer's Notes	Reviewer's Signature	AR Notes
	\$1,808.14	07/21/16	Under reported/paid sales volumes.	MM 7/21/2016 	

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

Customer ID: C000046383
 Invoice Number:
 GLO Lease: MF113601
 GLO Review: BHP BILLITON PET (TXLA OP) CO
 Review Period: JAN 2015 Through AUG 2015

Category: Gas
 Auditor/AE: ACHARLTO
 Billing Date: 7/21/2016
 P&I Calculation Date: 7/31/2016
 Royalty Rate: 12.50%

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	08-272717	2,693.00	1.00000000	\$2.77	1.075900	8,020.96	1,002.62	757.22	245.40	504	4.25%	\$25.00	\$12.72	\$283.12
Feb-15	08-272717	960.00	1.00000000	\$2.48	1.076000	2,557.38	319.67	350.39	(30.72)	473	4.25%	\$0.00	\$0.00	(\$30.72)
Mar-15	08-272717	2,077.00	1.00000000	\$2.42	1.023719	5,151.33	643.92	177.93	465.99	443	4.25%	\$46.60	\$20.84	\$533.43
Apr-15	08-272717	1,093.00	1.00000000	\$2.30	1.017495	2,559.52	319.94	364.47	(44.53)	412	4.25%	\$0.00	\$0.00	(\$44.53)
May-15	08-272717	1,222.00	1.00000000	\$2.57	1.020268	3,199.03	399.88	612.01	(212.13)	382	4.25%	\$0.00	\$0.00	(\$212.13)
Jun-15	08-272717	4,029.00	1.00000000	\$2.57	1.020268	10,547.39	1,318.42	1,182.33	136.09	351	4.25%	\$25.00	\$4.63	\$165.72
Jul-15	08-272717	1,022.00	1.00000000	\$2.69	1.019814	2,799.47	349.93	0.00	349.93	320	4.25%	\$34.99	\$10.63	\$395.55
Aug-15	08-272717	1,898.00	1.00000000	\$2.65	1.012508	5,095.01	636.88	0.00	636.88	290	4.25%	\$63.69	\$17.13	\$717.70
TOTALS		14,994.00				39,930.08	4,991.26	3,444.35	1,546.91			\$195.28	\$65.95	\$1,808.14

ATTN: CRISTEN STEELE

CERTIFIED MAIL: 7010 1870 0003 6768 6903

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

COLUMN (1) RRC VOLUME - REPRESENTS UNDER REPORTED SALES VOLUMES TO THE GLO FROM RRC WELL ID# 08-272717

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

COLUMN (4) BTU - TAKEN FROM PRODUCTION ROYALTY REPORTS SUBMITTED TO THE TEXAS GENERAL LAND OFFICE

COLUMN (7) ROYALTY IN EXCESS OF AMOUNT DUE TO GLO ON VOLUMES REPORTED.

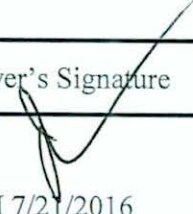
COLUMN (10)(11)(12) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENT:

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

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

Energy Financial Management
SMAR Activity / Invoicing Approval

Auditor/Account Examiner: Andrea Charlton
Company Name: BHP BILLITON PET(TXLA OP) CO
Customer Number: C000046383
Mineral File #: MF113596
Transaction Type: Volume Reconciliation
Other / Invoice #:

Previous Amount	Current Amount	Date	AE / Reviewer's Notes	Reviewer's Signature	AR Notes
	\$3,574.30	07/21/16	Under reported/paid sales volumes.	 MM 7/21/2016	

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

Billing Type(Dropdown) Revenue Status(Dropdown) Customer ID: C000046383
Volume Reconciliation Recognized Invoice Number:
GLO Lease: MF113596
GLO Review: BHP BILLITON PET (TXLA OP) CO
Review Period: JAN 2015 Through AUG 2015

Category Gas
Auditor/AE: ACHARLTO
Billing Date: 7/21/2016
P&I Calculation Date: 7/31/2016
Royalty Rate: 12.50%

Month / Year	RRC Number	(1) Gas/Oil Volume	(2) Tract Particip	(3) Price	BTU	(4) Gross Value	(5) Royalty Due	(6) Royalty Paid	(7) Additional Ro	(8) Number of Da	(9) Interest Rate For	(10) Penalty Rate For	(11) Interest Rate For	Revenue Due
Jan-15	08-272717	5,357.00	1.00000000	\$2.77	1.075900	\$15,955.55	\$1,984.44	\$1,505.96	\$488.48	504	4.25%	\$48.85	\$25.31	\$562.64
Feb-15	08-272717	1,910.00	1.00000000	\$2.48	1.076000	\$5,088.90	\$636.11	\$696.84	(\$60.73)	473	4.25%	\$0.00	\$0.00	(\$60.73)
Mar-15	08-272717	4,130.00	1.00000000	\$2.42	1.023719	\$10,243.13	\$1,280.39	\$363.87	\$926.52	443	4.25%	\$92.65	\$41.43	\$1,060.60
Apr-15	08-272717	2,175.00	1.00000000	\$2.30	1.017495	\$5,093.28	\$636.66	\$724.88	(\$88.22)	412	4.25%	\$0.00	\$0.00	(\$88.22)
May-15	08-272717	2,431.00	1.00000000	\$2.57	1.020268	\$6,364.03	\$795.50	\$1,217.17	(\$421.67)	382	4.25%	\$0.00	\$0.00	(\$421.67)
Jun-15	08-272717	8,013.00	1.00000000	\$2.57	1.020268	\$20,976.97	\$2,622.12	\$2,351.40	\$270.72	351	4.25%	\$27.07	\$9.20	\$306.99
Jul-15	08-272717	2,034.00	1.00000000	\$2.69	1.019814	\$5,571.54	\$696.44	\$0.00	\$696.44	320	4.25%	\$69.64	\$21.17	\$787.25
Aug-15	08-272717	3,775.00	1.00000000	\$2.65	1.012508	\$10,133.64	\$1,266.70	\$0.00	\$1,266.70	290	4.25%	\$126.67	\$34.07	\$1,427.44
TOTALS		29,825.00				\$79,427.04	\$9,928.36	\$6,850.12	\$3,078.24			\$364.88	\$131.18	\$3,574.30

ATTN: CRISTEN STEELE
CERTIFIED MAIL: 7010 1870 0003 6768 6903

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

COLUMN (1) RRC VOLUME - REPRESENTS UNDER REPORTED SALES VOLUMES TO THE GLO FROM RRC WELL ID# 08-272717
COLUMN (3) PRICE - TAKEN FROM PRODUCTION ROYALTY REPORTS SUBMITTED TO THE TEXAS GENERAL LAND OFFICE
COLUMN (4) BTU - TAKEN FROM PRODUCTION ROYALTY REPORTS SUBMITTED TO THE TEXAS GENERAL LAND OFFICE
COLUMN (7) ROYALTY IN EXCESS OF AMOUNT DUE TO GLO ON VOLUMES REPORTED.
COLUMN (10)(11)(12) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENT:
<http://www.glo.texas.gov/energy-business/oil-gas/irac/forms/penalty-interest-assessment-rules.pdf>

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

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

Auditor/Account Examiner: Andrea Charlton
Company Name: BHP BILLITON PET(TXLA OP) CO
Customer Number: C000046383
Mineral File #: MF113061
Transaction Type: Volume Reconciliation
Other / Invoice #:

Previous Amount	Current Amount	Date	AE / Reviewer's Notes	Reviewer's Signature	AR Notes
	\$1,808.14	07/21/16	Under reported/paid sales volumes.	MM 7/21/2016	

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

Customer ID: C000046383
 Invoice Number:
 GLO Lease: MF113061
 GLO Review: BHP BILLITON PET (TXLA OP) CO
 Review Period: JAN 2015 Through AUG 2015

Category: Gas
 Auditor/AE: ACHARLTO
 Billing Date: 7/21/2016
 P&I Calculation Date: 7/31/2016
 Royalty Rate: 12.50%

Month / Year	RRC Number	(1) Gas/Oil Volume	(2) Tract Particip.	(3) Price	(4) BTU	(5) Gross Value	(6) Royalty Due	(7) Royalty Paid	(8) Additional Ro	(9) Number of Da	(10) Interest Rate For	(11) Penalty Rate For	(12) Interest Rate For	(13) Revenue Due
Jan-15	08-272717	2,693.00	1.00000000	\$2.77	1,075,900	8,020.96	1,002.62	757.22	246.40	504	4.25%	\$25.00	\$12.72	\$283.12
Feb-15	08-272717	960.00	1.00000000	\$2.48	1,076,000	2,557.38	319.67	350.39	(30.72)	473	4.25%	\$0.00	\$0.00	(\$30.72)
Mar-15	08-272717	2,077.00	1.00000000	\$2.42	1,023,719	5,161.33	643.92	177.93	465.99	443	4.25%	\$46.60	\$20.84	\$533.43
Apr-15	08-272717	1,093.00	1.00000000	\$2.30	1,017,495	2,559.52	319.94	364.47	(44.53)	412	4.25%	\$0.00	\$0.00	(\$44.53)
May-15	08-272717	1,222.00	1.00000000	\$2.57	1,020,268	3,199.03	399.88	612.01	(212.13)	382	4.25%	\$0.00	\$0.00	(\$212.13)
Jun-15	08-272717	4,029.00	1.00000000	\$2.57	1,020,268	10,547.39	1,318.42	1,182.33	136.09	351	4.25%	\$25.00	\$4.63	\$165.72
Jul-15	08-272717	1,022.00	1.00000000	\$2.69	1,019,814	2,799.47	349.93	0.00	349.93	320	4.25%	\$34.99	\$10.63	\$395.55
Aug-15	08-272717	1,898.00	1.00000000	\$2.65	1,012,508	5,095.01	636.88	0.00	636.88	290	4.25%	\$63.69	\$17.13	\$717.70
TOTALS		14,994.00				39,930.08	4,991.26	3,444.35	1,546.91			\$195.28	\$65.95	\$1,808.14

ATTN: CRISTEN STEELE
 CERTIFIED MAIL: 7010 1870 0003 6768 6903

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

COLUMN (1) RRC VOLUME - REPRESENTS UNDER REPORTED SALES VOLUMES TO THE GLO FROM RRC WELL ID# 08-272717
 COLUMN (3) PRICE - TAKEN FROM PRODUCTION ROYALTY REPORTS SUBMITTED TO THE TEXAS GENERAL LAND OFFICE
 COLUMN (4) BTU - TAKEN FROM PRODUCTION ROYALTY REPORTS SUBMITTED TO THE TEXAS GENERAL LAND OFFICE
 COLUMN (7) ROYALTY IN EXCESS OF AMOUNT DUE TO GLO ON VOLUMES REPORTED.

COLUMN (10)(11)(12) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENT:
<http://www.glo.texas.gov/energy-business/oil-gas/rrac/forms/penalty-interest-assessment-rules.pdf>

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

File No. MF 113596

BHP Billiton Petroleum County

Date Filed: 10-4-16

George P. Bush, Commissioner

By [Signature]



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

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

Billing Date: 7/26/2016
Billing Due Date: 8/25/2016
Customer Number: C000046383

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
16I00535	MF113061	\$0.00	\$2,180.15	\$227.58	\$98.49	\$2,506.22
16I00537	MF113596	\$0.00	\$4,332.80	\$433.28	\$195.87	\$4,961.95
16I00539	MF113601	\$0.00	\$2,180.15	\$227.58	\$98.49	\$2,506.22
Total Due		\$0.00	\$8,693.10	\$888.44	\$392.85	\$9,974.39

Penalty and interest have been calculated thru 7/31/2016. Payment remitted after 7/31/2016 will result in additional penalty and interest charges.

Contact Info: Andrea Charlton (512) 463-5190 or 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.

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

Detach and return with payment

Reconciliation Billing

BHP Billiton Petroleum (TXLA Operating) Company

Billing Date: 7/26/2016

Billing Due Date: 8/25/2016

Customer Number: C000046383

Remit Payment To:

Texas General Land Office

PO Box 12873

Austin, TX 78711-2873

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
16I00535	MF113061	\$0.00	\$2,180.15	\$227.58	\$98.49	\$2,506.22
16I00537	MF113596	\$0.00	\$4,332.80	\$433.28	\$195.87	\$4,961.95
16I00539	MF113601	\$0.00	\$2,180.15	\$227.58	\$98.49	\$2,506.22
Total Due		\$0.00	\$8,693.10	\$888.44	\$392.85	\$9,974.39
Amt. Paid						

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

Auditor/Account Examiner: Andrea Charlton
Company Name: BHP BILLITON PET(TXLA OP) CO
Customer Number: C000046383
Mineral File #: MF113061
Transaction Type: Volume Reconciliation
Other / Invoice #:

Previous Amount	Current Amount	Date	AE / Reviewer's Notes	Reviewer's Signature	AR Notes
	\$2,506.22	07/21/16	Under reported/paid sales volumes.	MM 7/21/2016 	

All original invoices must be approved.

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

Customer ID: C000046383
 Invoice Number:
 GLO Lease: MF113061
 GLO Review: BHP BILLTON PET (TXLA OP) CO
 Review Period: JAN 2015 Through AUG 2015

Category: Oil
 Auditor/AE: ACHARLTO
 Billing Date: 7/22/2016
 P&I Calculation Date: 7/31/2016
 Royalty Rate: 12.50%

Month / Year	RRC Number	(1) Gas/Oil Volume	(2) Tract Particip	(3) Price	BTU	(4) Gross Value	(5) Royalty Due	(6) Royalty Paid	(7) Additional Ro	(8) Number of Da	(9) Interest Rate For	(10) Penalty Rate For	(11) Interest Rate For	Revenue Due
Jan-15	08-272717	130.00	1.00000000	\$ 39.240000	1.00	\$5,101.20	\$937.65	\$0.00	\$937.65	514	4.25%	\$63.77	\$33.78	\$735.20
Feb-15	08-272717	79.00	1.00000000	\$ 40.260000	1.00	\$3,180.54	\$397.57	\$0.00	\$397.57	483	4.25%	\$39.76	\$19.63	\$456.96
Mar-15	08-272717	55.00	1.00000000	\$ 38.410000	1.00	\$2,112.55	\$264.07	\$0.00	\$264.07	453	4.25%	\$26.41	\$12.11	\$302.59
Apr-15	08-272717	64.00	1.00000000	\$ 45.080000	1.00	\$2,885.12	\$360.64	\$0.00	\$360.64	422	4.25%	\$36.06	\$15.24	\$411.94
Jun-15	08-272717	57.00	1.00000000	\$ 51.340000	1.00	\$2,926.38	\$365.80	\$0.00	\$365.80	361	4.25%	\$36.58	\$12.86	\$416.24
Jul-15	08-272717	28.00	1.00000000	\$ 44.120000	1.00	\$1,235.36	\$154.42	\$0.00	\$154.42	330	4.25%	\$25.00	\$4.87	\$184.29
TOTALS		413.00				\$17,441.15	\$2,180.15	\$0.00	\$2,180.15			\$227.58	\$98.49	\$2,506.22

ATTENTION: CRISTEN STEELE
 CERTIFIED MAIL: 7010 1870 0003 6768 6903

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

COLUMN (1) RRC VOLUME - REPRESENTS UNDER REPORTED SALES VOLUMES TO THE GLO FROM RRC WELL ID# 08-272717
 COLUMN (3) PRICE - TAKEN FROM PRODUCTION ROYALTY REPORTS SUBMITTED TO THE TEXAS GENERAL LAND OFFICE
 COLUMN (10)(11)(12) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENT:
<http://www.glo.texas.gov/energy-business/oil-gas/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: Andrea Charlton
Company Name: BHP BILLITON PET(TXLA OP) CO
Customer Number: C000046383
Mineral File #: MF113601
Transaction Type: Volume Reconciliation
Other / Invoice #:

Previous Amount	Current Amount	Date	AE / Reviewer's Notes	Reviewer's Signature	AR Notes
	\$2,506.22	07/21/16	Under reported/paid sales volumes.	 MM 7/21/2016	

All original invoices must be approved.

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

Customer ID: C000046383
 Invoice Number:
 GLO Lease: MF113601
 GLO Review: BHP BILLTON PET (TXLA OP) CO
 Review Period: JAN 2015 Through AUG 2015

Category: Oil
 Auditor/AE: ACHARLTO
 Billing Date: 7/22/2016
 P&I Calculation Date: 7/31/2016
 Royalty Rate: 12.50%

Month / Year	RRC Number	(1) Gas/Oil Volume	(2) Tract Particip	(3) Price	BTU	(4) Gross Value	(5) Royalty Due	(6) Royalty Paid	(7) Additional Ro	(8) Number of Da	(9) Interest Rate For	(10) Penalty Rate For	(11) Interest Rate For	Revenue Due
Jan-15	08-272717	130.00	1.00000000	\$ 39.240000	1.00	\$5,101.20	\$637.65	\$0.00	\$637.65	514	4.25%	\$63.77	\$33.78	\$735.20
Feb-15	08-272717	79.00	1.00000000	\$ 40.260000	1.00	\$3,180.54	\$397.57	\$0.00	\$397.57	483	4.25%	\$39.76	\$19.63	\$456.96
Mar-15	08-272717	55.00	1.00000000	\$ 38.410000	1.00	\$2,112.55	\$264.07	\$0.00	\$264.07	453	4.25%	\$26.41	\$12.11	\$302.59
Apr-15	08-272717	64.00	1.00000000	\$ 45.080000	1.00	\$2,885.12	\$360.64	\$0.00	\$360.64	422	4.25%	\$36.06	\$15.24	\$411.94
Jun-15	08-272717	57.00	1.00000000	\$ 51.340000	1.00	\$2,926.38	\$365.80	\$0.00	\$365.80	381	4.25%	\$36.58	\$12.86	\$415.24
Jul-15	08-272717	28.00	1.00000000	\$ 44.120000	1.00	\$1,235.36	\$154.42	\$0.00	\$154.42	330	4.25%	\$25.00	\$4.87	\$184.29
TOTALS		413.00				\$17,441.15	\$2,180.15	\$0.00	\$2,180.15			\$227.58	\$98.49	\$2,506.22

ATTENTION: CRISTEN STEELE
 CERTIFIED MAIL: 7010 1870 0003 6768 6903

COMMENTS: SALES VOLUMES REPORTED TO THE GLO WAS COMPARED TO VOLUMES REPORTED TO THE RRC.
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COLUMN (1) RRC VOLUME - REPRESENTS UNDER REPORTED SALES VOLUMES TO THE GLO FROM RRC WELL ID# 08-272717
 COLUMN (3) PRICE - TAKEN FROM PRODUCTION ROYALTY REPORTS SUBMITTED TO THE TEXAS GENERAL LAND OFFICE
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Energy Financial Management
SMAR Activity / Invoicing Approval

Auditor/Account Examiner: Andrea Charlton
Company Name: BHP BILLITON PET(TXLA OP) CO
Customer Number: C000046383
Mineral File #: MF113596
Transaction Type: Volume Reconciliation
Other / Invoice #:

Previous Amount	Current Amount	Date	AE / Reviewer's Notes	Reviewer's Signature	AR Notes
	\$4,961.95	07/21/16	Under reported/paid sales volumes.	 MM 7/21/2016	

All original invoices must be approved.

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

Customer ID: C000046383
 Invoice Number:
 GLO Lease: MF113596
 GLO Review: BHP BILLTON PET (TXLA OP) CO
 Review Period: JAN 2015 Through AUG 2015

Category: Oil
 Auditor/AE: ACHARLTO
 Billing Date: 7/22/2016
 P&I Calculation Date: 7/31/2016
 Royalty Rate: 12.50%

Month / Year	RRC Number	Gas/Oil Volume (1)	Tract Particip (2)	Price (3)	BTU	Gross Value (4)	Royalty Due (5)	Royalty Paid (6)	Additional Ro (7)	Number of Da (8)	Interest Rate For (9)	Penalty Rate For (10)	Interest Rate For (11)	Revenue Due
Jan-15	08-272717	259.00	1.00000000	\$ 39.240000	1.00	\$10,163.16	\$1,270.40	\$0.00	\$1,270.40	514	4.25%	\$127.04	\$67.31	\$1,464.75
Feb-15	08-272717	157.00	1.00000000	\$ 40.260000	1.00	\$6,320.82	\$790.10	\$0.00	\$790.10	483	4.25%	\$79.01	\$39.01	\$908.12
Mar-15	08-272717	110.00	1.00000000	\$ 38.410000	1.00	\$4,225.10	\$528.14	\$0.00	\$528.14	453	4.25%	\$52.81	\$24.23	\$605.18
Apr-15	08-272717	127.00	1.00000000	\$ 45.080000	1.00	\$5,725.16	\$715.65	\$0.00	\$715.65	422	4.25%	\$71.57	\$30.25	\$817.47
Jun-15	08-272717	113.00	1.00000000	\$ 51.340000	1.00	\$5,801.42	\$725.18	\$0.00	\$725.18	361	4.25%	\$72.52	\$25.50	\$823.20
Jul-15	08-272717	55.00	1.00000000	\$ 44.120000	1.00	\$2,426.60	\$303.33	\$0.00	\$303.33	330	4.25%	\$30.33	\$9.57	\$343.23
TOTALS		821.00				\$34,662.25	\$4,332.80	\$0.00	\$4,332.80			\$433.28	\$195.87	\$4,961.95

ATTENTION: CRISTEN STEELE
 CERTIFIED MAIL: 7010 1870 0003 6768 6903

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

COLUMN (1) RRC VOLUME - REPRESENTS UNDER REPORTED SALES VOLUMES TO THE GLO FROM RRC WELL ID# 08-272717
 COLUMN (3) PRICE - TAKEN FROM PRODUCTION ROYALTY REPORTS SUBMITTED TO THE TEXAS GENERAL LAND OFFICE
 COLUMN (10)(11)(12) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENT:
<http://www.glo.texas.gov/energy-business/oil-gas/rac/forms/penalty-interest-assessment-rules.pdf>

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

File No. MF 113596

BHP Billiton Petroleum County

Date Filed: 10-4-16

By George P. Bush, Commissioner 

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Sent To

BHP Billiton Petroleum (TXLA) Operating Company

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

1360 Post Oak Blvd STE 150

City, State, ZIP+4®

Houston, TX 77056-3030

MF112948

MF112949

Postmark
Here

MF113001 MF115984

MF113601 MF116836

MF113596

MF113603

7016 2070 0000 7391 4825



Texas General Land Office

Reconciliation Billing

George P. Bush, Commissioner

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

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

Billing Date: 9/11/2017
Billing Due Date: 10/11/2017
Customer Number: C000046383

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
18I00008	MF113596	\$7,115.39	\$0.00	\$711.53	\$369.93	\$8,196.85
18I00011	MF113601	\$3,577.37	\$0.00	\$357.73	\$186.00	\$4,121.10
Total Due		\$10,692.76	\$0.00	\$1,069.26	\$555.93	\$12,317.95

Penalty and interest have been calculated thru 9/30/2017. Payment remitted after 9/30/2017 will result in additional penalty and interest charges.

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

NOTICE

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

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

Detach and return with payment

Reconciliation Billing

BHP Billiton Petroleum (TXLA Operating) Company

Billing Date: 9/11/2017

Billing Due Date: 10/11/2017

Customer Number: C000046383

Remit Payment To:

Texas General Land Office

PO Box 12873

Austin, TX 78711-2873

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
18I00008	MF113596	\$7,115.39	\$0.00	\$711.53	\$369.93	\$8,196.85
18I00011	MF113601	\$3,577.37	\$0.00	\$357.73	\$186.00	\$4,121.10
Total Due		\$10,692.76	\$0.00	\$1,069.26	\$555.93	\$12,317.95
Amt. Paid						

Customer ID: C000046383
 Invoice Number: 18100008
 GLO Lease: MF113596
 GLO Review: BHP Billiton Petroleum (TXLA OP) Co
 Review Period: September 2015 Through August 2016

Category: Gas
 Auditor/AE: Sgarcla
 Billing Date: 8/30/2017
 P&I Calculation Date: 9/30/2017
 Royalty Rate: 12.50%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	RRC Number	Gas/Oil Volume	Tract Particip	Price	BTU	Gross Value	Royalty Due	Royalty Paid	Additional Ro	Number of Da	Interest Rate For	Penalty Rate For	Interest Rate For	Revenue Due
Sep-15	08-272717	3,610	1.00000000	\$ 2.608895	1.018596	\$9,593.25	\$1,199.16	\$0.00	\$1,199.16	685	4.25%	\$119.92	\$87.41	\$1,406.49
Oct-15	08-272718	1,667	1.00000000	\$ 2.416740	1.044378	\$4,207.49	\$525.94	\$0.00	\$525.94	655	4.25%	\$52.59	\$36.50	\$615.03
Nov-15	08-272719	2,131	1.00000000	\$ 2.115588	1.080542	\$4,871.43	\$608.93	\$0.00	\$608.93	624	4.50%	\$60.89	\$42.42	\$712.24
Apr-16	08-272720	2,595	1.00000000	\$ 1.663685	1.020163	\$4,404.31	\$550.54	\$0.00	\$550.54	472	4.50%	\$55.05	\$28.03	\$633.62
May-16	08-272721	5,796	1.00000000	\$ 1.663685	1.020163	\$9,837.14	\$1,229.64	\$0.00	\$1,229.64	442	4.50%	\$122.96	\$58.06	\$1,410.66
Jun-16	08-272722	3,342	1.00000000	\$ 1.697382	1.021124	\$5,792.48	\$724.06	\$0.00	\$724.06	411	4.50%	\$72.41	\$31.42	\$827.89
Jul-16	08-272723	3,851	1.00000000	\$ 2.421207	1.018770	\$9,499.08	\$1,187.39	\$0.00	\$1,187.39	380	4.50%	\$118.74	\$46.99	\$1,353.12
Aug-16	08-272724	3,335	1.00000000	\$ 2.564361	1.019376	\$8,717.85	\$1,089.73	\$0.00	\$1,089.73	350	4.50%	\$108.97	\$39.10	\$1,237.80
TOTALS		26,327				\$56,923.04	\$7,115.39	\$0.00	\$7,115.39			\$711.53	\$369.93	\$8,196.85

ATTN: Holly Dutton
 CERTIFIED MAIL: 7016 2070 0000 7391 4825

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

COLUMN (3) VOLUME - REPRESENTS UNDER REPORTED SALES VOLUMES TO THE GLO FROM RRC WELL IDS 08-272717.
 COLUMNS (5), (6) PRICE & BTU - TAKEN FROM PRODUCTION ROYALTY REPORTS SUBMITTED TO THE TEXAS GENERAL LAND OFFICE.
 COLUMNS (12), (13), (14) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENT:
<http://www.glo.texas.gov/energy-business/oil-gas/rrac/forms/penalty-interest-assessment-rules.pdf>

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

Customer ID: C000046383
 Invoice Number: 18100011
 GLO Lease: MF113601
 GLO Review: BHP Billiton Petroleum (TXLA OP) CO
 Review Period: September 2015 Through August 2016

Category: Gas
 Auditor/AE: Sgarcia
 Billing Date: 8/30/2017
 P&I Calculation Date: 9/30/2017
 Royalty Rate: 12.50%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	RRC Number	Gas/Oil Volume	Tract Participa	Price	BTU	Gross Value	Royalty Due	Royalty Paid	Additional Ro	Number of Da	Interest Rate For	Penalty Rate Fron	Interest Rate Fron	Revenue Due
Sep-15	08-272717	1,815	1.00000000	\$ 2.608895	1.018596	\$4,823.20	\$602.90	\$0.00	\$602.90	685	4.25%	\$60.29	\$43.95	\$707.14
Oct-15	08-272717	838	1.00000000	\$ 2.416740	1.044378	\$2,115.10	\$264.39	\$0.00	\$264.39	655	4.25%	\$26.44	\$18.35	\$309.18
Nov-15	08-272717	1,071	1.00000000	\$ 2.115588	1.080542	\$2,448.29	\$306.04	\$0.00	\$306.04	624	4.50%	\$30.60	\$21.32	\$357.96
Apr-16	08-272717	1,304	1.00000000	\$ 1.663685	1.021630	\$2,216.37	\$277.05	\$0.00	\$277.05	472	4.50%	\$27.71	\$14.11	\$318.87
May-16	08-272717	2,914	1.00000000	\$ 1.663685	1.020163	\$4,945.73	\$618.22	\$0.00	\$618.22	442	4.50%	\$61.82	\$29.19	\$709.23
Jun-16	08-272717	1,681	1.00000000	\$ 1.697382	1.021124	\$2,913.57	\$364.20	\$0.00	\$364.20	411	4.50%	\$36.42	\$15.81	\$416.43
Jul-16	08-272717	1,936	1.00000000	\$ 2.421207	1.018770	\$4,775.44	\$596.93	\$0.00	\$596.93	380	4.50%	\$59.69	\$23.62	\$680.24
Aug-16	08-272717	1,676	1.00000000	\$ 2.564361	1.019376	\$4,381.14	\$547.64	\$0.00	\$547.64	350	4.50%	\$54.76	\$19.65	\$622.05
TOTALS		13,235				\$28,618.84	\$3,577.37	\$0.00	\$3,577.37			\$357.73	\$186.00	\$4,121.10

ATTN: Holly Dutton
 CERTIFIED MAIL: 7016 2070 0000 7391 4825

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

COLUMN (3) VOLUME - REPRESENTS UNDER REPORTED SALES VOLUMES TO THE GLO FROM RRC WELL IDS 08-272717.
 COLUMNS (5), (6) PRICE & BTU - TAKEN FROM PRODUCTION ROYALTY REPORTS SUBMITTED TO THE TEXAS GENERAL LAND OFFICE.
 COLUMNS (12), (13), (14) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENT:
<http://www.glo.texas.gov/energy-business/oil-gas/rrac/forms/penalty-interest-assessment-rules.pdf>

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

File No. MF 113596

County

Recon Billing

Date Filed: 9/14/17

George P. Bush, Commissioner
By AT

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MF113601 MF116836

MF113596

mf 113603



Texas General Land Office

Reconciliation Billing

George P. Bush, Commissioner

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

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

Billing Date: 9/11/2017
Billing Due Date: 10/11/2017
Customer Number: C000046383

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
18I00006	MF113061	\$8,384.16	\$0.00	\$865.45	\$436.30	\$9,685.91
18I00007	MF113061	\$0.00	\$1,079.61	\$200.00	\$70.08	\$1,349.69
18I00009	MF113596	\$0.00	\$1,048.01	\$140.95	\$66.83	\$1,255.79
18I00010	MF113601	\$0.00	\$508.71	\$100.00	\$32.23	\$640.94
18I00012	MF113603	\$14,420.98	\$0.00	\$1,450.51	\$750.93	\$16,622.42
Total Due		\$22,805.14	\$2,636.33	\$2,756.91	\$1,356.37	\$29,554.75

Penalty and interest have been calculated thru 9/30/2017. Payment remitted after 9/30/2017 will result in additional penalty and interest charges.

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

NOTICE

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

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

Detach and return with payment

Reconciliation Billing

BHP Billiton Petroleum (TXLA Operating) Company

Billing Date: 9/11/2017

Billing Due Date: 10/11/2017

Customer Number: C000046383

Remit Payment To:

Texas General Land Office

PO Box 12873

Austin, TX 78711-2873

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
18I00006	MF113061	\$8,384.16	\$0.00	\$865.45	\$436.30	\$9,685.91
18I00007	MF113061	\$0.00	\$1,079.61	\$200.00	\$70.08	\$1,349.69
18I00009	MF113596	\$0.00	\$1,048.01	\$140.95	\$66.83	\$1,255.79
18I00010	MF113601	\$0.00	\$508.71	\$100.00	\$32.23	\$640.94



Texas General Land Office

George P. Bush, Commissioner

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

18I00012	MF113603	\$14,420.98	\$0.00	\$1,450.51	\$750.93	\$16,622.42
Total Due		\$22,805.14	\$2,636.33	\$2,756.91	\$1,356.37	\$29,554.75
Amt. Paid						

Customer ID: C000046383
 Invoice Number: 18100006
 GLO Lease: MF113061
 GLO Review: BHP Billiton Petroleum (TXLA OP) Co
 Review Period: September 2015 Through August 2016

Category: Gas
 Auditor/AE: Sgarcia
 Billing Date: 8/25/2017
 P&I Calculation Date: 9/30/2017
 Royalty Rate: 12.50%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	RRC Number	Gas/Oil Volume	Tract Particls	Price	BTU	Gross Value	Royalty Due	Royalty Paid	Additional Ro	Number of Da	Interest Rate For	Penalty Rate Fron	Interest Rate Fron	Revenue Due
Sep-15	08-272717	1,815	1.00000000	\$ 2.608895	1.018596	\$4,823.20	\$602.90	\$0.00	\$602.90	685	4.25%	\$60.29	\$43.95	\$707.14
Oct-15	08-272717	838	1.00000000	\$ 2.416740	1.044378	\$2,115.10	\$264.39	\$0.00	\$264.39	655	4.25%	\$26.44	\$18.35	\$309.18
Nov-15	08-272717	1,071	1.00000000	\$ 2.115588	1.080542	\$2,448.29	\$306.04	\$0.00	\$306.04	624	4.50%	\$30.60	\$21.32	\$357.96
Apr-16	08-272717	1,304	1.00000000	\$ 1.663685	1.020163	\$2,213.19	\$276.65	\$0.00	\$276.65	472	4.50%	\$27.67	\$14.09	\$318.41
May-16	08-272717	2,914	1.00000000	\$ 1.663685	1.020163	\$4,945.73	\$618.22	\$0.00	\$618.22	442	4.50%	\$61.82	\$29.19	\$709.23
Jun-16	08-272717	1,681	1.00000000	\$ 1.697382	1.021124	\$2,913.57	\$364.20	\$0.00	\$364.20	411	4.50%	\$36.42	\$15.81	\$416.43
Jul-16	08-272717	1,936	1.00000000	\$ 2.421207	1.018770	\$4,775.44	\$596.93	\$0.00	\$596.93	380	4.50%	\$59.69	\$23.62	\$680.24
Aug-16	08-272717	1,676	1.00000000	\$ 2.564361	1.019376	\$4,381.14	\$547.64	\$0.00	\$547.64	350	4.50%	\$54.76	\$19.65	\$622.05
Sep-15	08-278957	423	1.00000000	\$ 3.174554	1.038959	\$1,395.15	\$174.39	\$0.00	\$174.39	685	4.25%	\$25.00	\$12.71	\$212.10
Oct-15	08-278957	1,395	1.00000000	\$ 3.734147	1.023851	\$5,333.38	\$666.67	\$0.00	\$666.67	655	4.25%	\$66.67	\$46.27	\$779.61
Nov-15	08-278957	1,751	1.00000000	\$ 3.647267	1.032815	\$6,595.93	\$824.49	\$0.00	\$824.49	624	4.50%	\$82.45	\$57.43	\$964.37
Dec-15	08-278957	190	1.00000000	\$ 2.172574	1.070408	\$441.85	\$55.23	\$0.00	\$55.23	593	4.50%	\$25.00	\$3.64	\$83.87
Apr-16	08-278957	2,059	1.00000000	\$ 1.663866	1.020163	\$3,494.98	\$436.87	\$0.00	\$436.87	472	4.50%	\$43.69	\$22.24	\$502.80
May-16	08-278957	2,327	1.00000000	\$ 1.663866	1.020163	\$3,949.88	\$493.74	\$0.00	\$493.74	442	4.50%	\$49.37	\$23.31	\$566.42
Jun-16	08-278957	2,770	1.00000000	\$ 1.697413	1.021124	\$4,801.16	\$600.14	\$0.00	\$600.14	411	4.50%	\$60.01	\$26.04	\$686.19
Jul-16	08-278957	2,522	1.00000000	\$ 2.421306	1.018700	\$6,220.73	\$777.59	\$0.00	\$777.59	380	4.50%	\$77.76	\$30.77	\$886.12
Aug-16	08-278957	2,381	1.00000000	\$ 2.564583	1.019376	\$6,224.59	\$778.07	\$0.00	\$778.07	350	4.50%	\$77.81	\$27.91	\$883.79
TOTALS		29,053				\$67,073.31	\$8,384.16	\$0.00	\$8,384.16			\$865.45	\$436.30	\$9,685.91

ATTN: Holly Dutton
 CERTIFIED MAIL: 7016 2070 0000 7391 4825

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

COLUMN (3) VOLUME - REPRESENTS UNDER REPORTED SALES VOLUMES TO THE GLO FROM RRC WELL IDS 08-272717 (UNIT 7222), 08-278957 (UNIT 7505).
 COLUMNS (5), (6) PRICE & BTU - TAKEN FROM PRODUCTION ROYALTY REPORTS SUBMITTED TO THE TEXAS GENERAL LAND OFFICE.
 COLUMNS (12), (13), (14) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENT:
<http://www.glo.texas.gov/energy-business/oil-gas/rac/forms/penalty-interest-assessment-rules.pdf>

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

Customer ID: C000046383
 Invoice Number: 18I00007
 GLO Lease: MF113061
 GLO Review: BHP Billiton Petroleum (TXLA OP) Co
 Review Period: September 2015 Through August 2016

Category: Oil
 Auditor/AE: Sgarcia
 Billing Date: 8/25/2017
 P&I Calculation Date: 9/30/2017
 Royalty Rate: 12.50%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	RRC Number	Gas/Oil Volume	Tract Particip	Price	BTU	Gross Value	Royalty Due	Royalty Paid	Additional Ro	Number of Da	Interest Rate For	Penalty Rate Fron	Interest Rate Fron	Revenue Due
Oct-15	08-272717	22	1.00000000	\$ 41.14786	1.00	\$905.25	\$113.16	\$0.00	\$113.16	665	4.25%	\$25.00	\$7.98	\$146.14
Nov-15	08-272717	12	1.00000000	\$ 41.43072	1.00	\$497.17	\$62.15	\$0.00	\$62.15	634	4.50%	\$25.00	\$4.41	\$91.56
Jan-16	08-272717	42	1.00000000	\$ 29.87891	1.00	\$1,254.91	\$156.86	\$0.00	\$156.86	574	4.50%	\$25.00	\$9.96	\$191.82
Mar-16	08-272717	49	1.00000000	\$ 28.82331	1.00	\$1,412.34	\$176.54	\$0.00	\$176.54	513	4.50%	\$25.00	\$9.88	\$211.42
Oct-15	08-278957	46	1.00000000	\$ 41.21977	1.00	\$1,896.11	\$237.01	\$0.00	\$237.01	665	4.25%	\$25.00	\$16.72	\$278.73
Nov-15	08-278957	15	1.00000000	\$ 40.34996	1.00	\$605.25	\$75.66	\$0.00	\$75.66	634	4.50%	\$25.00	\$5.36	\$106.02
Jan-16	08-278957	48	1.00000000	\$ 29.22666	1.00	\$1,402.88	\$175.36	\$0.00	\$175.36	574	4.50%	\$25.00	\$11.13	\$211.49
Mar-16	08-278957	23	1.00000000	\$ 28.82325	1.00	\$662.93	\$82.87	\$0.00	\$82.87	513	4.50%	\$25.00	\$4.64	\$112.51
TOTALS		257				\$8,636.85	\$1,079.61	\$0.00	\$1,079.61			\$200.00	\$70.08	\$1,349.69

ATTN: Holly Dutton
 CERTIFIED MAIL: 7016 2070 0000 7391 4825

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

COLUMN (3) VOLUME - REPRESENTS UNDER REPORTED SALES VOLUMES TO THE GLO FROM RRC WELL ID 08-272717 (UNIT 7222) and 08-278957 (UNIT 7505).
 COLUMN (5) PRICE - TAKEN FROM PRODUCTION ROYALTY REPORTS SUBMITTED TO THE TEXAS GENERAL LAND OFFICE.
 COLUMNS (12), (13), (14) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENT:
<http://www.glo.texas.gov/energy-business/oil-gas/rrac/forms/penalty-interest-assessment-rules.pdf>

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

Customer ID: C000046383
 Invoice Number: 18100009
 GLO Lease: MF113596
 GLO Review: BHP Billiton Petroleum (TXLA OP) Co
 Review Period: September 2015 Through August 2016

Category: Oil
 Auditor/AE: Sgarcia
 Billing Date: 8/25/2017
 P&I Calculation Date: 9/30/2017
 Royalty Rate: 12.50%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	RRC Number	Gas/Oil Volume	Tract Particps	Price	BTU	Gross Value	Royalty Due	Royalty Paid	Additional Ro	Number of Da	Interest Rate For	Penalty Rate Fron	Interest Rate Fron	Revenue Due
Sep-15	08-272717	8	1.00000000	\$ 37.936640	1.00	\$303.49	\$37.94	\$0.00	\$37.94	695	4.25%	\$25.00	\$2.81	\$65.75
Oct-15	08-272717	44	1.00000000	\$ 41.147960	1.00	\$1,810.51	\$226.31	\$0.00	\$226.31	665	4.25%	\$25.00	\$15.97	\$267.28
Nov-15	08-272717	24	1.00000000	\$ 41.430760	1.00	\$994.34	\$124.29	\$0.00	\$124.29	634	4.50%	\$25.00	\$8.81	\$158.10
Jan-16	08-272717	83	1.00000000	\$ 29.878880	1.00	\$2,479.95	\$309.99	\$0.00	\$309.99	574	4.50%	\$31.00	\$19.68	\$360.67
Mar-16	08-272717	97	1.00000000	\$ 28.823280	1.00	\$2,795.86	\$349.48	\$0.00	\$349.48	513	4.50%	\$34.95	\$19.56	\$403.99
TOTALS		256				\$8,384.15	\$1,048.01	\$0.00	\$1,048.01			\$140.95	\$66.83	\$1,255.79

ATTN: Holly Dutton
 CERTIFIED MAIL: 7016 2070 0000 7391 4825

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

COLUMN (3) VOLUME - REPRESENTS UNDER REPORTED SALES VOLUMES TO THE GLO FROM RRC WELL ID 08-272717.
 COLUMN (5) PRICE - TAKEN FROM PRODUCTION ROYALTY REPORTS SUBMITTED TO THE TEXAS GENERAL LAND OFFICE.
 COLUMNS (12), (13), (14) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENT:
<http://www.glo.texas.gov/energy-business/oil-gas/rrac/forms/penalty-interest-assessment-rules.pdf>

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

Customer ID: C000046383
 Invoice Number: 18100010
 GLO Lease: MF113601
 GLO Review: BHP Billiton Petroleum (TXLA OP) Co
 Review Period: September 2015 Through August 2016

Category: Oil
 Auditor/AE: Sgarcia
 Billing Date: 8/25/2017
 P&I Calculation Date: 9/30/2017
 Royalty Rate: 12.50%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	RRC Number	Gas/Oil Volume	Tract Participa	Price	BTU	Gross Value	Royalty Due	Royalty Paid	Additional Ro	Number of Da	Interest Rate For	Penalty Rate Fron	Interest Rate Fron	Revenue Due
Oct-15	08-272717	22	1.00000000	\$ 41.14786	1.00	\$905.25	\$113.16	\$0.00	\$113.16	665	4.25%	\$25.00	\$7.98	\$146.14
Nov-15	08-272717	12	1.00000000	\$ 41.43072	1.00	\$497.17	\$62.15	\$0.00	\$62.15	634	4.50%	\$25.00	\$4.41	\$91.56
Jan-16	08-272717	42	1.00000000	\$ 29.87893	1.00	\$1,254.92	\$156.86	\$0.00	\$156.86	574	4.50%	\$25.00	\$9.96	\$191.82
Mar-16	08-272717	49	1.00000000	\$ 28.82331	1.00	\$1,412.34	\$176.54	\$0.00	\$176.54	513	4.50%	\$25.00	\$9.88	\$211.42
TOTALS		125				\$4,069.68	\$508.71	\$0.00	\$508.71			\$100.00	\$32.23	\$640.94

ATTN: Holly Dutton
 CERTIFIED MAIL: 7016 2070 0000 7391 4825

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

COLUMN (3) VOLUME - REPRESENTS UNDER REPORTED SALES VOLUMES TO THE GLO FROM RRC WELL ID 08-272717.
 COLUMN (5) PRICE - TAKEN FROM PRODUCTION ROYALTY REPORTS SUBMITTED TO THE TEXAS GENERAL LAND OFFICE.
 COLUMNS (12), (13), (14) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENT:
<http://www.glo.texas.gov/energy-business/oil-gas/rrac/forms/penalty-interest-assessment-rules.pdf>

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Customer ID: C000046383
 Invoice Number: 18100012
 GLO Lease: MF113603
 GLO Review: BHP Billiton Petroleum (TXLA OP) Co
 Review Period: September 2015 Through August 2016

Category: Gas
 Auditor/AE: Sgarcla
 Billing Date: 8/25/2017
 P&I Calculation Date: 9/30/2017
 Royalty Rate: 12.50%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	RRC Number	Gas/Oil Volume	Tract Participa	Price	BTU	Gross Value	Royalty Due	Royalty Paid	Additional Ro	Number of Da	Interest Rate For	Penalty Rate Fron	Interest Rate Fron	Revenue Due
Sep-15	08-278957	1,268	1.00000000	\$ 3.174572	1.038959	\$4,182.18	\$522.77	\$0.00	\$522.77	685	4.25%	\$52.28	\$38.10	\$613.15
Oct-15	08-278957	4,183	1.00000000	\$ 3.734135	1.023851	\$15,992.44	\$1,999.05	\$0.00	\$1,999.05	655	4.25%	\$199.91	\$138.73	\$2,337.69
Nov-15	08-278957	5,252	1.00000000	\$ 3.647261	1.032815	\$19,784.00	\$2,473.00	\$0.00	\$2,473.00	624	4.50%	\$247.30	\$172.26	\$2,892.56
Dec-15	08-278958	571	1.00000000	\$ 2.172896	1.070408	\$1,328.08	\$166.01	\$0.00	\$166.01	593	4.50%	\$25.00	\$10.93	\$201.94
Apr-16	08-278959	6,179	1.00000000	\$ 1.863817	1.020163	\$10,488.02	\$1,311.00	\$0.00	\$1,311.00	472	4.50%	\$131.10	\$66.75	\$1,508.85
May-16	08-278960	6,982	1.00000000	\$ 1.863817	1.020163	\$11,851.00	\$1,481.37	\$0.00	\$1,481.37	442	4.50%	\$148.14	\$69.95	\$1,699.46
Jun-16	08-278961	8,309	1.00000000	\$ 1.697294	1.021124	\$14,400.72	\$1,800.09	\$0.00	\$1,800.09	411	4.50%	\$180.01	\$78.12	\$2,058.22
Jul-16	08-278962	7,568	1.00000000	\$ 2.421276	1.018777	\$18,668.29	\$2,333.54	\$0.00	\$2,333.54	380	4.50%	\$233.35	\$92.35	\$2,659.24
Aug-16	08-278963	7,143	1.00000000	\$ 2.564505	1.019376	\$18,673.19	\$2,334.15	\$0.00	\$2,334.15	350	4.50%	\$233.42	\$83.74	\$2,651.31
TOTALS		47,455				\$115,367.92	\$14,420.98	\$0.00	\$14,420.98			\$1,450.51	\$750.93	\$16,622.42

ATTN: Holly Dutton
 CERTIFIED MAIL: 7016 2070 0000 7391 4825

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

COLUMN (3) VOLUME - REPRESENTS UNDER REPORTED SALES VOLUMES TO THE GLO FROM RRC WELL ID 08-278957
 COLUMNS (5), (6) PRICE & BTU - TAKEN FROM PRODUCTION ROYALTY REPORTS SUBMITTED TO THE TEXAS GENERAL LAND OFFICE.
 COLUMNS (12), (13), (14) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENT:
<http://www.glo.texas.gov/energy-business/oil-gas/rrac/forms/penalty-interest-assessment-rules.pdf>

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File No. MF 113596

16

County
Recon Billing

Date Filed: 9/14/17

George P. Bush, Commissioner

By AT

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

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

OFFICIAL USE

Certified Mail Fee

\$

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

☐ Return Receipt (hardcopy) \$

☐ Return Receipt (electronic) \$

☐ Certified Mail Restricted Delivery \$

☐ Adult Signature Required \$

☐ Adult Signature Restricted Delivery \$

Postage

\$

Total Postage and Fees

\$

Sent To

BHP Billiton Petroleum (TXLA Operating) Co.

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

1360 Post Oak Blvd Ste 150

City, State, ZIP+4®

Houston, TX 77056-3030

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

MF 111133

MF 111134

MF 113640

Postmark Here

MF 113596

MF 113602

MF 116740

ATTN: Holly Dutton

7016 0600 0000 6595 6629



Texas General Land Office

Reconciliation Billing

George P. Bush, Commissioner

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

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

Billing Date: 8/6/2018
Billing Due Date: 9/5/2018
Customer Number: C000046383

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
18I00624	MF111133	\$569.28	\$0.00	\$68.60	\$24.75	\$662.63
18I00625	MF111133	\$0.00	\$307.29	\$30.73	\$12.04	\$350.06
18I00626	MF111134	\$977.18	\$0.00	\$99.72	\$42.51	\$1,119.41
18I00627	MF111134	\$0.00	\$597.82	\$59.78	\$23.42	\$681.02
18I00628	MF113596	\$1,087.24	\$0.00	\$108.72	\$67.21	\$1,263.17
18I00629	MF113602	\$4,600.16	\$0.00	\$460.02	\$199.53	\$5,259.71
18I00630	MF113602	\$0.00	\$2,695.17	\$269.52	\$105.57	\$3,070.26
18I00631	MF113640	\$10,188.11	\$0.00	\$1,018.81	\$582.60	\$11,789.52
18I00632	MF116740	\$5,238.97	\$0.00	\$635.85	\$351.94	\$6,226.76
Total Due		\$22,660.94	\$3,600.28	\$2,751.75	\$1,409.57	\$30,422.54

Penalty and interest have been calculated thru 8/31/2018. Payment remitted after 8/31/2018 will result in additional penalty and interest charges.

Contact Info: Jasmina Alapag (512) 475-1447 or jasmina.alapag@glo.texas.gov

NOTICE

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

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

Detach and return with payment

Reconciliation Billing

BHP Billiton Petroleum (TXLA Operating) Company

Billing Date: 8/6/2018

Billing Due Date: 9/5/2018

Customer Number: C000046383

Remit Payment To:

Texas General Land Office

PO Box 12873

Austin, TX 78711-2873

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
18I00624	MF111133	\$569.28	\$0.00	\$68.60	\$24.75	\$662.63
18I00625	MF111133	\$0.00	\$307.29	\$30.73	\$12.04	\$350.06



Texas General Land Office

George P. Bush, Commissioner

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

18I00626	MF111134	\$977.18	\$0.00	\$99.72	\$42.51	\$1,119.41
18I00627	MF111134	\$0.00	\$597.82	\$59.78	\$23.42	\$681.02
18I00628	MF113596	\$1,087.24	\$0.00	\$108.72	\$67.21	\$1,263.17
18I00629	MF113602	\$4,600.16	\$0.00	\$460.02	\$199.53	\$5,259.71
18I00630	MF113602	\$0.00	\$2,695.17	\$269.52	\$105.57	\$3,070.26
18I00631	MF113640	\$10,188.11	\$0.00	\$1,018.81	\$582.60	\$11,789.52
18I00632	MF116740	\$5,238.97	\$0.00	\$635.85	\$351.94	\$6,226.76
Total Due		\$22,660.94	\$3,600.28	\$2,751.75	\$1,409.57	\$30,422.54
Amt. Paid						

Customer ID: C000046383
 Invoice Number:
 GLO Lease: MF113596
 GLO Review: BHP Billiton Pet (TxLA OP) Co
 Review Period: 201609-201708

Category: Gas
 Auditor/AE: Jalapaq
 Billing Date: 8/1/2018
 P&I Calculation Date: 8/31/2018
 Royalty Rate: 12.50%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	RRC Number	Gas/Oil Volume	Tract Particip	Price	BTU	Gross Value	Royalty Due	Royalty Paid	Additional Ro	Number of Da	Interest Rate For	Penalty Rate For	Interest Rate For	Revenue Due
Jan-17	08-272717	2,740	1.00000000	3.124325	1.016035	\$8,697.92	\$1,087.24	\$0.00	\$1,087.24	534	4.75%	\$108.72	\$67.21	\$1,263.17
TOTALS		2,740				\$8,697.92	\$1,087.24	\$0.00	\$1,087.24			\$108.72	\$67.21	\$1,263.17

ATTN: Holly Dutton
 CERTIFIED MAIL: 7016 0600 0000 6595 6629

COMMENTS: SALES VOLUMES UNDER REPORTED TO THE GLO WERE COMPARED TO VOLUMES REPORTED TO THE RRC.
 IT HAS BEEN DETERMINED THAT ROYALTY HAS NOT BEEN PAID ON TRANSMISSION LINE FOR RRC WELL # 08-272717

COLUMN (3) RRC VOLUME - REPRESENTS UNDER REPORTED SALES VOLUMES TO THE GLO FROM RRC WELL ID# 08-272717

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.

File No. MF 113596 17

Recon Billing County

Date Filed: 8/10/18

George P. Bush, Commissioner

By 

MF 113061
✓ MF 113596

NUML 8028

BHP

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

BHP
Land Administration
P.O. Box 22719
Houston, TX 77227-9927
T (877) 311-1443
F (888) 484-3189
PetroleumOwnerRelations
Request@bhpbilliton.com

Division Order Instruction Sheet

We are pleased to deliver this Division Order which sets forth your share of production proceeds from the well indicated thereon and the name and address to which payments will be made. Please return one fully executed copy and retain the other copy for your records. Your Division Order contains information that will aid in your communication with BHP. When contacting us about any questions regarding your interest or Division Order, please have the Division Order in hand as it contains identifying information that will assist us in answering your questions.

WE ARE NOT ABLE TO ACCEPT ANY ALTERATIONS TO THIS DIVISION ORDER FORM.

SIGNATURES:

- Sign exactly as shown on the Division Order. If your signature is different, please enclose legal documentation authorizing the name change with your returned Division Order.
- Signatures by Agents, Attorneys-in-Fact, Guardians, or Trustees must be verified by attaching a copy of the recorded legal evidence of the rights vested in the signing party.
- In the event of multiple trustees/executors, all signatures are required unless documentation is provided evidencing authority to sign on behalf of all parties.
- An authorized official, with the name and title of the signing party printed beneath the signature, must execute for companies, corporations, or partnerships.
- All signatures must be witnessed. Notary is not required.

TAXPAYER IDENTIFICATION NUMBER OR SOCIAL SECURITY NUMBER:

Include your Tax ID or Social Security Number in the space provided on your Division Order. Failure to furnish this number will result in 24% tax withholding in accordance with Section 3406 of the Internal Revenue Service Code, and any tax withheld will not be refundable by BHP.

ADDRESS & TITLE CHANGES:

- Please note any change of address directly on your Division Order
- Subsequent address changes must be submitted in writing either by mail, fax or email (a change of address form can be found at <http://www.bhpbilliton.com/investor-centre/owner-relations>).
- If a change in title occurs, please furnish us with a copy of the recorded deed or document transferring the title.

PAYMENTS: Royalty check payments are mailed on or before the 30th of each month. Our policy is to remit checks monthly when your account reaches \$100, or once a year, whichever occurs first. We can reduce the minimum hold on your account from \$100 to \$25 upon written request.

PRIVACY: BHP respects the privacy of our owners. Please remember we are unable to release information to third parties on any ownership account without prior written authorization from the owner unless legally required. In order for us to discuss your lease, agreement, and/or royalty information with your appointed representative, we must be furnished with your written authorization.

CONTACT US: The following information will assist us in serving you: (1) name & owner number (2) county and state where well is located (3) well name and property number (4) telephone number with area code (5) nature of your inquiry

Owner Relations Call Center

Phone Number: 1-877-311-1443

Fax: 1-888-484-3189

E-mail: petroleumownerrelationsrequest@bhpbilliton.com

BHP

Land Administration

P O Box 22719

Houston, TX 77227-9927

EXHIBIT A

BHP

Date: 10/17/2018

CREDIT TO

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

BHP
Land Administration
P.O. Box 22719
Houston, TX 77227-9927
T (877) 311-1443
F (888) 484-3189
PetroleumOwnerRelations
Request@bhpbilliton.com

Special Clauses/Comments:

Issue Date: 10/17/2018
Property Name: HS STATE 113-16 W108H
Property #: P1N008/00501 109-33250
Production: ALL PRODUCTS
Operator: BHP BILLITON PETROLEUM (TXLA OPERATING)
Legal Description: PSL ABST/ID# 5115 Grantee J.M. COOKSEY Blk 113 Sec 16 CULBERSON
COUNTY/PARISH, TEXAS (1.000 ACRES)

Decimal	Type	Status	Reason	Start Date
0.03125000	RI	PAY		9/1/2018
0.09375000	RI	PAY		9/1/2018



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

January 25, 2019

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

Re: State Lease Nos. MF113061 and MF113596 HS State 113-16 W108H NUML 8028

Dear Mr. Brown:

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

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

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

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

Thank you,

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

File No. ME113596

Culbertson

Division Order

Date Filed: 1-28-19

George R. Bush, Commissioner

By *VR*



311 N. Horaney St.
Longview, Texas 75601
903-248-2598

Date: Monday, June 14, 2021

Subject: Pinnacle Midstream LLC. Check – Mineral Classified Tract

To whom it may concern,

These checks are for the mineral classified tract (Section 16, Block 113. Survey, Abstract 5115). This payment is half of the consideration paid for the interest owned by Yellowtop Ranch and Cocanougher Asset #2. Please let me know if you have any questions.

Thanks,

Scott Taylor
Project Coordinator
903-557-0082
staylor@3fsllc.com



Pinnacle TransPecos Midstream, LLC

Company Number: 21

CHECK NUMBER: 21300396

PAY DATE		SUPPLIER NO.	SUPPLIER NAME		CHECK TOTAL
Jun 03, 2021		6214	Texas General Land Office		\$7,939.97
Invoice Date	Invoice No.	Invoice / Credit Memo Invoice Description	Gross	Discount	Net
06/02/2021	060221-ROW-2 BPX HS STATE C		\$7,939.97	\$0.00	\$7,939.97

CHECK NUMBER: 21300396

[illegible]

THE FACE OF THIS CHECK IS PRINTED BLUE-THE BACK CONTAINS A SIMULATED WATERMARK

32-11110

21710062

Check Number: 0021300396

Check Date : Jun 03, 2021

Seven Thousand Nine Hundred Thirty Nine Dollars and 97 Cents Only*****

PAY (USD)	\$7,939.97
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Pay To The Order Of
Texas General Land Office
PO Box 12873
Austin, TX 78711-2873

Authorized Signature

0021300396



Pinnacle TransPecos Midstream, LLC

Company Number: 21

CHECK NUMBER: 21300398

PAY DATE		SUPPLIER NO.	SUPPLIER NAME		CHECK TOTAL
Jun 03, 2021		6214	Texas General Land Office		\$105,866.25
Invoice Date	Invoice No.	Invoice / Credit Memo Invoice Description	Gross	Discount	Net
06/02/2021	060221-ROW-BPX HS STATE C		\$105,866.25	\$0.00	\$105,866.25

21710026

161

X



Pinnacle TransPecos Midstream, LLC

Company Number: 21

CHECK NUMBER: 21300398

PAY DATE	SUPPLIER NO.	SUPPLIER NAME	CHECK TOTAL
Jun 03, 2021	6214	Texas General Land Office	\$105,866.25

Invoice Date	Invoice No.	Invoice / Credit Memo Invoice Description	Gross	Discount	Net
06/02/2021	060221-ROW-BPX HS STATE C		\$105,866.25	\$0.00	\$105,866.25
Totals			\$105,866.25	\$0.00	X \$105,866.25

THE FACE OF THIS CHECK IS PRINTED BLUE-THE BACK CONTAINS A SIMULATED WATERMARK

Pinnacle TransPecos Midstream, LLC
Company Number: 21

Bank of America

32-1/1110

Check Number: 0021300398

Check Date: Jun 03, 2021

21710026

One Hundred Five Thousand Eight Hundred Sixty Six Dollars and 25 Cents Only*****

PAY (USD)	\$105,866.25
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Pay To The Order Of
Texas General Land Office
PO Box 12873
Austin, TX 78711-2873
Authorized Signature

⑈0021300398⑈

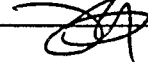
File No. MF 113596

_____ County

Damages Pmt

Date Filed: 9/8/21

George P. Bush, Commissioner

By 

6. 0. 57